

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

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CHULA VISTA AUTHORIZING AND DIRECTING COMPLIANCE WITH THE “REFUNDING ACT OF 1984 FOR 1915 IMPROVEMENT ACT BONDS,” AS MODIFIED, IN CONNECTION WITH THE ISSUANCE OF LIMITED OBLIGATION REFUNDING BONDS FOR THE PURPOSE OF REFUNDING CERTAIN REASSESSMENT DISTRICT BONDS

WHEREAS, the City of Chula Vista (the "City") is a municipal corporation and charter city duly organized and existing under a freeholder's charter pursuant to which the City has the right and power to make and enforce all laws and regulations with respect to municipal affairs and certain other matters in accordance with and as more particularly provided in Sections 3, 5 and 7 of Article XI of the Constitution of the State of California (the "Constitution") and the Charter of the City of Chula Vista (the "Charter"); and

WHEREAS, as a charter city, the City is duly authorized and empowered to adopt regulations as they relate to municipal affairs of the City, including bond matters; and

WHEREAS, the City has formed assessment districts pursuant to the Municipal Improvement Act of 1913 (California Streets and Highways Code §10000, *et seq.*) (the "Improvement Act"), levied assessments within such assessment districts pursuant to the Improvement Act and issued bonds ("Limited Obligation Improvement Bonds") pursuant to the Improvement Bond Act of 1915 (California Streets and Highways Code §8500, *et seq.*) (the "Assessment District Bond Act") for the purpose of financing the acquisition or construction of public improvements to specially benefit and serve the properties within such assessment districts; and

WHEREAS, the City has formed reassessment districts (the “Prior Reassessment District”) pursuant to the Refunding Bond Act of 1984 for 1915 Improvement Act Bonds (the “Refunding Act”) for the purpose of financing the refunding of prior Limited Obligation Improvement Bonds from the proceeds of limited obligation refunding bonds (“Prior Limited Obligation Refunding Bonds”) issued pursuant to the Refunding Act; and

WHEREAS, at the City has initiated proceedings to establish a new reassessment district and reassess the parcels within the Prior Reassessment District and to refund all outstanding Prior Limited Obligation Refunding Bonds pursuant to the Refunding Act, said new reassessment district to be designated as City of Chula Vista Reassessment District No. 2015-1 (the "Reassessment District");

WHEREAS, the City has also formed community facilities districts pursuant to the Mello-Roos Community Facilities Act of 1982 (California Government Code §53311, *et seq.*) (the "Mello-Roos Act") and authorized such community facilities districts to levy special taxes therein and to issue bonds ("Special Tax Bonds") secured by such special

taxes for the purpose of financing the acquisition or construction of public improvements benefiting new development within such community facilities districts; and

WHEREAS, as a result of a combination of favorable interest rate conditions in the municipal bond market, and the level of development, diversity of ownership and increase in property values within certain assessment districts and community facilities districts previously established by the City, the City desires to issue its City of Chula Vista Reassessment District No. 2015-1 Limited Obligation Refunding Bonds (the “2015 Limited Obligation Refunding Bonds”) in a principal amount not to exceed \$6,400,000 to refund the outstanding principal amount of the City of Chula Vista Reassessment District No. 2005-2 Limited Obligation Refunding Bonds issued in the original principal amount of \$10,455,000 and certain special tax refunding bonds (the “2015 Special Tax Refunding Bonds”) identified in Attachment A to this resolution to refund certain previously issued Special Tax Bonds (the “Prior Special Tax Bonds”) identified in Attachment B to this Resolution to reduce the reassessments and special taxes, respectively, which must be paid by the property owners within the affected reassessment district and community facilities districts; and

WHEREAS, the City believes that combining the issuance of 2015 Limited Obligation Refunding Bonds and the 2015 Special Tax Refunding Bonds (collectively, the “2015 Refunding Bonds”) will enhance the savings to the property owners within the affected reassessment district and community facilities districts; and

WHEREAS, the interest payment dates and maturity dates for the Prior Special Tax Bonds are March 1 and September 1, respectively, throughout the term of such bonds; and

WHEREAS, the Mello-Roos Act provides that the term of each series of the 2015 Special Tax Refunding Bonds may not exceed the term of the series of the Prior Special Tax Bonds to be redeemed from the proceeds of such series of 2015 Special Tax Refunding Bonds; and

WHEREAS, the interest payment dates and maturity dates for the Prior Limited Obligation Refunding Bonds are established by the Assessment District Bond Act and the Refunding Act of 1984, respectively, as March 2 and September 2 of each year; and

WHEREAS, the issuance of 2015 Limited Obligation Refunding Bonds and 2015 Special Tax Refunding Bonds with common interest payment dates and maturity dates will facilitate the ability to combine such refundings to achieve enhanced savings for the affected property owners; and

WHEREAS, the maturity dates for the 2015 Special Tax Refunding Bonds may not be extended to September 2 without extending the term of the 2015 Special Tax Refunding Bonds in violation of the Mello-Roos Act; and

WHEREAS, in order to provide for the issuance of the 2015 Refunding Bonds with common interest payment dates and maturity dates it will be necessary to change the interest payment dates and maturity dates of the 2015 Limited Obligation Refunding Bonds to March 1 and September 1; and

WHEREAS, the City is not required to, but desires to, follow the refunding procedures set forth in the Refunding Act of 1984, with respect to the issuance of the 2015 Limited Obligation Refunding Bonds for the purpose of refunding the Prior Limited Obligation Refunding Bonds; and

WHEREAS, the City Council desires to modify the procedures contained in the Refunding Act of 1984, as applied to issuance of the 2015 Limited Obligation Refunding Bonds, in order to allow the 2015 Limited Obligation Refunding Bonds to be issued with interest payment dates and maturity dates of March 1 and September 1.

