

RESOLUTION NO. _____

**RESOLUTION OF INTENTION OF THE CITY COUNCIL OF
THE CITY OF RIALTO TO ESTABLISH CITY OF RIALTO
COMMUNITY FACILITIES DISTRICT NO. 2019-2
(FOOTHILL/SPRUCE) AND TO AUTHORIZE THE LEVY OF
SPECIAL TAXES WITHIN SAID DISTRICT**

WHEREAS, the City Council (the “Council”) of the City of Rialto (the “City”) has received a petition (including consent and waiver) (the “Petition”) from the owner of certain property located in the City requesting the institution of proceedings for formation of a community facilities district pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, commencing with Section 53311 of the Government Code of the State of California (the “Act”); and

WHEREAS, the Council has determined that the Petition complies with the requirements of Government Code Section 53318 and now intends to form City of Rialto Community Facilities District No. 2019-2 (Foothill/Spruce); and

WHEREAS, the Council desires to adopt this resolution of intention as provided in Section 53321 of the Act to establish a community facilities district consisting of the territory described in Exhibit “A” hereto and incorporated herein by this reference, which the Council hereby determines shall be known as “City of Rialto Community Facilities District No. 2019-2 (Foothill/Spruce)” (“Community Facilities District No. 2019-2” or the “District”) pursuant to the Act to finance (1) the payment of development impact fees associated with said property described in Exhibit “B” hereto (the “Fees”) that are used for the purchase, construction, modification, expansion, improvement or rehabilitation of public facilities (the “Facilities”), which Facilities have a useful life of five years or longer; (2) the various City services described in Exhibit “C” hereto (the “Services”); and (3) the incidental expenses to be incurred in connection with financing the Fees, Facilities and Services and forming and administering the District (the “Incidental Expenses”); and

WHEREAS, it is the intention of the Council to consider financing the Fees, Facilities, Services and Incidental Expenses through the formation of Community Facilities District No. 2019-2, the levy of special taxes within the District to pay for the Facilities, Services and Incidental Expenses and to pay debt service on bonded indebtedness incurred by such District, and, with respect to the Fees, Facilities and Incidental Expenses, the sale of bonded indebtedness in an amount to exceed \$7,000,000 for the proposed District provided that the bond sales and special tax levies are approved at an election to be held within the District;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF RIALTO DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. The above recitals are true and correct.

Section 2. The Council hereby determines to institute proceedings for the formation of a community facilities district under the terms of the Act pursuant to Section 53350 of the Act. The exterior boundaries of the District are hereby specified and described to be as shown on that certain map now on file in the office of the City Clerk entitled “Proposed Boundaries of City of Rialto Community Facilities District No. 2019-2 (Foothill/Spruce),” which map indicates by a boundary line the extent of the territory included in the proposed District and shall govern for all details as to the extent of the District. On the original and one copy of the map of such District on file in the Clerk’s office, the Clerk shall endorse the certificate evidencing the date and adoption of this resolution. The Clerk shall file the original of such map in her office and, within fifteen (15) days after the adoption of this Resolution, the Clerk shall file a copy of such map so endorsed in the records of the County Recorder, County of Riverside, State of California.

Section 3. The name of the proposed District shall be designated as “City of Rialto Community Facilities District No. 2019-2 (Foothill/Spruce).”

Section 4. The Facilities proposed to be financed by the Fees funded through the District are public infrastructure facilities and other governmental facilities with an estimated useful life of five years or longer, which the City is authorized by law to construct, acquire, own, operate or contribute revenue to. The Services proposed to be financed by the District are public services as defined in the Act and are in addition to those provided in the territory of the District at the present time and do not supplant services already available in the District. The Council hereby finds and determines that the description of the Fees and Services herein is sufficiently informative to allow taxpayers within the proposed District to understand what the funds of the District may be used to finance. The Incidental Expenses expected to be incurred include the cost of planning and designing the Facilities, the costs of forming the District, issuing bonds and levying and collecting the special taxes within the District for the Facilities, Fees and the Services, as applicable. The Council hereby finds that the proposed Facilities and Services are necessary to meet increased demands placed upon the City as a result of development occurring within the proposed District. Such Facilities need not be physically located within the District.

