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1 tax for certain services (the “Original Services Special Tax”) within each Improvement Area, the
2 description of the authorized facilities (the “Facilities”) and the authorized services (the “Services”)
3 and the incurrence of the Original Bonded Indebtedness, and such matters were not precluded by a
4 majority protest; and

5 **WHEREAS**, following said public hearing, the Council adopted its resolution determining
6 the validity of prior proceedings, establishing the District, authorizing the levy of the Original
7 Facilities Special Tax and the Original Services Special Tax within each Improvement Area of the
8 District to fund the Facilities and Services within the boundaries of the District and establishing an
9 appropriations limit (the “Resolution of Formation”); and

10 **WHEREAS**, the map of the boundaries of the District, including the Improvement Areas
11 (the “Original Map”) has been recorded in the Office of the County Recorder of Riverside County,
12 California in Book 89, Pages 23 of the Book of Maps of Assessment and Community Facilities
13 Districts, as Document Number 2020-0220066; and

14 **WHEREAS**, the Council, in its capacity as the legislative body of the District (the
15 “Legislative Body”) called and duly held an election in each Improvement Area of the District
16 pursuant to Resolution No. 7646 (the “Resolution Calling Election”) adopted on July 14, 2020, for
17 the purpose of presenting to the qualified electors within each Improvement Area, propositions for
18 the levy of the Original Facilities Special Tax and the Original Services Special Tax and the
19 authorization to issue the Original Bonded Indebtedness related to the Original Facilities Special
20 Tax; and

21 **WHEREAS**, as shown in Resolution No. 7647 (the “Resolution Declaring Results”), the
22 canvass of the votes cast in the District at the special election held in each Improvement Area of the
23 District on July 14, 2020, resulted in a unanimous vote of the qualified electors within each
24 Improvement Area voting at said election; and

25 **WHEREAS**, pursuant to Ordinance No. 1648 adopted by the Legislative Body on July 28,
26 2020, the District is authorized to levy the Original Special Taxes within the Improvement Area No.

1 1 and Improvement Area No. 2 of the District at the rates and pursuant to the formulas set forth in
2 the Resolution of Formation for each Improvement Area (collectively, the “Original RMAs”); and

3 **WHEREAS**, the District has not yet incurred any indebtedness; and

4 **WHEREAS**, Lennar Homes of California, LLC (the “Developer”), the developer of the
5 Property, has approached the District to consider certain modifications to the District pursuant to
6 the Act; and

7 **WHEREAS**, the Legislative Body has received a petition and waiver from the owner of the
8 Property (the “Petition”) requesting change proceedings to (i) eliminate the designation of
9 Improvement Areas; (ii) modify the Original RMAs to consolidate into one rate and method of
10 apportionment and increase certain special tax rates; (iii) increase the maximum bonded
11 indebtedness for the District; (iv) modify the boundaries of the District to eliminate certain non-
12 taxable property; and (v) revise the appropriations limit for the District, in accordance with the terms
13 of this Resolution; and

14 **WHEREAS**, the Legislative Body has determined that the Petition complies with the
15 requirements of Government Code Section 53332 and now intends to consider such change
16 proceedings.

17 **NOW, THEREFORE, BE IT RESOLVED**, that the City Council of the City of Rialto,
18 acting as the legislative body of the City of Rialto Community Facilities District No. 2020-1 (El
19 Rancho Verde), does hereby resolve as follows:

20 **Section 1.** The Legislative Body hereby proposes to institute change proceedings for the
21 District under the terms of the Act. The Original Map is hereby proposed to be amended as specified
22 and shown on that certain map (the “Amended Map”) now on file in the office of the City Clerk
23 entitled “Proposed Amended and Restated Boundaries of the City of Rialto Community Facilities
24 District No. 2020-1 (El Rancho Verde)” and as depicted hereto as Exhibit “A”, which Amended
25 Map indicates by a boundary line the extent of the territory included in the District, the elimination
26 of the designation of Improvement Areas and the reorganization and modification of zones within
27 the District, and shall govern for all details as to the extent of the District. On the original and one
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1 copy of the Amended Map on file in the City Clerk's office, the City Clerk shall endorse the
2 certificate evidencing the date and adoption of this Resolution. The City Clerk shall file the original
3 of such Amended Map in her office and, within fifteen (15) days after the adoption of this
4 Resolution, the City Clerk shall file a copy of such Amended Map so endorsed in the records of the
5 County Recorder, County of San Bernardino, State of California.