NOW, THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED by the City Council of the City of Chula Vista as follows:

SECTION 1. Reference To Laws. The City of Chula Vista shall follow the provisions of the Refunding Act of 1984 for 1915 Improvement Act Bonds (California Streets and Highways Code §9500, *et seq.*) (the "Refunding Act of 1984"), as modified by this Resolution, in connection with the issuance of the 2015 Limited Obligation Refunding Bonds for the purpose of refunding of the Prior Limited Obligation Refunding Bonds.

SECTION 2. Modifications To Procedures Set Forth In The Refunding Act Of 1984.

The City will follow the procedures set forth in the Refunding Act of 1984, in connection with issuance of the 2015 Limited Obligation Refunding Bonds, with the following modifications (modifications are in ***bold, italicized*** text):

(a) As applied to the issuance of the 2015 Limited Obligation Refunding Bonds, Subsection (a)(2) of Section 9600 of the Streets and Highways Code shall be modified to read as follows:

"(2) Interest upon the refunding bonds from ***the September 1 or the September 2, as determined by resolution of the City Council***, next preceding the date of sale thereof to not later than ***the September 1 or September 2, as applicable***, next succeeding two years from the date."

(b) As applied to the issuance of the 2015 Limited Obligation Refunding Bonds, Section 9605 of the Streets and Highways Code shall be modified to read as follows:

"All of the refunding bonds shall mature on *September 1 or* September 2 *as determined by resolution of the City Council.*"

(c) As applied to the issuance of the 2015 Limited Obligation Refunding Bonds, Section 9606 of the Streets and Highways Code shall be modified to read as follows:

"In no event shall the first maturity date of any refunding bonds be earlier than *the first day of September or* the second day of September, *as determined by resolution of the City Council*, next succeeding 12 months after the date of the bonds."

(d) As applied to the issuance of the 2015 Limited Obligation Refunding Bonds, Section 9607 of the Streets and Highways Code shall be modified to read as follows:

"The last maturity of any refunding bonds shall not exceed 39 years from the first or second day of September, as determined by resolution of the City Council, next succeeding 12 months after the date of the bonds."

(e) As applied to the issuance of the 2015 Limited Obligation Refunding Bonds, Section 9609 of the Streets and Highways Code shall be modified to read as follows:

"The interest on refunding bonds shall be payable on *March 1 or* March 2 and *September 1 or* September 2, respectively, of each year, *as determined by resolution of the City Council.*"

(f) As applied to the issuance of the 2015 Limited Obligation Refunding Bonds, Section 9610 of the Streets and Highways Code shall be modified to read as follows:

"The first interest payment on the bonds shall be *March 1 or* March 2, *as determined by resolution of the City Council*, proceeding the *first or* second day of September, *as applicable*, next succeeding 12 months after the date of the bonds, except that, if any portion of the interest is funded, the legislative body may specify that the first payment of interest shall become due on an earlier interest payment date following the date of the bonds."

SECTION 3. Official Actions. The Mayor, the City Manager, the Deputy City Manager, the Finance Director, the City Attorney, the City Clerk and any and all other officers of the City are hereby authorized and directed, for and in the name of and on behalf of the City, to do any and all things and take any and all actions, and to execute

and deliver all certificates and other documents, which they, or any of them, may deem necessary or advisable in order to consummate the refunding, issuance and delivery of the 2015 Limited Obligation Refunding Bonds.

SECTION 4. Effective Date. This Resolution shall take effect from and after the date of its passage and adoption.

Presented by

Approved as to form by

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Maria Kachadoorian  
Deputy City Manager

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Glen R. Googins  
City Attorney





**ATTACHMENT A**

**2005 SPECIAL TAX REFUNDING BONDS**

1. City of Chula Vista Community Facilities District No. 97-3 (Otay Ranch McMillin Spa One) 2015 Special Tax Refunding Bonds to be issued in a principal amount not to exceed \$\_\_\_\_\_.
2. City of Chula Vista Community Facilities District No. 99-1 (Otay Ranch Spa One – Portions of Village One, Village Five and Village One West) 2015 Special Tax Refunding Bonds to be issued in a principal amount not to exceed \$\_\_\_\_\_.
3. City of Chula Vista Community Facilities District No. 2000-1 (Sunbow II – Villages 5 through 10) 2015 Special Tax Refunding Bonds to be issued in a principal amount not to exceed \$\_\_\_\_\_.
4. City of Chula Vista Community Facilities District No. 2001-1 (San Miguel Ranch) 2015 Improvement Area A Special Tax Refunding Bonds to be issued in a principal amount not to exceed \$\_\_\_\_\_.



## **APPENDIX B**

### **PRIOR SPECIAL TAX BONDS**

1. City of Chula Vista Community Facilities District No. 97-3 (Otay Ranch McMillin Spa One) 2005 Special Tax Refunding Bonds issued in the original principal amount of \$12,010,000.
2. City of Chula Vista Community Facilities District No. 99-1 (Otay Ranch Spa One – Portions of Village One, Village Five and Village One West) 2005 Special Tax Refunding Bonds issued in the original principal amount of \$44,875,000.
3. City of Chula Vista Community Facilities District No. 2000-1 (Sunbow II – Villages 5 through 10) 2005 Special Tax Refunding Bonds issued in a principal amount of \$7,560,000.
4. City of Chula Vista Community Facilities District No. 2001-1 (San Miguel Ranch) 2005 Improvement Area A Special Tax Refunding Bonds issued in a principal amount of \$15,505,000.