

**RESOLUTION NUMBER 6381**

***A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PERRIS ACTING FOR THE CITY AND IN ITS CAPACITY AS THE LEGISLATIVE BODY OF COMMUNITY FACILITIES DISTRICT NOS. 2001-1, 2002-1, AND 2006-1 OF THE CITY OF PERRIS, AUTHORIZING THE ISSUANCE OF BONDED INDEBTEDNESS IN AN INITIAL PRINCIPAL AMOUNT NOT TO EXCEED \$15,000,000 TO REFINANCE CERTAIN PRIOR BONDS OF EACH DISTRICT, PERMITTING THE PURCHASE OF SUCH BONDS BY THE PERRIS JOINT POWERS AUTHORITY, AND APPROVING CERTAIN DOCUMENTS AND TAKING CERTAIN OTHER ACTIONS IN CONNECTION THEREWITH***

**WHEREAS**, pursuant to the provisions of the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5, Part 1, Division 2, Title 5 of the Government Code of the State of California (the “Act”), the City of Perris (the “City”) established (a) Community Facilities District No. 2001-1 (May Farms) of the City of Perris (the “2001-1 District”) and seven improvement areas therein, including Improvement Area No. 1, Improvement Area No. 2, and Improvement Area No. 3, (b) Community Facilities District No. 2002-1 (Willowbrook) of the City of Perris (the “2002-1 District”), and (c) Community Facilities District No. 2006-1 (Meritage Homes) of the City of Perris (the “2006-1 District” and, together with the 2001-1 District and the 2002-1 District, the “Districts” and each individually, a “District”); and

**WHEREAS**, in order to finance certain public facilities and fees for public facilities, the City, on behalf of the Districts issued (a) \$1,505,000 initial principal amount of Improvement Area No. 1 of Community Facilities District No. 2001-1 (May Farms) of the City of Perris Special Tax Bonds, 2014 Series A (the “Prior 2001-1 IA1 Bonds”), (b) \$4,270,000 initial principal amount of Improvement Area No. 2 of Community Facilities District No. 2001-1 (May Farms) of the City of Perris Special Tax Bonds, 2014 Series B (the “Prior 2001-1 IA2 Bonds”), (c) \$6,390,000 initial principal amount of Improvement Area No. 3 of Community Facilities District No. 2001-1 (May Farms) of the City of Perris Special Tax Bonds, 2014 Series C (the “Prior 2001-1 IA3 Bonds”), (d) \$5,750,000 initial principal amount of Community Facilities District No. 2002-1 (Willowbrook) of the City of Perris Special Tax Bonds, 2013 Series B (the “Prior 2002-1 Bonds”) and (e) \$2,825,000 initial principal amount of Community Facilities District No. 2006-1 (Meritage Homes) of the City of Perris Special Tax Refunding Bonds, 2014 Series B (the “Prior 2006-1 Bonds” and, together with the Prior 2001-1 IA 1 Bonds, Prior 2001-1 IA 2 Bonds, Prior 2001-1 IA 3 Bonds, and Prior 2002-1 Bonds, the “Prior District Bonds”); and

**WHEREAS**, in order to raise funds to purchase the Prior District Bonds and effectuate the transaction, the Perris Joint Powers Authority (the “Authority”) issued its (a) \$12,165,000 initial principal amount of Perris Joint Powers Authority Local Agency Revenue Bonds (May Farms IA Nos. 1, 2, & 3 Refunding) 2014 Series A, (b) \$5,750,000 initial principal amount of Perris Joint Powers Authority Local Agency Revenue Bonds (Willowbrook

Refunding) 2013 Series B, and (c) \$2,825,000 initial principal amount of Perris Joint Powers Authority Local Agency Revenue Bonds (CFD No. 2006-1 Refunding), 2014 Series B (collectively the “Prior PIPA Bonds” and, together with the Prior District Bonds, the “Prior Bonds”); and

**WHEREAS**, \$12,605,000 aggregate principal amount of the Prior PIPA Bonds (including \$895,000 with respect to the Prior 2001-1 IA 1 Bonds, \$2,400,000 with respect to the Prior 2001-1 IA 2 Bonds, \$3,630,000 with respect to the Prior 2001-1 IA 3 Bonds, \$3,695,000 with respect to the Prior 2002-1 Bonds and \$1,985,000 with respect to the Prior 2006-1 Bonds) remain outstanding; and