6 **Section 2.** The name of the District shall remain the "City of Rialto Community Facilities
7 District No. 2020-1 (El Rancho Verde)."

8 **Section 3.** The Facilities which are authorized to be financed by the District remain the same
9 as described in the Resolution of Formation and are included in Exhibit "B" attached hereto and by
10 this reference incorporated herein. Such Facilities need not be physically located within the District.

11 **Section 4.** The Services which are authorized to be provided and financed by the District
12 remain the same as described in the Resolution of Formation and are described in Exhibit "C"
13 attached hereto and by this reference incorporated herein.

14 **Section 5.** Proposed changes to Original RMAs include the elimination of the designation
15 of Improvement Areas, the consolidation of two rates and methods of apportionment into one rate
16 and method of apportionment and the increase of certain special tax rates. Except where funds are
17 otherwise available, it is the intention of the District to levy annually in accordance with procedures
18 contained in the Act (i) an amended facilities special tax within the District (the "Facilities Special
19 Tax") sufficient to pay for the costs of financing the acquisition and/or construction of the Facilities
20 and Incidental Expenses, including the principal and interest and other periodic costs on bonds or
21 other indebtedness proposed to be issued to finance the Facilities, and Incidental Expenses, the
22 establishment and replenishment of reserve funds, the credit enhancement fees, the costs of
23 administering the levy and collection of the Special Tax and all other costs of the levy of the Special
24 Tax and issuance of the bonds, including any foreclosure proceedings, architectural, engineering,
25 inspection, legal, fiscal, and financial consultant fees, discount fees, capitalized interest on bonds,
26 election costs and all costs of issuance of the bonds, including, but not limited to, fees for bond
27 counsel, disclosure counsel, financing consultants and printing costs, and all other administrative
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1 costs of the tax levy and bond issue, and (ii) an amended services special tax within the District
2 sufficient to fund the Services (the “Services Special Tax”) including the costs of administering the
3 levy and collection of the Services Special Tax and incidental expenses related thereto. The
4 Facilities Special Tax and Services Special Tax shall be referred to collectively as the “Special
5 Taxes.” The Special Taxes shall be secured by the recordation of an amended and restated notice of
6 the continuing lien against all nonexempt real property in the District. In the first year in which
7 such a Special Taxes are levied, the levy shall include a sum sufficient to repay to the City all
8 amounts, if any, transferred to the District pursuant to Section 53314 of the Act and interest thereon.
9 The City may extend such payments as provided in the Act. The Original RMA and manner of
10 collection of the Original Special Taxes is proposed to be amended and restated (the “Amended
11 RMA”) as described in detail in Exhibit “D” attached hereto and incorporated herein by this
12 reference. The Special Taxes are based upon the cost of financing the Facilities, Services and
13 Incidental Expenses in the District, the demand that each parcel will place on the Facilities and the
14 benefit (direct and/or indirect) received by each parcel from the Facilities and other reasonable
15 factors. The Amended RMA allows each landowner within the District to estimate the maximum
16 amount that may be levied against each parcel.

17 **Section 6.** If Facilities Special Taxes are levied against any parcel used for private residential
18 purposes, (i) the maximum special tax shall not be increased over time except that it may be
19 increased by an amount not to exceed two percent (2%) per year to the extent permitted in the
20 Amended RMA; (ii) such special tax shall be levied for a period not to exceed fifty (50) years
21 commencing with Fiscal Year 2023-2024, as further described in the Amended RMA; and (iii) under
22 no circumstances will such special tax be increased more than ten percent (10%) as a consequence
23 of delinquency or default by the owner of any other parcels within the District by more than ten
24 percent. The Services Special Tax shall be levied in perpetuity.

