

RESOLUTION NO. _____

RESOLUTION DECLARING NECESSITY TO INCUR A BONDED INDEBTEDNESS FOR IMPROVEMENT AREA NO. 1 AND IMPROVEMENT AREA NO. 2 OF COMMUNITY FACILITIES DISTRICT NO. 16-I (MILLENNIA), SUBMITTING TO THE QUALIFIED ELECTORS OF EACH SUCH IMPROVEMENT AREA SEPARATE PROPOSITIONS TO AUTHORIZE THE LEVY OF A SPECIAL TAX THEREIN, TO AUTHORIZE SUCH COMMUNITY FACILITIES DISTRICT TO INCUR A BONDED INDEBTEDNESS FOR EACH SUCH IMPROVEMENT AREA SECURED BY THE LEVY OF SUCH SPECIAL TAX THEREIN TO FINANCE CERTAIN TYPES OF PUBLIC FACILITIES AND TO ESTABLISH AN APPROPRIATIONS LIMIT FOR SUCH COMMUNITY FACILITIES DISTRICT, AND GIVING NOTICE THEREON

WHEREAS, the CITY COUNCIL of the CITY OF CHULA VISTA (the “City Council”), has previously declared its intention and held and conducted a public hearing relating to the issuance of bonds to be secured by special taxes within each improvement area to finance certain public facilities in a community facilities district, as authorized pursuant to the terms and provisions of the “Mello-Roos Community Facilities Act of 1982”, being Chapter 2.5, Part 1, Division 2, Title 5 of the Government Code of the State of California (the “Act”) and the City of Chula Vista Community Facilities District Ordinance enacted pursuant to the powers reserved by the City of Chula Vista under Sections 3, 5 and 7 of Article XI of the Constitution of the State of California (the “Ordinance”) (the Act and the Ordinance may be referred to collectively as the “Community Facilities District Law”). This community facilities district shall hereinafter be referred to as Community Facilities District No. 16-I (Millenia) (the “District”) and the improvement areas shall hereinafter be referred to as Improvement Area No. 1 and Improvement Area No. 2 (each, an “Improvement Area” and collectively, the “Improvement Areas”); and,

WHEREAS, at this time the City Council desires to proceed to make the determination of necessity to incur a bonded indebtedness for each Improvement Area, to declare the purposes for such debt, and to authorize the submittal of a proposition to the qualified electors of each such Improvement Area, being the landowners of each such Improvement Area, all as authorized and required by the Community Facilities District Law;

WHEREAS, the City Council further desires to authorize the submittal of propositions to such qualified electors of each Improvement Area to (a) authorize the levy of special taxes within such Improvement Area and (b) to establish an appropriation limit for the District;

WHEREAS, all of the qualified electors of each Improvement Area have waived the time limits specified in the Act pertaining to the conduct of the election for such Improvement Area and the requirements for impartial legal analysis and arguments have also been waived by the unanimous consent of the qualified electors of such Improvement Area; and

WHEREAS, the City Clerk, as the Election Official, has concurred in the shortening of time for conducting the election.

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

SECTION 1. Recitals. The above recitals are all true and correct.

SECTION 2. Necessity for bonded indebtedness. The City Council hereby expressly declares and states that it is necessary to incur a bonded indebtedness of the District for each Improvement Area as authorized under the terms and provisions of the Community Facilities District Law, in order to finance the types of public facilities described in Exhibit A attached hereto and incorporated herein by this reference.

SECTION 3. Purpose for such bonded indebtedness. The specific purposes for the proposed bonded indebtedness are as follows:

To finance a portion of the costs of the acquisition or construction of certain public facilities consisting of the types of facilities described in Exhibit A hereto (the "Facilities") which is incorporated herein by this reference, appurtenances and appurtenant work and any and all of those applicable incidental costs described in and authorized by Government Code Section 53345.3.

SECTION 4. Territory to pay for such bonded indebtedness.

This City Council determines that the property within each Improvement Area will pay for the bonded indebtedness of such Improvement Area referred to in Section 3 above. A general description of the District is as follows:

All property within the boundaries of Community Facilities District No. 16-I (Millenia) and the Improvement Areas, as shown on a map as previously approved by the City Council, such map designated by the name of this District, a copy of which is on file in the Office of the City Clerk.

SECTION 5. Bond authorization. The amount of the proposed bonded indebtedness, including the cost of the Facilities, together with all incidental expenses, of the District for each Improvement Area shall not exceed the following amounts:

Improvement Area No. 1	\$20,000,000
Improvement Area No. 2	\$21,000,000

SECTION 6. Bond term. This City Council hereby further determines that the maximum term of bonds and/or any series shall not exceed forty (40) years, and such bonds may be issued in differing series, at differing times. The maximum rate of interest to be paid on such bonds may not exceed the greater of either twelve percent (12%) per annum or the maximum rate permitted by law at the time of sale of any of such bonds. The bonds, except where other funds are made available, shall be paid exclusively from the annual levy of the special tax within the

related Improvement Area, and are not secured by any other taxing power or funds of the District or the City.

