

RESOLUTION NO. 23- ____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MENIFEE ACTING AS THE LEGISLATIVE BODY OF COMMUNITY FACILITIES DISTRICT NO. 2023-2 (CIMARRON RIDGE) OF THE CITY OF MENIFEE DETERMINING THE NECESSITY TO INCUR BONDED INDEBTEDNESS WITHIN IMPROVEMENT AREA NOS. 1 AND 2 OF COMMUNITY FACILITIES DISTRICT NO. 2023-2 (CIMARRON RIDGE) OF THE CITY OF MENIFEE IN AN AMOUNT NOT TO EXCEED \$10,000,000 WITHIN IMPROVEMENT AREA NO. 1 AND \$15,000,000 WITHIN IMPROVEMENT AREA NO. 2, AND CALLING ELECTIONS THEREIN

WHEREAS, on March 15, 2023, the City Council of the City of Menifee (the “City Council”) adopted Resolution No. 23-1296 stating its intention to form Community Facilities District No. 2023-2 (Cimarron Ridge) of the City of Menifee (“Community Facilities District No. 2023-2” or the “District”) pursuant to the Mello-Roos Community Facilities Act of 1982, as amended (the “Act”) and to form two improvement areas within proposed Community Facilities District No. 2023-2 to be known as “Improvement Area No. 1 of Community Facilities District No. 2023-2 (Cimarron Ridge) of the City of Menifee” (“Improvement Area No. 1”) and “Improvement Area No. 2 of Community Facilities District No. 2023-2 (Cimarron Ridge) of the City of Menifee” (“Improvement Area No. 2” and together with Improvement Area No. 1, the “Improvement Areas” and each individually an “Improvement Area”); and

WHEREAS, on March 15, 2023, the City Council also adopted Resolution No. 23-1297 stating its intention to incur bonded indebtedness in the amount of up to \$10,000,000 within proposed Improvement Area No. 1 and \$15,000,000 within proposed Improvement Area No. 2 to finance (1) the purchase, construction, modification, expansion, improvement and/or rehabilitation of public facilities identified in Attachment B to Resolution No. 23-1296, and (2) the incidental expenses to be incurred in financing such public facilities and services and forming and administering the District, as identified in Attachment B to Resolution No. 23-1296; and

WHEREAS, notice was published as required by law relative to the intention of the City Council to form proposed Community Facilities District No. 2023-2, to designate the Improvement Areas and to incur bonded indebtedness in the amount of up to \$10,000,000 within the boundaries of proposed Improvement Area No. 1 and \$15,000,000 within the boundaries of proposed Improvement Area No. 2; and

WHEREAS, on April 19, 2023, this City Council conducted a noticed public hearing to determine whether it should proceed with the formation of Community Facilities District No. 2023-2 and the designation of the Improvement Areas, issue bonds within the Improvement Areas to pay for the facilities and incidental expenses described in Resolution No. 23-1296 and authorize a rate and method of apportionment of a special tax for each of the Improvement Areas to be levied within such Improvement Areas for the purposes described in Resolution No. 23-1296; and

WHEREAS, at said hearing all persons desiring to be heard on all matters pertaining to the formation of Community Facilities District No. 2023-2, the designation of the Improvement Areas, the levy of a special tax and the issuance of bonds with respect to each Improvement Area to pay for the cost of the proposed facilities and incidental expenses were heard and a full and fair hearing was held; and

WHEREAS, the City Council subsequent to such hearing adopted Resolution No. 23-____ establishing Community Facilities District No. 2023-2 (the “Resolution of Formation”), designating the Improvement Areas and authorizing the financing of the public facilities (the “Facilities”) and the incidental expenses (the “Incidental Expenses”) described in Attachment A thereto; and

WHEREAS, the City Council desires to make the necessary findings to incur bonded indebtedness within each of the Improvement Areas, to declare the purpose for said debt, and to authorize the submittal of a proposition to issue bonded indebtedness to the voters of each of the Improvement Areas, being the landowners therein, all as authorized and required by law;

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Menifee, California:

Section 1. It is necessary to incur bonded indebtedness in one or more series in a maximum aggregate principal amount not to exceed \$10,000,000 within Improvement Area No. 1 and \$15,000,000 within Improvement Area No. 2.

Section 2. The indebtedness is to be incurred for the purpose of financing the costs of purchasing, constructing, modifying, expanding, improving, and/or rehabilitating the Facilities and financing the Incidental Expenses, as described in the Resolution of Formation, and carrying out the powers and purposes of Community Facilities District No. 2023-2, including, but not limited to, financing the costs of selling the bonds, establishing and replenishing bond reserve funds and paying remarketing, credit enhancement and liquidity facility fees and other expenses of the type authorized by Section 53345.3 of the Act.