**WHEREAS**, the City on behalf of the Districts, desire to accomplish the refinancing of the Prior District Bonds through the issuance of bonds in an initial principal amount not to exceed (a) \$1,000,000 designated as the “Improvement Area No. 1 of Community Facilities District No. 2001-1 (May Farms) of the City of Perris Special Tax Refunding Bonds, 2024 Series” (the “2001-1 IA 1 Bonds”), (b) \$3,000,000 designated as the “Improvement Area No. 2 of Community Facilities District No. 2001-1 (May Farms) of the City of Perris Special Tax Refunding Bonds, 2024 Series” (the “2001-1 IA 2 Bonds”), (c) \$4,000,000 designated as the “Improvement Area No. 3 of Community Facilities District No. 2001-1 (May Farms) of the City of Perris Special Tax Refunding Bonds, 2024 Series” (the “2001-1 IA 3 Bonds”), (d) \$4,000,000 designated as the “Community Facilities District No. 2002-1 (Willowbrook) of the City of Perris Special Tax Refunding Bonds, 2024 Series” (the “2002-1 Bonds”), and (e) \$3,000,000 designated as the “Community Facilities District No. 2006-1 (Meritage Homes) of the City of Perris Special Tax Refunding Bonds, 2024 Series” (the “2006-1 Bonds” and, together with the 2001-1 IA 1 Bonds, 2001-1 IA 2 Bonds, 2001-1 IA 3 Bonds and the 2002-1 Bonds, the “District Bonds” and, each individually a “District Bond”); and

**WHEREAS**, the City and the Housing Authority of the City of Perris, entered into a Joint Exercise of Powers Agreement, created under the Joint Exercise of Powers Act (Sections 6500 *et seq.* of the California Government Code) (the “Bond Law”), dated as of March 26, 2013, thereby forming the Authority to assist the City and the Housing Authority of the City in their respective financings; and

**WHEREAS**, in order to raise the funds to purchase the District Bonds and refund the Prior Bonds, the Authority will issue its Perris Joint Powers Authority Local Agency Revenue Bonds (CFD 2001-1 IA1, IA2, & IA3; CFD 2002-1; and CFD 2006-1 Refunding), 2024 Series (the “Authority Bonds”) pursuant to Article 4 of the Bond Law, and use the proceeds thereof to purchase the District Bonds, to pay certain costs of issuance and fund certain reserve funds and other funds in connection therewith; and

**WHEREAS**, the legislative body of each of the Districts has determined in accordance with Government Code Sections 53360.4, 53363.5 and/or other applicable laws that a negotiated sale of the District Bonds to the Authority in accordance with the terms of the Commitment Agreement and Purchase Contract for Purchase and Sale of Local Obligation Bonds to be entered into by the Districts and the Authority (the “Local Obligation Bond Purchase Contract”), a form of which is on file with the City Clerk, will result in a lower overall cost to the District as determined by the District’s municipal advisor; and

**WHEREAS**, the Authority will sell the Authority Bonds to Oppenheimer & Co. Inc. (the "Underwriter") pursuant to the terms of the Bond Purchase Contract, by between the Authority, and the Underwriter (the "Authority Purchase Contract"), a form of which is on file with the City Clerk; and

**WHEREAS**, in order to effect the issuance of the District Bonds by the Districts and the Authority Bonds, and the refunding of the Prior Bonds, the legislative body of the Districts desires to approve the form of a Preliminary Official Statement for the Authority Bonds related to the District Bonds and to approve the form of and authorize the execution and delivery of five fiscal agent agreements, by and between the applicable District on behalf of each Improvement Area and/or itself, and U.S. Bank Trust Company, National Association, as Fiscal Agent (the "Fiscal Agent Agreements"), with respect to the issuance of the District Bonds, forms of which are on file with the City Clerk; and

