

RESOLUTION NUMBER 6315

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PERRIS DETERMINING THE VALIDITY OF PRIOR PROCEEDINGS, ESTABLISHING COMMUNITY FACILITIES DISTRICT NO. 2022-4 (PARK WEST) OF THE CITY OF PERRIS, AUTHORIZING THE LEVY OF A SPECIAL TAX WITHIN SUCH COMMUNITY FACILITIES DISTRICT NO. 2022-4 (PARK WEST) OF THE CITY OF PERRIS, ESTABLISHING AN APPROPRIATIONS LIMIT, AND TAKING CERTAIN OTHER ACTIONS RELATING TO SAID DISTRICT

WHEREAS, the City Council (the “Council”) of the City of Perris, California (the “City”), on November 14, 2023, has heretofore adopted its Resolution No. 6277 (the “Resolution of Intention”) stating its intention to form Community Facilities District No. 2022-4 (Park West) of the City of Perris (the “District”) and Improvement Area No. 1, Improvement Area No. 2, and Improvement Area No. 3 thereof (each an “Improvement Area” and, collectively, the “Improvement Areas”) 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, it is the intent of the District to finance (1) the purchase, construction, modification, expansion, improvement or rehabilitation of certain real or other tangible property described in Exhibit “D” hereto and incorporated herein by this reference, including all furnishings, equipment and supplies related thereto; (2) the payment of development and other fees and the acquisition or construction of public facilities (collectively, the “Facilities”), which Facilities have a useful life of five years or longer; and (3) the incidental expenses to be incurred in connection with financing the Facilities and forming and administering the District (the “Incidental Expenses”); and

WHEREAS, the District will be in compliance with all the requirements of the City’s adopted local goals and policies specified in its Debt Issuance and Management Policy (the “Debt Policy”), adopted on January 10, 2023; and

WHEREAS, the Resolution of Intention set January 9, 2024, as the date of the public hearing on the formation of the District; and

WHEREAS, a copy of the Resolution of Intention, incorporating a description and map of the proposed boundaries of the District and the Improvement Areas, the Facilities, and setting forth the rate and method of apportionment and manner of collection of the special tax to be levied within each Improvement Area of the District, is on file with the City Clerk and incorporated herein by reference; and

WHEREAS, a report by each City officer who is or will be responsible for the District (the “Report”), has been filed with the Council pursuant to the Resolution of Intention; and

WHEREAS, on January 9, 2024, pursuant to the Resolution of Intention, this Council held said public hearing as required by law and the Act; and

WHEREAS, at said hearing all persons not exempt from the special tax desiring to be heard on all matters pertaining to the formation of the District, including the boundaries of the District and the Improvement Areas therein, the special tax, and the Facilities, were heard and a full and fair hearing was held, and such matters were not precluded by a majority protest; and

WHEREAS, at said hearing evidence was presented to the Council on said matters before it, and this Council at the conclusion of said hearing is fully advised in the premises;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Perris, as follows:

Section 1. That the above recitals are all true and correct.

Section 2. Pursuant to Section 53325.1(b) of the Government Code, the Council finds and determines that the proceedings prior hereto were valid and in conformity with the requirements of the Act including, without limitation, the following:

(i) Filing of a petition of a landowner requesting institution of proceedings to establish the District;

(ii) Adoption of a Resolution of Intention to establish the District;

(iii) Adoption of a Resolution of Intention to Incur Bonded Indebtedness in an amount not to exceed \$14,000,000 within Improvement Area No. 1, an amount not to exceed \$12,000,000 within Improvement Area No. 2, and an amount not to exceed \$8,000,000 within Improvement Area No. 3;

(iv) Publication and mailing of notice of public hearing on the establishment of the District and of the proposed debt issue;

(v) Conducting of a public hearing on the establishment of the District and the Improvement Areas, the proposed public facilities and the incurring of the proposed debt, at which time all interested persons or taxpayers not exempt from the special tax were permitted to protest orally or in writing against the establishment of the District and the Improvement Areas, were permitted to file written protests to the regularity or sufficiency of the proceedings, and any person interested, including persons owning property within the District, were permitted to appear and present any matters material to the questions set forth in the Resolution of Intention to Incur Bonded Indebtedness.

Section 3. The Report, as now submitted is hereby approved and is made a part of the record of the hearing, and is ordered kept on file with the transcript of these proceedings and open for public inspection.

Section 4. A community facilities district to be designated “Community Facilities District No. 2022-4 (Park West) of the City of Perris” is hereby established pursuant to the Act, consisting of Improvement Area No. 1, Improvement Area No. 2, and Improvement Area No. 3.

Section 5. The description and map of the boundaries of the District on file in the City Clerk's office and as described in said Resolution of Intention and incorporated herein by reference, shall be the boundaries of the District and the Improvement Areas. The map of the proposed boundaries of the District has been recorded in the Office of the County Recorder of Riverside County, California in Book 92, Pages 40-41 of the Book of Maps of Assessment and Community Facilities Districts, as Document Number 2023-0347787.