25 **Section 7.** The Special Taxes are based on the expected demand that each parcel of real
26 property within the District will place on the Facilities and Services, on the benefit that each parcel
27 derives from the right to access the Facilities and Services and on other factors. The Legislative
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1 Body hereby determines the Amended RMA set forth in Exhibit “D” to be reasonable. The Special
2 Taxes are apportioned to each parcel on the foregoing basis pursuant to Section 53325.3 of the Act
3 and such Special Taxes are not based upon the value or ownership of real property. In the event that
4 a portion of the property within the District shall become for any reason exempt, wholly or partially,
5 exempt from the levy of the Special Taxes specified on Exhibit “D”, the Legislative Body shall, on
6 behalf of the District, cause the levy to be increased, subject to the limitation of the maximum special
7 tax for a parcel as set forth in Exhibit “D” to the extent necessary upon the remaining property within
8 the District which is not delinquent or exempt in order to yield the special tax revenues required for
9 the purposes described herein. The obligation to pay special taxes may be prepaid as set forth in
10 Exhibit “D.”

11 **Section 8.** The District determines that it is necessary to increase the Original Bonded
12 Indebtedness within the boundaries of the District from the principal amount not to exceed
13 \$20,000,000 within Improvement Area No. 1 and \$20,000,000 within Improvement Area No. 2, to
14 not to exceed \$50,000,000 within the District (the “Bonded Indebtedness”), to finance the costs of
15 the Facilities and Incidental Expenses, including, but not limited to, the funding of reserve funds for
16 the bonds, the financing of costs associated with the issuance of the bonds and all other costs and
17 expenses necessary to finance the Facilities which are permitted to be financed pursuant to the Act.

18 **Section 9.** It is the intent of the Legislative Body to authorize the sale of bonds in one or
19 more series for the District in the maximum aggregate principal amount of not to exceed
20 \$50,000,000 at a maximum interest rate not in excess of 12 percent per annum or such rate not in
21 excess of the maximum rate permitted by law at the time the bonds are issued. The term of the bonds
22 shall be determined pursuant to a resolution of the Legislative Body authorizing the issuance of the
23 bonds, but such term shall in no event exceed 40 years.

24 **Section 10.** The District determines that it is necessary to revise the Original Appropriations
25 Limit within the boundaries of the District from the \$20,000,000 for the Facilities Special Tax with
26 respect to each Improvement Area and \$250,000 (adjusted up by 3% annually) for the Services
27 Special Tax for each Improvement Area to an amount equal to \$50,000,000 for the Facilities Special
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1 Tax for the District and \$700,000 (adjusted up by 3% annually) for the Services Special Tax for the
2 District, each as defined by Article XIII B of the California Constitution, as adjusted for changes in
3 the cost of living and changes in population.

4 **Section 11.** A public hearing (the “Hearing”) on the proposed modifications to the District
5 as specified in this Resolution shall be held on September 13, 2022, at 6:30 p.m., or as soon
6 thereafter as practicable, at the chambers of the City Council of the City of Rialto, 150 S. Palm
7 Avenue, Rialto, California, 92376. Should the Legislative Body determine to amend the District as
8 described in this Resolution, a special election will be held within the District to authorize such
9 modifications in accordance with the procedures contained in Government Code Section 53326. If
10 held, and there are less than 12 registered voters in the District, the proposed voting procedure at
11 the elections will be a landowner vote with each landowner who is the owner of record of land
12 within the District at the close of the Hearing, or the authorized representative thereof, having one
13 vote for each acre or portion thereof owned within the District. Ballots for the special election may
14 be distributed by mail or by personal service.

15 **Section 12.** At the time and place set forth above for the Hearing, any interested person,
16 including all persons owning lands or registered to vote within the District, may appear and be heard.
17 Due to the COVID-19 pandemic, the City may limit the ability of interested persons to physically
18 appear at the time and place set forth above and provide alternative means for interested persons to
19 observe and be heard consistent with Governor Newsom’s Executive Orders N-29-20 and N-63-20,
20 or any other Executive Orders that may exist at the time of the Hearing.