**WHEREAS**, the Districts further desire to approve the forms and/or authorize the execution and delivery of the Local Obligation Purchase Contract, the Authority Purchase Contract, the Escrow Agreements (as hereinafter defined), and certain other agreements related thereto, the forms of which are on file with the City Clerk; and

**WHEREAS**, the legislative body of the Districts have determined that it is prudent in the management of its fiscal affairs to issue the District Bonds, that it will accomplish a public purpose, and that refunding, cancelling or defeasing of the Prior Bonds will effect savings; and

**WHEREAS**, the value of the real property within the Districts subject to the special tax to pay debt service on the respective District Bonds is more than three times the principal amount of the respective District Bonds (based on assessed values at the County) and the principal amount of all other bonds outstanding that are secured by a special tax levied pursuant to the Act or a special assessment levied on property within the respective Districts, which fact is required as a precondition to the issuance of the District Bonds; and

**WHEREAS**, paragraph 9(ii)(a) of the City's Debt Issuance and Management Policy (the "Debt Policy"), adopted January 10, 2023 provides that the City endeavor to obtain three percent (3%) net present value or greater savings as a percentage of the refunded aggregate principal amount at the time of sale; however, such three percent (3%) savings only serve as a guideline, and the City must evaluate each refunding on a case-by-case basis; and

**WHEREAS**, the refunding of the District Bonds will effect more than 3% savings with respect to each of the District Bonds; and

**WHEREAS**, in compliance with Government Code Section 5852.1, the District has obtained from its municipal advisor the required good faith estimates of the following information (a) the true interest cost of the bonds, (b) the finance charge of the bonds, (c) the amount of proceeds of the bonds expected to be received net of the fees and charges paid to third parties and any reserves or capitalized interest paid or funded with proceeds of the bonds, (d) the sum total of all debt service payments on the bonds calculated to the final maturity of the bonds plus the fees and charges paid to third parties not paid with the proceeds of the bonds; and

**WHEREAS**, such good faith estimates are disclosed and set forth in Exhibit A attached hereto and incorporated herein; 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.** Each of the above recitals is true and correct and is adopted by the legislative body of the Districts.

**Section 2.** The Districts are authorized pursuant to the Act and/or Articles and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the of the California Government Code, being the refunding act, to issue the District Bonds for the purpose of refinancing the Prior Bonds and therefore the capital improvements and public facilities in the Districts and effectuate the refunding, cancellation or defeasance of the Prior Bonds.

**Section 3.** The issuance of the (a) 2001-1 IA 1 Bonds in a principal amount not to exceed \$1,000,000, (b) the 2001-1 IA 2 Bonds in a principal amount not to exceed \$3,000,000, (c) the 2001-1 IA 3 Bonds in a principal amount not to exceed \$4,000,000(d) the 2002-1 Bonds in a principal amount not to exceed \$4,000,000, and (e) 2006-1 Bonds in a principal amount not to exceed \$3,000,000, are hereby authorized with the exact principal amounts to be determined by the official signing of the Local Obligation Purchase Contract for the District Bonds in accordance with Section 7 below. The legislative body of the Districts hereby determines that it is prudent in the management of its fiscal affairs and a public purpose to issue the District Bonds. The District Bonds shall mature on the dates and pay interest at the rates set forth in the Local Obligation Purchase Contract to be executed on behalf of the Districts in accordance with Section 7 hereof.

**Section 4.** The forms of the five Fiscal Agent Agreements, for the Districts (collectively, the "Fiscal Agent Agreements"), copies of which are on file with the City Clerk, be and are hereby approved in substantially the form thereof or with such changes as may be approved by the Mayor, City Manager, Assistant City Manager or Finance Director (each, an "Authorized Officer"), said Authorized Officer's execution thereof to constitute conclusive evidence of said officer's approval of all such changes, and each of said Authorized Officers be and is hereby authorized, together or alone to execute and deliver said Fiscal Agent Agreements. The City Clerk or a duly authorized Deputy or Assistant City Clerk (the "City Clerk") is hereby authorized to attest to said Authorized Officer's signature.

**Section 5.** The District Bonds shall be executed on behalf of the Districts by the manual or facsimile signature of an Authorized Officer and attested with the manual or facsimile signature of the City Clerk. U.S. Bank Trust Company, National Association is hereby appointed to act as fiscal agent for the District Bonds.