SECTION 7. Accountability measures. Pursuant to and in compliance with the provisions of Article 1.5 (commencing with Section 53410) of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code, this City Council hereby establishes the following accountability measures pertaining to any bonded indebtedness incurred by or on behalf of the District:

- A. Such bonded indebtedness shall be incurred for the applicable specific purposes set forth in the Section 3.
- B. The proceeds of any such bonded indebtedness shall be applied only to the applicable specific purposes identified in Section 3.
- C. The document or documents establishing the terms and conditions for the issuance of any such bonded indebtedness shall provide for the creation of an account into which the proceeds of such indebtedness shall be deposited.
- D. The City Manager or his or her designee, acting for and on behalf of the District, shall annually file a report with this City Council as required by Government Code Section 53411.

SECTION 8. Election. The propositions related to the incurring of the bonded indebtedness for each Improvement Area shall be submitted to the appropriate qualified voters of such Improvement Area, together with ballot propositions to authorize the levy of special taxes within such Improvement Area and to establish an appropriations limit for the District, at a special election to be held on September 13, 2016, and such election shall be a special election to be conducted by the City Clerk (the "Election Official"). If any proposition for the levy of the special tax and any proposition for incurring the bonded indebtedness receives the approval of two-thirds (2/3) or more of the votes cast on each respective proposition, bonds may be authorized, issued and sold for the applicable purposes set forth herein and the applicable special tax may be levied as provided in Resolution Forming and Establishing Community Facilities District No. 16-I (Millenia) and Authorizing the Submittal of Special Taxes to the Qualified Electors Thereof. If the proposition to establish the appropriations limit for the District receives the approval of a majority of the votes cast on such proposition, such appropriations limit shall be established.

SECTION 9. Ballots. The ballot proposals to be submitted to the qualified voters of the Improvement Areas at the election shall generally be as follows:

PROPOSITION A

Shall the City of Chula Vista Community Facilities District No. 16-I (Millenia), subject to accountability measures required pursuant to Government Code Section 50075.1, levy a special tax throughout Improvement Area No. 1 of such district pursuant to

the rate and method of apportionment thereof set forth in such resolution for the purposes of paying debt service on bonds of such district, replenishing the reserve fund for such bonds, paying costs of administering such indebtedness and such district and paying directly for the types of facilities described in such resolution?

PROPOSITION B

Shall the City of Chula Vista Community Facilities District No. 16-I (Millenia), subject to accountability measures required pursuant to Government Code Sections 53410 and 53411, incur a bonded indebtedness for Improvement Area No. 1 of such district in an amount not to exceed \$20,000,000 for the specific purposes set forth in such resolution?

PROPOSITION C

Shall the City of Chula Vista Community Facilities District No. 16-I (Millenia), subject to accountability measures required pursuant to Government Code Section 50075.1, levy a special tax throughout Improvement Area No. 2 of such district pursuant to the rate and method of apportionment thereof set forth in such resolution for the purposes of paying debt service on bonds of such district, replenishing the reserve fund for such bonds, paying costs of administering such indebtedness and such district and paying directly for the types of facilities described in such resolution?

PROPOSITION D

Shall the City of Chula Vista Community Facilities District No. 16-I (Millenia), subject to accountability measures required pursuant to Government Code Sections 53410 and 53411, incur a bonded indebtedness for Improvement Area No. 2 of such district in an amount not to exceed \$21,000,000 for the specific purposes set forth in such resolution?

PROPOSITION E

Shall the City of Chula Vista Community Facilities District No. 16-I (Millenia) establish an Article XIII B appropriations limit equal to \$41,000,000?

SECTION 10. Vote. The appropriate mark placed on the line in front of the word “YES” shall be counted in favor of the adoption of the proposition, and the appropriate mark placed on the line in front of the word “NO” in the manner as authorized, shall be counted against the adoption of such proposition.

SECTION 11. Election procedure. The Election Official is hereby authorized to take any and all steps necessary for the holding of such election. The Election Official shall perform and render, or cause to be performed and rendered, all services and proceedings incidental to and connected with the conduct of the election, which services shall include, but not be limited to, the following activities as are appropriate to the election:

- A. Prepare and furnish to the election officers necessary election supplies for the conduct of the election.
- B. Printed the requisite number of official ballots, tally sheets and other necessary forms.
- C. Furnish and address official ballots for the qualified electors.
- D. Deliver the official ballots to the qualified electors or their authorized representatives, as required by law.
- E. Receive the returns of the election and supplies.
- F. Sort and assemble the election material and supplies in preparation for the canvassing of the returns.
- G. Canvass the returns of the election.
- H. Furnish a tabulation of the number of votes given in the election.
- I. Conduct and handle all other matters relating to the proceedings and conduct of the election in the manner and form as required by law.

PREPARED BY:

APPROVED AS TO FORM BY:

Kelly G. Broughton FASLA
Director of Developmental Services

Glen R. Googins
City Attorney

EXHIBIT A

DESCRIPTION OF TYPES OF FACILITIES

The types of facilities eligible to be financed by the District are street (both on-site grid streets and boundary arterials) and bridge improvements, including grading, paving, curbs and gutters, sidewalks, trails, medians, traffic signalization and signage, street lights, utilities, storm water drainage, detention and treatment, and landscaping and irrigation related thereto, sewer collection and conveyance facilities, off site storm detention and treatment facilities, park and recreation facilities (including land and improvements), fire facilities and equipment, library facilities and equipment, transit facilities, fiber optic telecommunication system facilities, general governmental office, administrative and meeting facilities, bus and rapid transit facilities and land, rights of way and easements necessary for any of such facilities. Notwithstanding the foregoing, only equipment with a useful life of five (5) years or more will be eligible to be financed.