Section 6. The type of public facilities authorized to be provided within the District include certain real and other tangible property with an estimated useful life of five years or longer, including public infrastructure facilities, and other governmental facilities which the City, the Eastern Municipal Water District (“EMWD”), Riverside County Flood Control District (“Flood Control”), and the Perris Elementary School District (“PESD”) is authorized by law to construct, acquire, own, operate or contribute revenue to, within or without the District, which is necessary to meet increased demands placed upon the City as result of development or rehabilitation occurring within the District. The public facilities are more fully described in Exhibit “D” attached hereto and by this reference incorporated herein.

Section 7. Except where funds are otherwise available, there shall be levied annually in accordance with procedures contained in the Act a special tax within each Improvement Area of the District (the “Special Tax”) sufficient to pay for the costs of financing the acquisition and/or construction of the Facilities and Incidental Expenses, including the principal and interest and other periodic costs on bonds or other indebtedness proposed to be issued to finance the Facilities and Incidental Expenses, including the establishment and replenishment of any reserve funds, the credit enhancement fees, the costs of administering the levy and collection of the Special Tax and all other costs of the levy of the 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, if applicable, 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. The Special Tax will be secured by recordation of a continuing lien against all non-exempt real property in the District. In the first year in which such a 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 schedule of the rate and method of apportionment and manner of collection of the Special Tax within Improvement Area No. 1, Improvement No. 2, and Improvement Area No. 3 of the proposed District is described in detail in Exhibit “A”, Exhibit “B”, and Exhibit “C”, respectively, attached hereto and incorporated herein by this reference (the “Rate and Methods”). The Special Tax is based upon the cost of financing the Facilities and Incidental Expenses in the District, the demand that each parcel will place on the Facilities and the benefit (direct and/or indirect) received by each parcel from the Facilities.

Section 8. If the Special Tax is levied against any parcel used for private

residential purposes, (i) the maximum 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) such tax shall be levied for a period not to exceed fifty (50) years commencing with Fiscal Year 2024-2025, as further described in Exhibit “A”, Exhibit “B” and Exhibit “C” hereto; and (iii) under no circumstances will such special tax levied in any fiscal year be increased as a consequence of delinquency or default by the owner of any other parcel within the respective Improvement Area of the District by more than ten percent (10%) above the amount that would have been levied in that fiscal year had there never been any such delinquency or default.

Section 9. The Special Tax is based on the expected demand that each parcel of real property within the District will place on the Facilities on the benefit that each parcel derives from the right to access the Facilities and on other factors. The Council hereby determines that the proposed Facilities are necessary to meet the increased demand placed upon the City and the existing infrastructure in the City as a result of the development of land proposed for inclusion into the District. The Council hereby determines the Rate and Methods set forth in Exhibit “A”, Exhibit “B”, and Exhibit “C” to be reasonable. The Special Tax is apportioned to each parcel within the District on the foregoing basis pursuant to Section 53325.3 of the Act and such special tax is not based upon the value or ownership of real property. In the event that a portion of the property within an Improvement Area the District shall become for any reason exempt, wholly or partially, from the levy of the Special Tax, the Council shall, on behalf of the respective Improvement Area of the District, increase the levy to the extent necessary upon the remaining property within the respective Improvement Area which is not delinquent or exempt in order to yield the required payments, subject to the maximum tax. The obligation to pay special taxes may be prepaid as set forth in Exhibit “A”, Exhibit “B”, and Exhibit “C”, respectively.

Section 10. Pursuant to and in compliance with the provisions of Government Code Section 50075.1, the Council hereby establishes the following accountability measures pertaining to the levy by the District of the Special Tax described in Section 7 above:

(i) Such Special Tax shall be levied for the specific purposes set forth in Section 7 hereof.

(ii) The proceeds of the levy of such Special Tax shall be applied only to the specific purposes set forth in Section 7 hereof.

(iii) The District shall establish an account or accounts into which the proceeds of such Special Tax shall be deposited.

(iv) The City Manager or the City Finance Director/Treasurer, or their designee, acting for and on behalf of the District, shall annually file a report with the Council as required pursuant to Government Code Section 50075.3.

Section 11. Upon recordation of a notice of special tax lien pursuant to Section 3114.5 of the Streets and Highways Code, a continuing lien to secure each levy of the special tax shall attach to all nonexempt real property in each Improvement Area of the District, and this

lien shall continue in force and effect until the special tax obligation is prepaid or otherwise permanently satisfied and the lien cancelled in accordance with law or until collection of the tax within an Improvement Area by the District ceases.

Section 12. The Council finds that the Facilities are necessary to meet the increased demand put upon the City as a result of the development within the District.

Section 13. The Council finds that there is not an ad valorem property tax currently being levied on property within the proposed District for the exclusive purpose of paying principal of or interest on bonds or other indebtedness incurred to finance construction of capital facilities which provide the same services to the territory of the District as provided by the Facilities.

Section 14. Appropriation limits for Improvement Area No. 1, Improvement Area No. 2, and Improvement Area No. 3 of the District are hereby established at \$14,000,000, \$12,000,000, and \$8,000,000, respectively, and as defined by Article XIIB of the California Constitution, as adjusted for changes in the cost of living and changes in population.