Section 5. Except where funds are otherwise available, it is the intention of the Council to levy annually in accordance with procedures contained in the Act (i) a special tax within the District sufficient to pay for the costs of financing the acquisition and/or construction of the Fees, Facilities and Incidental Expenses (the “Facilities Special Tax”), including the principal and interest and other periodic costs of bonds or other indebtedness proposed to be issued to finance the Facilities, and Incidental Expenses, the establishment and replenishment of reserve funds, the credit enhancement fees, if any, the costs of administering the levy and collection of the Facilities Special Tax and all other costs of the levy of the Facilities Special Tax and issuance of the bonds, including any foreclosure proceedings, architectural, engineering, inspection, legal, fiscal, and financial consultant fees, discount fees, capitalized interest on bonds, election costs and all costs of issuance of the bonds, including, but not limited to, fees for bond counsel, disclosure counsel, financing consultants and printing costs, and all other administrative costs of the tax levy and bond issue and (ii) a special tax within the District sufficient to fund the Services (the “Services Special Tax”) including the costs of administering the levy and collection of the Services Special Tax and incidental expenses related thereto. The Facilities Special Tax and Services Special Tax shall be referred to collectively as the “Special Taxes.” The Special Taxes will be secured by recordation of a continuing lien against all non-exempt real property in the

District. In the first year in which the Facilities Special Tax and/or the Services Special Tax is levied, the levy shall include a sum sufficient to repay to the City all amounts, if any, transferred to the District pursuant to Section 53314 of the Act and interest thereon. The City may extend such payments as provided in the Act. The schedule of the rate and method of apportionment and manner of collection of the Special Taxes within the District is described in detail in Exhibit “D” attached hereto and by this reference incorporated herein (“Rate and Method”). The Facilities Special Tax (described as “Special Tax Rate A” in the Rate and Method) and Services Special Tax (described as “Special Tax Rate B” in the Rate and Method) are each based upon the cost of financing the Facilities, Services and Incidental Expenses in the District, the demand that each parcel will place on the Facilities and Services and the benefit (direct and/or indirect) received by each parcel from the Facilities and Services and other reasonable factors.

The Special Taxes within the District are apportioned to each parcel on the foregoing basis pursuant to Section 53325.3 of the Act. In the event that a portion of the property within the District shall become for any reason exempt, wholly or partially, from the levy of the Special Taxes, the Council shall, on behalf of the District, increase the levy to the extent necessary upon the remaining property within the District which is not delinquent or exempt in order to yield the required payments, subject to the maximum Special Tax. If Facilities Special Taxes of the District are levied against any parcel used for private residential purposes, (i) the maximum Facilities Special Tax rate shall not be increased over time except that it may be increased by an amount not to exceed two percent (2%) per year to the extent permitted in the rate and method of apportionment; (ii) the Facilities Special Tax shall be levied for a period not to exceed forty (45) years, commencing with Fiscal Year 2020-2021, as further described in Exhibit “D” hereto; and (iii) under no circumstances will such Facilities Special Tax be increased in any fiscal year as a consequence of delinquency or default by the owner of any other parcels within the District by more than ten percent (10%) above the amount that would have been levied in such fiscal year had there been no such delinquency or default. The Services Special Tax shall be levied perpetually.

Section 6. The Council hereby determines that the proposed Fees, Facilities and Services are necessary to meet the increased demand placed upon the City and other agencies and the existing infrastructure in the City as a result of the development of land proposed for inclusion in the District. The Council hereby determines the rate and method of apportionment of the Special Tax set forth in Exhibit “D” for the District to be reasonable.

Section 7. A public hearing (the “Hearing”) on the establishment of Community Facilities District No. 2019-2, the proposed rate and method of apportionment of the Special Taxes and the proposed issuance of bonds to finance the Facilities and the Incidental Expenses shall be held on December 10, 2019, at 6:00 p.m., or as soon thereafter as practicable, at the chambers of the City Council of the City of Rialto, 150 S. Palm Avenue, Rialto, California 92376. Should the Council determine to form the District, a special election will be held within the District to authorize the issuance of bonds and the levy of the Special Taxes in accordance with the procedures contained in Government Code Section 53326. If held, the proposed voting procedure at the election will be a landowner vote with each landowner who is the owner of record of land within the District at the close of the Hearing, or the authorized representative thereof, having one vote for each acre or portion thereof owned within the District. Ballots for the special election may be distributed by mail or by personal service.

Section 8. At the time and place set forth above for the Hearing, any interested person, including all persons owning lands or registered to vote within the proposed District, may appear and be heard.

Section 9. Each City officer who is or will be responsible for the Fees, Facilities and Services to be financed by the District, if it is established, is hereby directed to study the proposed District and, at or before the time of the above-mentioned Hearing, file a report with the Council, and which is to be made a part of the record of the Hearing, containing a brief description of the Fees and Services by type which will in his or her opinion be required to adequately meet the needs of the District and his or her estimate of the cost of the Fees for Facilities and the cost of providing the Services, including an estimate of the fair and reasonable cost of all Incidental Expenses, all costs associated with the creation of the District, issuance of bonds, determination of the amount of any Special Taxes, collection of any Special Taxes, or costs otherwise incurred in order to carry out the authorized purposes of the City with respect to the District, and any other expenses incidental to the construction, completion and inspection of the authorized work to be paid through the proposed financing.

