

RESOLUTION NO. 2017 -

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAKE ELSINORE ACTING AS THE LEGISLATIVE BODY OF CITY OF LAKE ELSINORE COMMUNITY FACILITIES DISTRICT NO. 2006-1 (SUMMERLY) DETERMINING THE NECESSITY TO INCUR BONDED INDEBTEDNESS WITHIN IMPROVEMENT AREAS JJ AND KK OF CITY OF LAKE ELSINORE COMMUNITY FACILITIES DISTRICT NO. 2006-1 (SUMMERLY) AND CALLING ELECTIONS THEREIN

Whereas, after a public hearing, on February 28, 2006, the City Council (Council) of the City of Lake Elsinore (City) formed City of Lake Elsinore Community Facilities District No. 2006-1 (Summerly) (the "District" or "Community Facilities District No. 2006-1") and Improvement Area DD and Improvement Area GG therein pursuant to the Mello-Roos Community Facilities Act of 1982, as amended (Act); and,

Whereas, subsequent to formation of the District, the District received a petition signed by McMillin Summerly, LLC, a Delaware limited liability company (Owner) which owns land proposed to be established as Improvement Area JJ (Proposed Improvement Area JJ) and as Improvement Area KK of the District ("Proposed Improvement Area KK" and, together with Proposed Improvement Area JJ, the "Proposed Improvement Areas") and to approve rates and methods of apportionment for each of Proposed Improvement Area JJ and Proposed Improvement Area KK (the "Proposed Rates and Methods"); and,

Whereas, on January 24, 2017, the City Council adopted Resolution No. 2017-016 stating its intention to establish the Proposed Improvement Areas, to approve an amended boundary map of the District to include the Proposed Improvement Areas, to issue bonds for the benefit of each Proposed Improvement Area to pay for certain, and to approve the levy of special taxes in accordance with the Proposed Rates and Methods attached as Attachments "B" and "C" to Resolution No. 2017-016 to finance certain Facilities, Facilities Incidental Expenses, Services and Services Incidental Expenses (as such terms are defined in Resolution No. 2017-016), for the purposes described in Resolution No. 2017-016; and,

Whereas, on January 24, 2017, the City Council also adopted Resolution No. 2017-017 stating its intention to incur bonded indebtedness within the Proposed Improvement Areas in an amount not to exceed \$7,000,000 for Improvement Area JJ and \$5,700,000 for Improvement Area KK to finance: (1) the purchase, construction, expansion, improvement or rehabilitation of the Facilities and the Facilities Incidental Expenses; and,

Whereas, on February 28, 2017, the City Council continued the public hearing called for pursuant to Resolution No. 2017-016 and Resolution No. 2017-017 to March 14, 2017 and on March 14, 2017, such public hearing was continued to March 28, 2017; and,

Whereas, on March 28, 2017, this City Council conducted a noticed public hearing to determine whether it should proceed with the establishment of the Proposed Improvement Areas within Community Facilities District No. 2006-1, issue bonds for the benefit of each Proposed Improvement Area to pay for the Facilities and Facilities Incidental Expenses and authorize the Proposed Rates and Methods to be levied within each Proposed Improvement Area of Community Facilities District No. 2006-1 for the purposes described in Resolution No. 2017-016; and,

Whereas, at the March 28, 2017 public hearing all persons desiring to be heard on all matters pertaining to the establishment of the Proposed Improvement Area JJ and Proposed Improvement

Area KK from territory within the existing Improvement Area DD and Improvement Area GG, respectively, within Community Facilities District No. 2006-1, the levy of a special tax in accordance with the Proposed Rates and Methods to finance the Facilities, Services, Facilities Incidental Expenses and Services Incidental Expenses and the issuance of bonds within each Proposed Improvement Area to pay for the cost of the proposed Facilities and Facilities Incidental Expenses were heard and a full and fair hearing was held; and,

Whereas, the City Council subsequent to such public hearing adopted Resolution No. 2017-___ establishing the Proposed Improvement Areas within Community Facilities District No. 2006-1 and approving the Proposed Rates and Methods (the "Resolution of Formation"); and,

Whereas, the City Council desires to make the necessary findings to incur bonded indebtedness within each of the Proposed Improvement Areas of the District, to declare the purpose for said debt, and to authorize the submittal of certain propositions to the voters of each Proposed Improvement Area, being the landowners within such Proposed Improvement Areas, all as authorized and required by law.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF LAKE ELSINORE, ACTING AS THE LEGISLATIVE BODY OF CITY OF LAKE ELSINORE COMMUNITY FACILITIES DISTRICT NO. 2006-1 (SUMMERLY) HEREBY FINDS, DETERMINES, RESOLVES, AND ORDERS AS FOLLOWS:

1. It is necessary to incur bonded indebtedness of Community Facilities District No. 2006-1 in a maximum aggregate principal amount not to exceed \$7,000,000 for the benefit of Improvement Area JJ and \$5,700,000 for the benefit of Improvement Area KK.