**Section 6.** The covenants set forth in the Fiscal Agent Agreements to be executed in accordance with Section 4 above are hereby approved, shall be deemed to be covenants of the

legislative body of the applicable District, and shall be complied with by the applicable District and its officers.

**Section 7.** The form of the Local Obligation Bond Purchase Contract and the Authority Purchase Contract relating to the purchase of the District Bonds by the Authority and relating to the purchase of the Authority Bonds by the Underwriter, respectively, copies of which are on file with the City Clerk, be and are hereby approved in the forms thereof, or with such changes as may be approved by an Authorized Officer, said Authorized Officer's execution of the Local Obligation Purchase Contract to constitute conclusive evidence of said officer's approval of all such changes, and each Authorized Officer be and is hereby authorized, together or alone, to execute and deliver said agreement and to insert in each of the aforesaid Local Obligation Purchase Contract the dollar amount which reflects the provisions of said purchase contracts; provided, however, that the true interest cost with respect to the Authority Bonds shall not exceed 5.0% and the Underwriter's discount shall not exceed 1.5% of the principal amount of the Authority Bonds thereof, excluding any original issue discount on the Authority Bonds and the purchase price of the District Bonds shall not exceed any amount prohibited by the Bond Law.

**Section 8.** The form of the Preliminary Official Statement presented at this meeting and on file with the City Clerk is hereby approved, and the Underwriter is hereby authorized to distribute the Preliminary Official Statement to municipal bond broker-dealers, to banking institutions, and to members of the general public who may be interested in purchasing the Authority Bonds. Each Authorized Officer is authorized to approve the amendment of the Preliminary Official Statement, from time to time, pending distribution of the Preliminary Official Statement as shall be required to cause such Preliminary Official Statement to contain any further information necessary to accurately describe the District Bonds. The final Official Statement relating to the District Bonds shall be submitted to an Authorized Officer of the Authority for approval.

**Section 9.** The three forms of the Escrow Deposit and Trust Agreement, by and among the Authority, the applicable District and U.S. Bank Trust Company, National Association, as Escrow Agent (the "Escrow Agreements"), each of which is on file with the City Clerk, be and is hereby approved in substantially the form thereof or with such changes as may be approved by an Authorized Officer, said Authorized Officer's execution thereof to constitute conclusive evidence of said Authorized Officer's approval of all such changes, and each of said Authorized Officers be and is hereby authorized, together or alone to execute and deliver said Escrow Agreements.

**Section 10.** In accordance with the requirements of Section 53345.8 of the Act, the legislative body of the Districts hereby determines that the value of the real property within the respective District subject to the respective special taxes to pay debt service on the District Bonds is not less than three times the principal amount of the respective District Bonds and the principal amount of all other bonds outstanding that are secured by a special tax levied pursuant to the Act or a special assessment levied on property within the applicable District and Improvement Area thereof. This determination is based on the assessed value of the real property within the Improvement Areas of each District as shown in the records of the County. The Districts have not prepared an appraisal in connection with the refinancing of the Districts

because the Districts have already been developed, and therefore, the City waives any requirement in the City's policies related to an appraisal.

**Section 11.** The City Council approves of the financing and hereby finds that significant public benefits exist in undertaking the financing in accordance with the criteria set forth in Government Code Section 6586, including demonstrable savings in effective interest rate.

**Section 12.** All conditions precedent to the financing pursuant to the City's policies relating to Mello-Roos Districts have been met or are hereby waived.

**Section 13.** Each Authorized Officer and the other officers and staff of the City and the District responsible for the fiscal affairs of the District are hereby authorized and directed to take any actions and execute and deliver any and all documents and certificates, and to do any and all things and take any and all actions, including applying for bond insurance, reserve fund insurance policies, execution and delivery of any and all assignments, certificates, tax certificates, municipal bond insurance commitments and agreements, reserve surety commitments, requisitions, agreements, notices, consents, instruments of conveyance, warrants, and other documents with respect to the District Bonds or any of them, which they, or any of them, may deem necessary or advisable in order to accomplish the issuance, sale and delivery of the District Bonds and to consummate the transactions contemplated by each aforesaid Agreement. In the event that the Mayor is unavailable to sign any document authorized for execution herein, any Authorized Officer may sign such document. Any document authorized herein to be signed by the City Clerk may be signed by a duly appointed deputy or assistant city clerk.