Section 15. Written protests against the establishment of the District, or against the furnishing of specified services or facilities or the levying of a specified special tax within each Improvement Area of the District, have not been filed by fifty percent (50%) or more of the registered voters or property owners of one-half (1/2) or more of the area of land within the District or of the respective Improvement Area thereof.

Section 16. The Special Tax to be levied in the Improvement Areas of the District to pay for all the proposed Facilities has not been precluded by protests by owners of one-half (1/2) or more of the land in the territory included in the District or of the respective Improvement Area thereof pursuant to Government Code Section 53324.

Section 17. The Office of the City Manager, 101 North "D" Street, Perris, California 92570, or its designee, is designated to be responsible for preparing annually a current roll of special tax levy obligations by assessor's parcel number and for estimating future special tax levies pursuant to Section 53340.1 of the Government Code.

Section 18. The City Clerk is directed to certify and attest to this Resolution and to take any and all necessary acts to call, hold, canvass and certify an election or elections on the incurring of bonded indebtedness, the levy of the special taxes, and the establishment of the appropriation limits for each Improvement Area, respectively.

ADOPTED, SIGNED and APPROVED this 9th day of January, 2024.

Michael M. Vargas, Mayor

ATTEST:

Nancy Salazar, City Clerk

STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE) §
CITY OF PERRIS)

I, Nancy Salazar, CITY CLERK OF THE CITY OF PERRIS, DO HEREBY CERTIFY that the foregoing Resolution Number 6315 was duly adopted by the City Council of the City of Perris at a regular meeting of said Council on the 9th day of January, 2024, and that it was so adopted by the following vote:

AYES: RABB, ROGERS, NAVA, CORONA, VARGAS
NOES: NONE
ABSENT: NONE
ABSTAIN: NONE

By: _____
Nancy Salazar, City Clerk

EXHIBIT A

**RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX
FOR IMPROVEMENT AREA NO. 1 OF
COMMUNITY FACILITIES DISTRICT NO. 2022-4
(PARK WEST) OF THE CITY OF PERRIS**

[SEE ATTACHED]

Due to size on file in the City Clerk's office.

EXHIBIT B

**RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX
FOR IMPROVEMENT AREA NO. 2 OF
COMMUNITY FACILITIES DISTRICT NO. 2022-4
(PARK WEST) OF THE CITY OF PERRIS**

[SEE ATTACHED]

Due to size on file in the City Clerk's office

EXHIBIT C

**RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX
FOR IMPROVEMENT AREA NO. 3 OF
COMMUNITY FACILITIES DISTRICT NO. 2022-4
(PARK WEST) OF THE CITY OF PERRIS**

[SEE ATTACHED]

Due to size on file in the City Clerk's office

EXHIBIT D

TYPES OF FACILITIES TO BE FINANCED BY COMMUNITY FACILITIES DISTRICT NO. 2022-4 (PARK WEST) OF THE CITY OF PERRIS

The general description of the Facilities that may be acquired or constructed is as follows:

- Street facilities, including, but not limited to, major arterials, highways, bridge facilities, regional transportation facilities and streets, intersections, access ramps, roadways, sidewalk, curb, gutters, striping, lighting, traffic signalization, signage, landscaping of public streets and rights-of-way and appurtenant facilities;
- Storm control facilities, including, but not limited to, storm drains, channels, detention, headwalls, riprap pads, water quality basins, retention and/or catch basins and appurtenant facilities;
- Sewer improvements, sanitary sewers, including, but not limited to, lift stations, force mains, pump stations, transmission and main lines, valves, and appurtenant facilities;
- Domestic water facilities, including, but not limited to, reservoirs, pump stations, transmission lines, distribution facilities, main lines, valves, fire hydrants and appurtenant facilities;
- Park, recreational facilities, trails, open space and appurtenant facilities;
- Impact and other City or public agency fees, including but not limited to, Transportation Uniform Mitigation Fees, Development Impact Fees, school fees, water fees, drainage fees, sewer treatment and connection fees, water supply fees, water meter fees, water connection fees, storm drain fees, capital facilities' fees and other city or public agency fees and all capital facilities which are part of these fee programs and capital improvement programs;
- Utility undergrounding and dry utilities;
- Incidental expenses;
- City facilities.

OTHER

The District may also finance any of the following:

1. Bond related expenses, including underwriters' discount, reserve fund, capitalized interest, financial advisor fees and expenses, bond and disclosure counsel, market absorption consultant, special tax consultant fees and expenses, appraiser, dissemination agent fees and all other incidental expenses.

2. Administrative fees of the City 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.

This description of the public capital facilities is general in nature. The final nature and location of improvements and facilities will be determined upon the preparation of final plans and specifications. The final plans and specifications may show substitutes in lieu of, or modifications to, proposed work. Any such substitution shall not be a change or modification in the proceedings as long as the facilities provide a service substantially similar to that as set forth in the city officer's report, containing a brief description of the facilities which will be required to adequately meet the needs of the District.