

RESOLUTION NUMBER 5240

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 NO. 2014-1 (AVELINA) OF THE CITY OF PERRIS, AUTHORIZING THE ISSUANCE OF BONDED INDEBTEDNESS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$5,000,000, ON BEHALF OF ITS IMPROVEMENT AREA NO. 2, TO FINANCE PUBLIC FACILITIES, 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, the City Council (the “City Council”) of the City of Perris (the “City”), located in Riverside County, California (hereinafter sometimes referred to as the “legislative body of the District”) has, pursuant to its Resolution No. 4779 (the “Resolution of Intention”) adopted on October 14, 2014, as supplemented by Resolution No. 4781, adopted October 28, 2014, and Resolution No. 4798 (the “Resolution of Formation”) adopted on January 13, 2015, heretofore undertaken proceedings and declared the necessity of Community Facilities District No. 2014-1 (Avelina) of the City of Perris (the “District”) to issue bonds pursuant to the terms and 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”); and

WHEREAS, pursuant to its Resolution of Formation, Resolution of Intention, and Resolution Nos. 4799 and 4800 (collectively the “Resolutions”), adopted by the legislative body of the District on January 13, 2015, a certain bond proposition was submitted to the qualified electors within the District, and was approved by more than two-thirds of the votes cast at the election held on January 13, 2015, in addition to the levy of a special tax (the “Special Tax”) within each Improvement Area of the District in accordance with a rate and method of apportionment for each Improvement Area, including Improvement Area No. 2 (the “RMA”); and

WHEREAS, based upon Resolutions adopted by the legislative body of the District and the election, the District is authorized to issue bonds, pursuant to the Act, in an aggregate principal amount not to exceed \$5,000,000 for Improvement Area No. 2; 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 Perris Joint Powers Authority (the “Authority”) to assist the City and the Housing Authority of the City in their respective financings; and

WHEREAS, the City Council has heretofore undertaken proceedings and declared the necessity of the District to issue bonds pursuant to the terms and provisions of the Act, and desires to issue bonds at this time under the Act, with the assistance of the Authority, for the purpose of providing financing for the acquisition and construction of public facilities and public capital fees associated with the District, which the District is authorized to finance; and

WHEREAS, the District desires to accomplish the financing of certain public capital improvements through the issuance of bonds in an aggregate principal amount not to exceed \$5,000,000 designated as the “Improvement Area No. 2 of Community Facilities District No. 2014-1 (Avelina) of the City of Perris Special Tax Bonds, 2018 Series” (the “District Bonds”); and

WHEREAS, in order to raise the funds to purchase the District Bonds, the Authority will issue its Perris Joint Powers Authority Local Agency Revenue Bonds (IA 2-CFD No. 2014-1(Avelina)), 2018 Series A (the “Authority Bonds”) pursuant to the Bond Law, and use the proceeds thereof to purchase the District Bonds from the District, to pay certain costs of issuance and/ or fund a reserve fund and other funds in connection therewith; and

WHEREAS, the legislative body of the District has determined in accordance with Government Code Sections 53360.4 and 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 District 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; and

WHEREAS, the Authority will sell the Authority Bonds to Brandis Tallman LLC (the “Underwriter”) pursuant to the terms of the Bond Purchase Agreement, by and among 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 District and the Authority Bonds, the legislative body of the District 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 a fiscal agent agreement, by and between the District and U.S. Bank National Association, as Fiscal Agent (the “Fiscal Agent Agreement”), with respect to the issuance of the District Bonds, forms of which are on file with the City Clerk; and

WHEREAS, the District further desires to approve the forms and authorize the execution and delivery of the Local Obligation Purchase Contract, the Authority Purchase Contract, a Continuing Disclosure Agreement (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 District has 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

WHEREAS, in accordance with Government Code Section 6586.5, the County has published notice of a public hearing in a newspaper of general circulation and on the date hereof held a public hearing concerning the financing of the capital improvements described herein through the issuance of the Authority Bonds as required by Government Code Section 6586.5(a)(2); and

WHEREAS, the value of the real property in Improvement Area No. 2 of the District subject to the special tax to pay debt service on the District Bonds is more than three times the principal amount of the District Bonds (based on assessed values on the records of the County of Riverside) 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 Improvement Area No. 2 of the District, which fact is required as a precondition to the issuance of the District Bonds.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Perris, acting for itself and as the legislative body of Community Facilities District No. 2014-1 (Avelina) of the City of Perris, does hereby resolve, determine and order as follows:

Section 1. Each of the above recitals is true and correct and is adopted by the legislative body of the District.

Section 2. The District is authorized pursuant to the Act to issue the District Bonds for the purpose of financing capital improvements and public facilities in the District.

Section 3. The issuance of the District Bonds in a principal amount not to exceed \$5,000,000 is hereby authorized with the exact principal amount 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 District 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 District in accordance with Section 7 hereof.

Section 4. The form of the Fiscal Agent Agreement, a copy 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 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 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 Fiscal Agent Agreement. 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 District by the manual or facsimile signature of the Mayor of the City, acting as the legislative body of the District, and attested with the manual or facsimile signature of the City Clerk. U.S. Bank National Association is hereby appointed to act as Fiscal Agent for the District Bonds.

Section 6. The covenants set forth in the Fiscal Agent Agreement to be executed in accordance with Section 4 above are hereby approved, shall be deemed to be covenants of the legislative body of the District, and shall be complied with by the 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 thereof 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 or agreements to which the District is a party and to insert in each of the aforesaid Agreements 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 5.5% and the Underwriter's discount shall not exceed 1% 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 or the Act.

Section 8. The form of the Continuing Disclosure Agreement executed and delivered by the District and Willdan Financial Services, as Dissemination Agent thereunder, a copy of which is on file with the City Clerk (the "Continuing Disclosure Agreement"), 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 Authorized Officer be and is hereby authorized, together or alone, to execute and deliver said Agreement.

Section 9. 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 prospective purchasers of the Authority Bonds. Each Authorized Officer is authorized to make such additions thereto and changes therein as are determined necessary by the such Authorized Officer to make such Preliminary Official Statement final as of its date for purposes of Rule 15c2-12 of the Securities and Exchange Commission ("Rule 15c2-12"), including, but not limited to, such additions and changes as are necessary to make all information set forth therein accurate and not misleading. Each Authorized Officer is authorized to deem final the Preliminary Official Statement as of its date for the purpose of Rule 15c2-12. The final Official Statement shall be submitted to an Authorized Officer for approval.

Section 10. In accordance with the requirements of Section 53345.8 of the Act, the legislative body of the District hereby determines that the value of the real property within the 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 Improvement Area No. 2 of the District. This determination is based on the assessed values of the property on the records of the County of Riverside.

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.

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 as are necessary 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 13th day of March, 2018.

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 5240 was duly adopted by the City Council of the City of Perris at a regular meeting of said Council on the 13th day of March, 2018, and that it was so adopted by the following vote:

AYES: BURKE, CORONA, RABB, ROGERS, VARGAS

NOES: NONE

ABSENT: NONE

ABSTAIN: NONE

By: _____
Nancy Salazar, CITY CLERK