**Section 14.** This resolution shall take effect and be enforceable immediately upon its adoption

**ADOPTED, SIGNED and APPROVED** this 9<sup>th</sup> day of April, 2024.

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Michael M. Vargas, Mayor

ATTEST:

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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 6381 was duly adopted by the City Council of the City of Perris at a regular meeting of said Council on the 9<sup>th</sup> day of April, 2024, and that it was so adopted by the following vote:

AYES: ROGERS, NAVA, CORONA, RABB, VARGAS

NOES: NONE

ABSENT: NONE

ABSTAIN: NONE

By: \_\_\_\_\_  
Nancy Salazar, City Clerk

## EXHIBIT A

The good faith estimates set forth herein are provided with respect to the Authority Bonds in accordance with California Government Code Section 5852.1. Such good faith estimates have been provided to the Authority by Fieldman, Rolapp & Associates, Inc. (together, the Authority's "Municipal Advisor").

*Principal Amount of the Authority Bonds.* The Municipal Advisor has informed the Authority that, based on the Authority's financing plan and current market conditions, its good faith estimate of the aggregate principal amount of the Authority Bonds to be sold is \$11,180,000 (the "Estimated Principal Amount").

*True Interest Cost of the Authority Bonds.* The Municipal Advisor has informed the Authority that, assuming that the respective Estimated Principal Amount of the Authority Bonds are sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the true interest cost of the Authority Bonds, which means the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for the Authority Bonds, is 3.93%.

*Finance Charge of the Authority Bonds.* The Municipal Advisor has informed the Authority that, assuming that the Estimated Principal Amount of the Authority Bonds are sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the finance charge for the Authority Bonds, which means the sum of all fees and charges paid to third parties (or costs associated with the Authority Bonds), is \$434,624.

*Amount of Proceeds to be Received.* The Municipal Advisor has informed the Authority that, assuming that the Estimated Principal Amount of the Authority Bonds are sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the amount of proceeds expected to be received by the Authority for sale of the Authority Bonds, less the finance charge of the Authority Bonds as estimated above, less a debt service reserve fund deposit for the Authority Bonds, paid or funded with proceeds of the Authority Bonds, is \$10,281,935.



*Total Payment Amount.* The Municipal Advisor has informed the Authority that, assuming that the Estimated Principal Amount of the Authority Bonds are sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the total payment amount, which means the sum total of all payments the Authority will make to pay debt service on the Authority Bonds, plus the finance charge for the Authority Bonds, as described above, not paid with the respective proceeds of the Authority Bonds, calculated to the final maturity of the Authority Bonds, is \$14,443,017

The foregoing estimates constitute good faith estimates only and are based on market conditions prevailing at the time of preparation of such estimates on March 26, 2024. The actual principal amount of the Authority Bonds issued and sold, the true interest cost thereof, the finance charges thereof, the amount of proceeds received therefrom and total payment amount with respect thereto may differ from such good faith estimates due to (a) the actual date of the sale of the Authority Bonds being different than the date assumed for purposes of such estimates, (b) the actual principal amount of Authority Bonds sold being different from the respective Estimated Principal Amount, (c) the actual amortization of the Authority Bonds being different than the amortization assumed for purposes of such estimates, (d) the actual market interest rates at the time of sale of the Authority Bonds being different than those estimated for purposes of such estimates, (e) other market conditions, or (f) alterations in the Authority's financing plan, or a combination of such factors. The actual date of sale of the Authority Bonds and the actual principal amount of Authority Bonds sold will be determined by the Authority based on various factors. The actual interest rates borne by the Authority Bonds will depend on market interest rates at the time of sale thereof. The actual amortization of the Authority Bonds will also depend, in part, on market interest rates at the time of sale thereof. Market interest rates are affected by economic and other factors beyond the control of the Authority.