2. The indebtedness is to be incurred for the purpose of financing the costs of purchasing, constructing, modifying, expanding, improving, or rehabilitating the Facilities, as described in Resolution No. 2017-017 and the Resolution of Formation, financing the Facilities Incidental Expenses, and carrying out the powers and purposes of Community Facilities District No. 2006-1, including, but not limited to, financing the costs of selling the bonds, establishing and replenishing bond reserve funds and paying 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), administrative expenses and other expenses of the type authorized by Section 53345.3 of the Act.

3. The whole of the property within a Proposed Improvement Area, other than property exempted from the special tax pursuant to the provisions of the applicable Proposed Rates and Methods, shall pay for the bonded indebtedness of such Proposed Improvement Area pursuant to the levy of the special tax authorized by the Resolution of Formation.

4. The maximum term of any series of the bonds to be issued shall in no event exceed forty (40) years.

5. The bonds shall bear interest at the rate or rates not to exceed the maximum interest rate permitted by law, payable annually or semiannually, or in part annually and in part semiannually, except the first interest payment may be for a period of less than six months, with the actual rate or rates and times of payment to be determined at the time or times of sale thereof.

6. The bonds may bear a variable or fixed interest rate, provided that such variable rate or the fixed rate shall not exceed the maximum rate permitted by Section 53531 of the Act, or any other applicable provision of law limiting the maximum interest rate on the bonds.

7. Pursuant to Section 53351 of the Act, a special election is hereby called for each Proposed Improvement Area of Community Facilities District No. 2006-1 on the proposition of incurring the bonded indebtedness for the Proposed Improvement Areas. The propositions relative to incurring bonded indebtedness for the Proposed Improvement Areas shall be in the forms set forth in Attachments "A" and "B" respectively, of the Resolution of Formation. The election in each Proposed Improvement Area on the proposition of incurring bonded indebtedness shall be consolidated with the election and on the propositions to levy a special tax and to establish an appropriations limits for each Proposed Improvement Area of the District, which propositions shall be in the forms set forth in Attachments "A" and "B" of the Resolution of Formation.

8. The date of the special elections for each Proposed Improvement Area of Community Facilities District No. 2006-1 shall be on March 28, 2017, or such later date as is consented to by the City Clerk of the City and the landowners within the Proposed Improvement Areas. The election shall be conducted by the City Clerk. Except as otherwise provided by the Act, the elections 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. The City Clerk is authorized to conduct the elections following the adoption of the Resolution of Formation and this resolution, and all ballots shall be received by, and the City Clerk shall close the election by, 11:00 p.m. on the election day; provided the elections shall be closed at such earlier time as all qualified electors have voted as provided in Section 53326(d) of the Act. It is hereby found based on information provided by the Registrar of Voters of the County of Riverside that there are fewer than 12 registered voters within the territory of the Proposed Improvement Areas and, pursuant to Section 53326 of the Act, the ballots for the special elections shall be distributed in person or by mail with return postage prepaid to the landowners of record within the Proposed Improvement Areas as of the close of the March 28, 2017 hearing regarding the establishment of the Proposed Improvement Areas. Each landowner shall have one vote for each acre or portion thereof that he or she owns within each Proposed Improvement Area, as provided in Section 53326 of the Act.

9. This Resolution shall be effective upon its adoption.

PASSED and ADOPTED at a regular meeting of the City Council of the City of Lake Elsinore, California, this 28th day of March, 2017.

Robert E. Magee, Mayor

ATTEST:

Susan M. Domen, MMC
City Clerk

STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE) ss.
CITY OF LAKE ELSINORE)

I, Susan M. Domen, MMC, City Clerk of the City of Lake Elsinore, California, do hereby certify that Resolution No. 2017-_____ was adopted by the City Council of the City of Lake Elsinore, California, at the Regular meeting of March 28, 2017, and that the same was adopted by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

Susan M. Domen, MMC
City Clerk