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1 up by 3% annually) for the Services Special Tax for the District; all in accordance with the terms of
2 the Resolution of Consideration; and

3 **WHEREAS**, pursuant to the terms of the Resolution Calling Election and the provisions of
4 the Act, the special election was held on September 13, 2022; and

5 **WHEREAS**, at such election the Proposition for making such modifications was approved
6 by the qualified electors of the District; and

7 **WHEREAS**, pursuant to Section 53113.5 and 53113.51, a District may finance the purchase
8 of facilities and discrete components thereof; and

9 **WHEREAS**, pursuant to Resolution No. 7645 adopted on July 15, 2020, the City, on behalf
10 of the District, and the previous owners of the property with the District, entered into a Funding,
11 Construction and Acquisition Agreement, dated as of July 14, 2020 (the “Acquisition Agreement”),
12 relating to facilities and fees to be acquired and funded by the District; and

13 **WHEREAS**, in light of the approved modifications to the District, Lennar Homes of
14 California, LLC, a California limited liability company, (the “Owner”), the owner and developer of
15 the land within the District, requests the Acquisition Agreement be modified; and

16 **WHEREAS**, there is presented at this meeting and on file in the office of the City Clerk an
17 Amended and Restated Funding, Construction and Acquisition Agreement (the “Amended
18 Acquisition Agreement”), by and between the Owner and the City, acting on behalf of the District,
19 relating to facilities and fees to be acquired and funded by the District, attached as Exhibit “B”
20 hereto and by this reference incorporated herein; and

21 **WHEREAS**, the Owner has approved the Amended Acquisition Agreement; and

22 **WHEREAS**, the City, acting on behalf of the District, has determined that it is necessary
23 and desirable to enter into the Amended Acquisition Agreement and that this agreement will be
24 beneficial to the residents of the City.

25 **NOW, THEREFORE, BE IT RESOLVED**, that the City Council of the City of Rialto,
26 acting as the legislative body of the City of Rialto Community Facilities District No. 2020-1 (El
27 Rancho Verde), does hereby resolve as follows:
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1 **Section 1.** The above recitals are true and correct.

2 **Section 2.** The removal of designated improvement areas within the District is hereby
3 approved and confirmed.

4 **Section 3.** The Amended and Restated Map describing the boundaries of the District (the
5 “Amended Map”) on file in the City Clerk's office and as described in the Resolution of
6 Consideration and incorporated herein by reference, which eliminated certain non-taxable parcels,
7 is hereby approved and shall be the boundaries of the District. The Amended Map shall supersede
8 all previously recorded maps. The Amended Map has been recorded in the Office of the County
9 Recorder of San Bernardino County, California in Book ___, Pages ___ of the Book of Maps of
10 Assessment and Community Facilities Districts, as Document Number 2022_____.

11 **Section 4.** The purpose for which the District was formed has not changed, which purpose
12 is to finance: (1) the purchase, construction, modification, expansion, improvement or rehabilitation
13 of certain real or other tangible property described in the Resolution of Consideration, including all
14 furnishings, equipment and supplies related thereto and the payment of development impact and
15 other fees (collectively, the “Facilities”), which Facilities have a useful life of five years or longer;
16 (2) services permitted to be financed by the Act and described in the Resolution of Consideration
17 (the “Services”) and (3) the incidental expenses be incurred in connection with financing the
18 Facilities and Services forming and administering the District (the “Incidental Expenses”).

19 **Section 5.** The type of Facilities, authorized to be provided within the District include
20 certain real and other tangible property with an estimated useful life of five years or longer, including
21 public infrastructure facilities, and other governmental facilities which the City or West Valley
22 Water District (“Water District”) is authorized by law to construct, own or operate, within or without
23 the District, which is necessary to meet increased demands placed upon the City and/or the Water
24 District as result of development or rehabilitation occurring within the District. The Facilities are
25 more fully described in Exhibit “B” attached to the Resolution of Consideration and by this reference
26 incorporated herein. The type of Services authorized to be provided within the District are additional
27 services under the Act and are a result of the increased demand of development within the District
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1 and are more fully described in Exhibit “C” attached to the Resolution of Consideration and by this
2 reference incorporated herein.

3 **Section 6.** In order to finance the Facilities, and Services, the Council shall levy annually
4 in accordance with procedures contained in the Act (i) a Facilities Special Tax sufficient to pay for
5 the Facilities and Incidental Expenses, and (ii) a Services Special Tax sufficient to fund the Services
6 including the costs of administering the levy and collection of the Services Special Tax and
7 incidental expenses related thereto. The Facilities Special Tax and Services Special Tax shall be
8 referred to collectively as the “Special Taxes.”

