

RESOLUTION NUMBER 2854

**RESOLUTION OF INTENTION OF THE CITY COUNCIL
OF THE CITY OF PERRIS TO ESTABLISH COMMUNITY
FACILITIES DISTRICT NO. 2001-1 (MAY FARMS) OF THE
CITY OF PERRIS AND TO AUTHORIZE THE LEVY OF A
SPECIAL TAX WITHIN COMMUNITY FACILITIES
DISTRICT NO. 2001-1 (MAY FARMS)**

WHEREAS, the City Council (the “Council”) of the City of Perris (the “City”) has received a petition (including consent and waiver) (the “Petition”) requesting the institution of proceedings for formation of a community facilities district (the “District”) pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, commencing with Section 53311 of the Government Code of the State of California (the “Act”); and

WHEREAS, the Council has determined that the Petition complies with the requirements of Government Code Section 53318(a) and now intends to form Community Facilities District No. 2001-1 (May Farms) of the City of Perris; and

WHEREAS, the Council desires to adopt this resolution of intention as provided in Section 53321 of the Act to establish a community facilities district consisting of the territory described in Exhibit “A” hereto and incorporated herein by this reference, which the Council hereby determines shall be known as “Community Facilities District No. 2001-1 (May Farms) of the City of Perris” (the “Community Facilities District No. 2001-1” or the “District”) pursuant to the Act to finance (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 (collectively, the “Facilities”), which Facilities have a useful life of five years or longer; and (2) the incidental expenses to be incurred in connection with financing the Facilities and forming and administering the District (the “Incidental Expenses”); and

WHEREAS, it is the intention of the Council to consider financing the Facilities and the Incidental Expenses through the formation of Community Facilities District No. 2001-1 and the sale of bonded indebtedness in an amount not to exceed \$8,000,000 within proposed Improvement Area No. 1 and \$90,000,000 within proposed Improvement Area No. 2 and the levy of a special tax within each Improvement Area to pay for the Facilities and the Incidental Expenses and to pay debt service on the bonded indebtedness incurred by such Improvement Area, provided that the bond sales and special tax levies are approved at an election to be held within each proposed Improvement Area of Community Facilities District No. 2001-1;

NOW, THEREFORE, the City Council of the City of Perris does hereby resolve, determine and order as follows:

Section 1. The above recitals are true and correct.

Section 2. A community facilities district is proposed to be established under the terms of the Act, with two separate improvement areas designated pursuant to Section 53350 of the Act. It is further proposed that the boundaries of the community facilities district and the boundaries of each Improvement Area shall be as described in Exhibit "A" hereto, which boundaries shall, upon recordation of the boundary map for the District, include the entirety of any parcel subject to taxation by the District. The proposed boundaries of the District and each Improvement Area are depicted on the map of the proposed Community Facilities District No. 2001-1 which is on file in the office of the City Clerk entitled "Proposed Boundaries, City of Perris, Community Facilities District No. 2001-1," which map indicates by a boundary line the extent of the territory included in the proposed community facilities district and shall govern for all details as to the extent of Community Facilities District No. 2001-1. On the original and one copy of the map of such Community Facilities District No. 2001-1 on file in the City Clerk's office, the City Clerk shall endorse the certificate evidencing the date and adoption of this resolution. The City Clerk shall file the original of such map in her office and, within fifteen (15) days after the adoption of this Resolution, the City Clerk shall file a copy of such map so endorsed in the records of the County Recorder, County of Riverside, State of California, all as required by Section 3111 of the Streets and Highways Code of the State of California.

Section 3. The name of the proposed City of Perris Community Facilities District shall be "Community Facilities District No. 2001-1 (May Farms) of the City of Perris" and the two proposed Improvement Areas shall be designated as "Improvement Area No. 1" and "Improvement Area No. 2."

Section 4. The Facilities proposed to be provided within Community Facilities District No. 2001-1 and to be financed in part by each Improvement Area are public facilities as defined in the Act, which the City is authorized by law to construct, acquire, own and operate. The Council hereby finds and determines that the description of the Facilities herein is sufficiently informative to allow taxpayers within the proposed District and each Improvement Area to understand what the funds of each Improvement Area may be used to finance. The Incidental Expenses expected to be incurred include the cost of planning and designing the Facilities, the costs of forming the District, issuing bonds and levying and collecting a special tax within each proposed Improvement Area of the District. The Council hereby finds that the proposed Facilities are necessary to meet increased demands placed upon the City as a result of development occurring in the District. The Facilities may be acquired from one or more of the property owners 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 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 5. Except where funds are otherwise available, it is the intention of the City Council to levy annually in accordance with procedures contained in the Act a special tax within each Improvement Area, secured by recordation of a continuing lien against all nonexempt real property in that Improvement Area, sufficient to pay for: (i) the Facilities and Incidental Expenses; and (ii) the principal and interest and other periodic costs on bonds or other indebtedness issued for such Improvement Area to finance the Facilities and Incidental Expenses, including the establishment and replenishment of any reserve funds deemed necessary by the District, and 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). The rate and method of apportionment and manner of collection of the special tax within each Improvement Area are described in detail in Exhibit "C" attached hereto and incorporated herein by this reference. Exhibit "C" allows each landowner within each of the Improvement Areas proposed within the District to estimate the maximum amount that may be levied against each parcel. In the first year in which such special tax is levied, the levy shall include an amount sufficient to repay the District all amounts, if any, transferred to the District pursuant to Section 53314 of the Act and interest thereon.