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

Section 11. The Clerk is hereby directed to publish a notice ("Notice") of the Hearing pursuant to Section 6061 of the Government Code in a newspaper of general circulation published in the area of the proposed District. Such Notice shall contain the text or a summary of this Resolution, state the time and place of the Hearing, a statement that the testimony of all interested persons or taxpayers will be heard, a description of the protest rights of the registered voters and landowners in the proposed District as provided in Section 53324 of the Act and a description of the proposed voting procedure for the election required by the Act. Such publication, unless waived, shall be completed at least seven (7) days prior to the date of the Hearing.

Section 12. The Clerk may send a copy of the Notice of the Hearing by first-class mail, postage prepaid, to each registered voter and to each landowner within the proposed District as shown on the last equalized assessment roll. Said mailing shall be completed not less than fifteen (15) days prior to the date of the Hearing.

Section 13. Pursuant to Section 53344.1 of the Act, the Council hereby reserves to itself, in its sole discretion, the right and authority by subsequent resolution to allow any owner of property within the District, subject to the provisions of Section 53344.1 of the Act and those conditions as it may impose, and any applicable prepayment penalties as prescribed in the bond indenture or comparable instrument or document, to tender to the District treasurer in full payment or part payment of any installment of the Facilities Special Tax or the interest or penalties thereon which may be due or delinquent, but for which a bill has been received, any bond or other

obligation secured thereby, the bond or other obligation to be taken at par and credit to be given for the accrued interest shown thereby computed to the date of tender.

Section 14. The voting procedure with respect to the establishment of the District and the imposition of the Special Taxes shall be by mail or hand delivered ballot election.

WHEREFORE, this Resolution is passed, approved and adopted this ____ day of ____, 2019.

DEBORAH ROBERTSON, Mayor

ATTEST:

BARBARA McGEE, City Clerk

APPROVED AS TO FORM

FRED GALANTE, City Attorney

STATE OF CALIFORNIA)
COUNTY OF SAN BERNARDINO) ss
CITY OF RIALTO)

I, Barbara McGee, City Clerk of the City of Rialto, do hereby certify that the foregoing Resolution No. _____ was duly passed and adopted at a regular meeting of the City Council of the City of Rialto held on the ____ day of _____, 2019.

Upon motion of Councilmember _____, seconded by Councilmember _____, the foregoing Resolution No. _____ was duly passed and adopted.

Vote on the motion:

AYES:

NOES:

ABSENT:

IN WITNESS WHEREOF, I have hereunto set my hand and the Official Seal of the City
of Rialto this _____ day of _____, 2019.

BARBARA A. McGEE, City Clerk

MAYOR OF THE CITY OF RIALTO

Attest:

City Clerk

By: _____

EXHIBIT A

**CITY OF RIALTO COMMUNITY FACILITIES DISTRICT NO. 2019-2
([CHRISTOPHER HOMES])**

BOUNDARY MAP

[ATTACHED]

EXHIBIT “B”

TYPES OF FEES AND FACILITIES TO BE FINANCED BY CITY OF RIALTO COMMUNITY FACILITIES DISTRICT NO. 2019-2 (FOOTHILL/SPRUCE)

The General Description of the Fees and related Facilities authorized to be financed with the Facilities Special Taxes and bonds of the District are: City development impact fees, including but not limited to, fees for general facilities, law enforcement, fire protection, park development, open space, library facilities, transportation facilities, fair share traffic signal contribution, street medians, storm drain facilities, water facilities, water and landscape meters, fire line services, sewage collection and sewage treatment.

The Facilities financed by such fees are included in the fee programs and capital improvement programs and plans of the City. The facilities include but are not limited to the following:

Parks and Recreation: Acquisition, design, construction and rehabilitation of Parks and Recreation facilities, including but not limited to turf, landscaping, buildings, structures and other amenities and the purchase of equipment for parks and recreation purposes.

Regional Traffic Network: Costs of designing, upgrading and improving the regional traffic network, including but not limited to constructing, improving, rehabilitating, widening streets, thoroughfares, bridges, and intersections. Other improvements include widening of arterials, intersections, installation of traffic signals, grade crossings, and freeway intersections. Improvements may include right of way and/or property acquisition.

Local Traffic Network: Costs of designing, upgrading and/or improving the local traffic network, including right of way or property acquisition. Design and construction of public facilities like streets, traffic lanes, traffic control devices, bike lanes and other traffic improvements.