9 **Section 7.** Except where funds are otherwise available, there shall be continued to be levied
10 annually in accordance with procedures contained in the Act, a Facilities Special Tax and a Services
11 Special Tax, secured by recordation of a continuing lien against all nonexempt real property in the
12 District, sufficient to pay for: (i) the Facilities, Services and Incidental Expenses; and (ii) the
13 principal and interest and other periodic costs on bonds or other indebtedness issued to finance the
14 Facilities and Incidental Expenses, including the establishment and replenishment of any reserve
15 funds deemed necessary by the District. The rate and method of apportionment and manner of
16 collection of the Special Taxes is described in detail in Amended and Restated Rate and Method of
17 Apportionment described in the Resolution of Consideration (the “Amended RMA”) attached hereto
18 as Exhibit “A” and incorporated herein by this reference. The Amended RMA allows each
19 landowner within the District to estimate the maximum amount that may be levied against each
20 parcel.

21 **Section 8.** If the Facilities Special Taxes are levied against any parcel used for private
22 residential purposes, (i) the maximum special tax rate shall not be increased over time except that it
23 may be increased by an amount not to exceed two percent (2%) per year to the extent permitted in
24 the rate and method of apportionment; (ii) such tax shall be levied for a period not to exceed fifty
25 (50) years commencing with Fiscal Year 2023-24, as further described in Exhibit “A” attached
26 hereto; and (iii) under no circumstances will such special tax be increased more than ten percent
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1 (10%) as a consequence of delinquency or default by the owner of any other parcels within the
2 District by more than ten percent.

3 The Services Special Tax shall be levied perpetually and is not subject to the limitations in
4 the prior sentence. The Special Taxes are based on the expected demand that each parcel of real
5 property within the District will place on the Facilities and Services, on the benefit that each parcel
6 derives from the right to access the Facilities and Services and on other factors. The Council hereby
7 determines the Amended RMA set forth in Exhibit "A" to be reasonable. The special tax is
8 apportioned to each parcel on the foregoing basis pursuant to Section 53325.3 of the Act and such
9 special tax is not based upon the value or ownership of real property.

10 In the event that a portion of the property within the District shall become for any reason
11 exempt, wholly or partially, exempt from the levy of the Special Taxes specified on Exhibit "A,"
12 the Council shall, on behalf of the District, cause the levy to be increased, subject to the limitation
13 of the maximum special tax for a parcel as set forth in Exhibit "A" to the extent necessary upon the
14 remaining property within the District which is not delinquent or exempt in order to yield the special
15 tax revenues required for the purposes described herein. The obligation to pay Facilities Special
16 Taxes may be prepaid as set forth in Exhibit "A."

17 **Section 9.** Upon recordation of an amendment to the notice of special tax lien pursuant to
18 Section 3117.5 of the Streets and Highways Code, a continuing lien to secure each levy of the
19 Special Taxes shall continue to attach to all nonexempt real property of the District, and this lien
20 shall continue in force and effect until the Special Tax obligation is prepaid or otherwise
21 permanently satisfied and the lien cancelled in accordance with law or until collection of the tax by
22 the District ceases.

23 **Section 10.** The Council finds that the Facilities and Services are necessary to meet the
24 increased demand put upon the City as a result of the development within the District.

25 **Section 11.** The Council finds that there is not an ad valorem property tax currently being
26 levied on property within the District for the exclusive purpose of paying principal of or interest on
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1 bonds or other indebtedness incurred to finance construction of capital facilities which provide the
2 same services to the territory of the District as provided by the Facilities.

3 **Section 12.** The Council hereby approves the increase of the authorization of the District to
4 incur bonded indebtedness to a maximum aggregate principal amount not to exceed \$50,000,000
5 within District for the purpose of financing all or a portion of the Facilities and Incidental Expenses.
6 The maximum term of the bonds or any series thereof or any shall in no event exceed forty (40)
7 years. The bonds or any series thereof shall bear interest at a rate not to exceed the lesser of twelve
8 percent (12%) per annum or the maximum interest rate permitted by law, with the actual rates and
9 times of payment to be determined at the time of sale thereof.

10 **Section 13.** Except for property within the District that is exempt, wholly or partially, from
11 the levy of the Special Taxes specified in the Amended RMA, the whole of the property within the
12 District shall pay for the applicable bonded indebtedness pursuant to the levy of the Facilities Special
13 Tax authorized by this Resolution of Change.