21 **Section 13.** Each City officer who is or will be responsible for the Facilities and Services to
22 be financed by the District, is hereby directed to study the proposed changes to the District and, at
23 or before the time of the above-mentioned Hearing, file a report with the Legislative Body, and
24 which is to be made a part of the record of the Hearing, containing a brief description of the Facilities
25 and Services by type which will in his or her opinion be required to adequately meet the needs of
26 the District and his or her estimate of the cost of providing the Facilities and Services, including an
27 estimate of the fair and reasonable cost of all Incidental Expenses, including the cost of planning
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1 and designing the Facilities to be financed pursuant to the Act, the cost of environmental evaluations
2 of such Facilities, all costs associated with the amendment of the District, issuance of bonds,
3 determination of the amount of any special taxes, collection of any special taxes, or costs otherwise
4 incurred in order to carry out the authorized purposes of the City with respect to the District,
5 including the Services, and any other expenses incidental to the construction, completion and
6 inspection of the authorized work to be paid through the proposed financing.

7 **Section 14.** The City may accept advances of funds or work-in-kind from any sources,
8 including private persons or private entities, and is authorized and directed to use such funds for any
9 authorized purpose, including any cost incurred in creating the District or changes to the District.
10 The District may enter into an agreement to repay all of such funds as are not expended or committed
11 for any authorized purpose at the time of the election, if the proposal to modify the District should
12 fail, and to repay all of such funds advanced if the modifications shall be approved by the qualified
13 electors.

14 **Section 15.** The City Clerk is hereby directed to publish a notice (“Notice”) of the Hearing
15 pursuant to Section 6061 of the Government Code in a newspaper of general circulation published
16 in the area of the District. Such Notice shall contain the text or a summary of this Resolution, state
17 the time and place of the Hearing, a statement that the testimony of all interested persons or
18 taxpayers will be heard, a description of the protest rights of the registered voters and landowners
19 in the District as provided in Section 53324 of the Act and a description of the proposed voting
20 procedure for the election required by the Act. Such publication shall be completed at least seven
21 (7) days prior to the date of the Hearing.

22 **Section 16.** The City Clerk may send a copy of the Notice of the Hearing by first-class mail,
23 postage prepaid, to each registered voter and to each landowner within the District as shown on the
24 last equalized assessment roll. Said mailing shall be completed not less than fifteen (15) days prior
25 to the date of the Hearing.

26 **Section 17.** Pursuant to Section 53344.1 of the Act, the Legislative Body hereby reserves to
27 itself, in its sole discretion, the right and authority by subsequent resolution to allow any owner of
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1 property within the District, subject to the provisions of Section 53344.1 of the Act and those
2 conditions as it may impose, and any applicable prepayment penalties as prescribed in the bond
3 indenture or comparable instrument or document, to tender to the District treasurer in full payment
4 or part payment of any installment of the Special Taxes or the interest or penalties thereon which
5 may be due or delinquent, but for which a bill has been received, any bond or other obligation
6 secured thereby, the bond or other obligation to be taken at par and credit to be given for the accrued
7 interest shown thereby computed to the date of tender.

8 **Section 18.** The voting procedure with respect to the modifications to the District shall be
9 by hand delivered ballot election.

10 **Section 19.** The City Clerk shall certify the adoption of this Resolution.

11 PASSED, APPROVED AND ADOPTED this ____ day of ____, 2022.

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15 _____
16 Deborah Robertson, Mayor, City of Rialto
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19 ATTEST:

20 _____
21 Barbara A. McGee, City Clerk
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23 APPROVED AS TO FORM:

24 _____
25 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

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EXHIBIT “A”

Proposed Amended and Restated Boundaries of the City of Rialto Community

Facilities District No. 2020-1 (El Rancho Verde)

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EXHIBIT “B”
Facilities to be Financed
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EXHIBIT “C”
Services to be Financed
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EXHIBIT “D”

Amended and Restated Rate and Method of Apportionment

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