Street Medians: Cost of designing, upgrading and improving street medians and related improvements, including monuments on major arterials and streets. Design, upgrade, enhancement and/or construction of raised medians and related improvements on major thoroughfares and regional roadways, including but not limited to landscaping, special markers, entrance signs, monument signs and other related improvements.

Municipal Facilities: Cost of providing general municipal facilities and services, including acquisition of property for municipal facilities, design and construction of buildings for municipal services and master plans, purchasing vehicles and equipment for municipal services.

Library Facilities: Cost of constructing and improving library facilities, including acquisition of property, design, construction and/or rehabilitation of buildings for library services and master

plans, furnishing of buildings and facilities for library services, purchase of books, equipment, and vehicles for library services.

Law Enforcement: Cost of providing law enforcement, including the design, construction, rehabilitation and/or acquisition of property and buildings for law enforcement facilities and services, furnishing of buildings for law enforcement services, purchasing of equipment and services for law enforcement services.

Fire Protection: Cost of providing fire protection facilities, including design, construction, rehabilitation, acquisition, furnishing and equipping of property and buildings for fire protection and ambulance and/or related services, Purchasing of equipment and vehicles for fire protection.

Open Space: Acquisition, design, construction, installation of open space and infrastructure for such open space, including preparation, development, studies to designate space for habitat preservation for endangered species or other requests of the council. Design, construction and acquisition of improvements and buildings for open space and/or access thereto and preservation of open space areas. Facilities and endowments for ongoing biological or cultural monitoring or programs necessary to maintain the viability of habitat conservation areas

Sewers: Costs of constructing, designing, rehabilitating and improving sewer collection facilities, and right of ways, including acquisition, construction, improving of property and/or buildings, facilities, infrastructure and pipelines, pump stations, for sewer collection services and master plans, furnishing of sewer stations, lift stations, pumps or facilities for sewer collection services. Purchasing of vehicles and equipment for sewer collection services.

Sewage Treatment: Costs of constructing, designing, rehabilitating and improving and furnishing sewer treatment facilities and master plans, including acquisition of property for sewage treatment facilities and right of way, design and construction of buildings and infrastructure for sewer treatment services, purchase of equipment and vehicles for sewer treatment services

Water Facilities- Domestic and recycled water: costs, including constructing, designing, rehabilitating and improving and furnishing water treatment facilities and domestic water facilities, and master plans. Acquisition of property for water treatment and other facilities and right of way, design and construction of buildings, infrastructure, pipelines for water services (including treatment, production, purification, holding and distribution), purchase of equipment and vehicles for water services. Costs include costs of providing production, storage, and distribution facilities

Storm Drain Facilities: Costs of providing storm water flow and retention facilities. Acquisition, design, construction, rehabilitation of property, buildings and infrastructure for storm drain services, including special studies, retention studies, drainage and other storm flow facilities, retention and detention basins, treatment facilities and pipelines.

Fair Share Facilities: Certain facilities required by the council pursuant to a project approval or capital improvement plan, including but not limited to all of the above mentioned type of

facilities.

OTHER

The District may also finance any of the following:

1. Bond related expenses, including underwriter's discount, reserve fund, capitalized interest, financial advisor fees and expenses, bond and disclosure counsel fees and expenses, special tax consultant fees and expenses, dissemination agent fees and all other incidental expenses.
2. Administrative fees of the City, the CFD and the Bond trustee or fiscal agent related to the District and the Bonds.
3. Reimbursement of costs related to the formation of the District advanced by the City or any related entity, or any landowner or developer within the District, as well as reimbursement of any costs advanced by the City or any related entity, or any landowner or developer within the District, for facilities or other purposes or costs of the District.
4. Litigation expenses, extraordinary costs or other costs of the District.

EXHIBIT “C”

TYPES OF SERVICES ELIGIBLE TO BE FINANCED BY CITY OF RIALTO COMMUNITY FACILITIES DISTRICT NO. 2019-2 (FOOTHILL/SPRUCE)

The Services to be funded by the CFD include the following services and all incidental expenses related to such services, all of which are authorized by the Act:

Police protection services, fire protection and suppression services, ambulance and paramedic services; maintenance and lighting of parks, parkways, streets, roads and open space; maintenance of recreational and community facilities (if received registered voter approval) and flood and storm protection services, including maintenance of storm drains, maintenance and operation of any real property or other tangible property with an estimated useful life of five years or more that is owned by the City.

The services include operational and maintenance costs associated with providing such services.

EXHIBIT “D”

RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX

[SEE ATTACHED]