If special taxes of the District are levied against any parcel used for private residential purposes, (i) the maximum special tax rate shall not be increased over time except that it may be increased by an amount not to exceed two percent (2%) per year to the extent permitted in the rate and method of apportionment; (ii) such tax shall be levied for a period not to exceed fifty (50) years commencing with Fiscal Year 2001-2002, as further described in Exhibit "C" hereto; and (iii) under no circumstances will such special tax be increased as a consequence of delinquency or default by the owner of any other parcels within the District by more than ten percent.

The special tax within a proposed Improvement Area is based on the expected demand that each parcel of real property within the proposed Improvement Area will place on the Facilities and on the benefit that each parcel derives from the right to access the Facilities. The Council hereby determines that the proposed Facilities are necessary to meet the increased demand placed upon the City and the existing infrastructure in the City as a result of the development of land proposed for inclusion in the District. The Council hereby determines the rate and method of apportionment of the special tax set forth in Exhibit "C" for each proposed Improvement Area to be reasonable. The special tax is apportioned to each parcel on the foregoing basis pursuant to Section 53325.3 of the Act and such special tax is not based upon the value or ownership of real property. In the event that a portion of the property within a proposed Improvement Area of Community Facilities District No. 2001-1 shall become for any reason exempt, wholly or partially, from the levy of the special tax specified on Exhibit "C", the Council shall, on behalf of Community Facilities District No. 2001-1, cause the levy to be increased, subject to the limitation of the maximum special tax for a parcel as set forth in Exhibit "C," to the extent necessary upon the remaining property within that Improvement Area which is not delinquent or exempt in order to yield the special tax revenues required for the purposes described in Section 5. The obligation to pay special taxes may be prepaid as set forth in Exhibit "C."

Section 6. A public hearing (the “Hearing”) on the establishment of Community Facilities District No. 2001-1, each proposed Improvement Area, the proposed rate and method of apportionment of the Special Tax and the proposed issuance of bonds by the Improvement Area to finance the Facilities and the Incidental Expenses shall be held on September 11, 2001, at 7:00 o’clock p.m., or as soon thereafter as practicable, at the chambers of the City Council of the City of Perris, 101 North “D” Street, Perris, California 92570. Should the Council determine to form the District and establish the Improvement Areas, a special election will be held within each Improvement Area to authorize the issuance of bonds and the levy of the Special Tax in accordance with the procedures contained in Government Code Section 53326. If held, the proposed voting procedure at the elections will be a landowner vote with each landowner who is the owner of record of land within an Improvement Area at the close of the Hearing, or the authorized representative thereof, having one vote for each acre or portion thereof owned within the Improvement Area. Ballots for the special elections may be distributed by mail or by personal service.

Section 7. At the time and place set forth above for the Hearing, any interested person, including all persons owning lands or registered to vote within the proposed District, may appear and be heard.

Section 8. Each City officer who is or will be responsible for the District, if it is established, is hereby directed to study the proposed District and, at or before the time of the above-mentioned Hearing, file a report with the City Council, and which is to be made a part of the record of the Hearing, containing a brief description of the public facilities by type which will in his or her opinion be required to meet adequately the needs of Community Facilities District No. 2001-1 and an estimate of the cost of providing those public facilities, including the cost of environmental evaluations of such facilities and an estimate of the fair and reasonable cost of any Incidental Expenses to be incurred.

Section 9. The City may accept advances of funds or work-in-kind from any sources, including, but not limited to, private persons or private entities, for any authorized purpose, including, but not limited to, paying the cost incurred in creating Community Facilities District No. 2001-1. The District may enter into an agreement with the person or entity advancing the funds or work-in-kind, to repay all or a portion of the funds advanced, or to reimburse the person or entity for the value, or cost, whichever is less, of the work-in-kind, as determined by the Council, with or without interest.

Section 10. The City Clerk is hereby directed to publish a notice (“Notice”) of the Hearing pursuant to Section 6061 of the Government Code in a newspaper of general circulation published in the area of the proposed District. Such Notice shall contain the text of this Resolution, state 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 as provided in Section 53324 of the Act and a description of the proposed voting procedure for the election required by the Act. Such publication shall be completed at least 7 days prior to the date of the Hearing.

Section 11. Except to the extent limited in any bond resolution or trust indenture related to the issuance of bonds, the 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).

PASSED, APPROVED and ADOPTED this 31ST day of July, 2001.

MAYOR CITY OF PERRIS

Attest:

City Clerk

STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE) §
CITY OF PERRIS)

I, Margaret Rey, City Clerk of the City of Perris, do hereby certify that the foregoing Resolution Number 2854 was duly adopted by the City Council of the City of Perris at a regular meeting of said Council on the 31st day of July, 2001, and that it was so adopted by the following vote:

AYES: Rogers, Yarbrough, Larios, Motte, Busch
NOES:

City Clerk

EXHIBIT "B"

**TYPES OF FACILITIES TO BE FINANCED BY
COMMUNITY FACILITIES DISTRICT NO. 2001-1**

Streets, roadway improvements, including improvements to intersections and arterial highways, street lights, landscaping, sanitary sewers, water supply, including sewer and water treatment facilities, and storm drainage, school facilities, impact fees and other fees.

EXHIBIT "C"
RATE AND METHOD OF APPORTIONMENT
OF SPECIAL TAX