14 **Section 14.** Pursuant to and in compliance with the provisions of Government Code Section
15 50075.1, and the provisions of Article 1.5 (commencing with Section 53410) of Chapter 3 of Part 1
16 of Division 2 of Title 5 of the Government Code, the Council hereby continues the following
17 accountability measures pertaining to the levy by the District of the Special Taxes described in
18 Section 7 above:

19 a. Such Special Taxes shall be levied for the specific purposes set forth in Section 5
20 hereof.

21 b. The proceeds of the levy of such Special Taxes shall be applied only to the specific
22 purposes set forth in Section 5 hereof.

23 c. The District shall establish accounts into which the proceeds of such Special Taxes
24 shall be deposited.

25 d. Bonded indebtedness shall be incurred for the specific purposes set forth in Section
26 12 above.

1 e. The proceeds of any bonded indebtedness shall be applied only to the specific
2 purposes identified in Section 12 above.

3 f. The document or documents establishing the terms and conditions for the issuance
4 of any such bonded indebtedness shall provide for the creation of an account or accounts into which
5 the proceeds of such bonded indebtedness shall be deposited.

6 g. The City Manager or Finance Director will provide for such accounting and reporting
7 for the Facilities Special Taxes and the Services Special Taxes as required by law.

8 h. The City Manager, or his or her designee, acting for and on behalf of the District,
9 shall annually file a report with the City Council as required pursuant to Government Code Sections
10 50075.3 and Government Code 53411.

11 **Section 15.** The appropriation limit for the District is hereby modified and confirmed as an
12 amount equal to \$50,000,000 for the Facilities Special Tax for the District and \$700,000 (adjusted
13 up by 3% annually) for the Services Special Tax for the District and as defined by Article XIII B of
14 the California Constitution, as adjusted for changes in the cost of living and changes in population.

15 **Section 16.** The Office of the City Manager, 150 South Palm Avenue, Rialto, California
16 92376, or its designee, is designated to be responsible for preparing annually a current roll of special
17 tax levy obligations by assessor's parcel number and for estimating future special tax levies pursuant
18 to Section 53340.1 of the Government Code.

19 **Section 17.** The City Clerk shall record a notice of cessation of special tax for the parcels
20 excluded from the boundaries of the District in the office of the County Recorder of the County of
21 San Bernardino pursuant to Sections 53330.5 and 53338.5 of the Act and Section 3114.5 of the
22 California Streets and Highways Code.

23 **Section 18.** That said form of Amended Acquisition Agreement presented at this meeting
24 and on file with the City Clerk be and is hereby approved, with such changes as may be approved
25 by the Mayor, City Manager or Finance Director, said officer's execution thereof to evidence
26 approval of the changes. The Mayor, City Manager or Finance Director is hereby authorized and
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1 directed to execute the Amended Acquisition Agreement on behalf of the District with such
2 execution to be attested to by the City Clerk.

3 **Section 19.** This Resolution shall take effect immediately upon its adoption.

4 **Section 20.** The City Clerk shall certify to the passage and adoption of this Resolution.

5 PASSED, APPROVED AND ADOPTED this ____ day of ___, 2022.

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Deborah Robertson, Mayor, City of Rialto

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13 ATTEST:

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Barbara A. McGee, City Clerk

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17 APPROVED AS TO FORM:

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Eric S. Vail, City Attorney

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1 STATE OF CALIFORNIA)
2 COUNTY OF SAN BERNARDINO) ss.
3 CITY OF RIALTO)

4 I, Barbara A. McGee, City Clerk of the City of Rialto, DO HEREBY CERTIFY that
5 he foregoing Resolution No. ____ was duly passed and adopted at a regular meeting of the City
6 Council of the city of Rialto held on the ____ day of ____, 2022.

7 Upon motion of ____, seconded by ____, the foregoing Resolution No.
8 ____ was duly passed and adopted.

9 VOTE ON THE MOTION

10 AYES:

11 NOES:

12 ABSENT:

13 IN WITNESS WHEREOF, I have hereunto set my hand and the Official Seal o the
14 City of Rialto this ____ day of ____, 2022.

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Barbara A. McGee, City Clerk

EXHIBIT “A”

**CITY OF RIALTO
COMMUNITY FACILITIES DISTRICT NO. 2020-1 (EL RANCHO VERDE)**

AMENDED AND RESTATED RATE AND METHOD OF APPORTIONMENT

(to be attached)

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EXHIBIT B

CITY OF RIALTO
COMMUNITY FACILITIES DISTRICT NO. 2020-1
(EL RANCHO VERDE)

FORM OF AMENDED AND RESTATED
FUNDING, CONSTRUCTION AND ACQUISITION AGREEMENT

(to be attached)