Section 3. The whole of the property within Improvement Area No. 1, other than property exempted from the special tax pursuant to the provisions of the rate and method of apportionment attached to Resolution No. 23-1296 as Attachment C, shall pay for the bonded indebtedness issued by the District for Improvement Area No. 1 pursuant to the levy of the special tax for Improvement Area No. 1 authorized by the Resolution of Formation.

The whole of the property within Improvement Area No. 2, other than property exempted from the special tax pursuant to the provisions of the rate and method of apportionment attached to Resolution No. 23-1296 as Attachment D, shall pay for the bonded indebtedness issued by the District for Improvement Area No. 2 pursuant to the levy of the special tax for Improvement Area No. 2 authorized by the Resolution of Formation.

Section 4. The maximum term of any series of bonds to be issued to finance Facilities shall in no event exceed thirty-five (35) years from the date of issuance of the bonds, or such longer term as is then permitted by law.

Section 5. The bonds shall bear interest at the rate or rates not to exceed the maximum interest rate permitted by law, payable annually or semiannually, or in part annually and in part semiannually, except the first interest payment may be for a period of less than six months, with the actual rate or rates and times of payment to be determined at the time or times of sale thereof.

Section 6. The bonds may bear a variable or fixed interest rate, provided that such variable rate or fixed rate shall not exceed the maximum rate permitted by Section 53531 of the Act, or any other applicable provision of law limiting the maximum interest rate on the bonds.

Section 7. Pursuant to Section 53351 of the Act, a special election is hereby called for Improvement Area No. 1 on the proposition of incurring the bonded indebtedness. The proposition relative to incurring bonded indebtedness in the maximum aggregate principal amount of \$10,000,000 shall be in the form of Proposition A set forth in Attachment A hereto. In accordance with Sections 53351(h) and 53353.5 of the Act, the election shall be consolidated with the special election called on the proposition of levying a special tax within Improvement Area No. 1 as described in the Resolution of Formation, which proposition shall be in the form of Proposition B set forth in Attachment A, and on the proposition of establishing an appropriations limit for the District, which proposition shall be in the form of Proposition C set forth in Attachment A.

Pursuant to Section 53351 of the Act, a special election is hereby called for Improvement Area No. 2 on the proposition of incurring the bonded indebtedness therein. The proposition relative to incurring bonded indebtedness in the maximum aggregate principal amount of \$15,000,000 shall be in the form of Proposition D set forth in Attachment B hereto. In accordance with Section 53351(h) and 53353.5 of the Act, the election shall be consolidated with the special election called on the proposition of levying a special tax within Improvement Area No. 2 as described in the Resolution of Formation, which proposition shall be in the form of Proposition E set forth in Attachment B, and on the proposition of establishing an appropriations limit for the District, which proposition shall be in the form of Proposition F set forth in Attachment B.

Section 8. The date of the special elections for the Improvement Areas on the propositions of incurring the bonded indebtedness, authorizing the levy of the special tax and setting an appropriations limit shall be April 19, 2023, or such later date as is consented to by the City Clerk, or any Acting City Clerk of the City (referred to herein as the "City Clerk"); provided that, if the election for an Improvement Area is to take place sooner than 90 days after April 19, 2023, then the unanimous written consent of each qualified elector within such Improvement Area to such election date must be obtained. The polls shall be open for said election immediately following the public hearing on April 19, 2023. The election shall be conducted by the City Clerk. Except as otherwise provided by the Act, the election shall be conducted in accordance with the provisions of law regulating elections of the City of Menifee insofar as such provisions are determined by the City Clerk to be applicable. The City Clerk is authorized to conduct the election following the adoption of the Resolution of Formation, and this resolution and all ballots shall be received by and the City Clerk shall close the election by 11:00 p.m. on the election day; provided the election shall be closed at such earlier time as all qualified electors have voted as provided in Section 53326(d) of the Act. Pursuant to Section 53326 of the Act, the ballots for the special elections shall be distributed in person, or by mail with return postage prepaid, to the qualified electors within each of the Improvement Areas. The City Clerk has secured a certificate of the Registrar of Voters of the County of Riverside certifying that there were no registered voters within the District as of the date of

such certificate. Accordingly, since there were fewer than 12 registered voters within the District for each of the 90 days preceding April 19, 2023, the qualified electors shall be the landowners within each of the Improvement Areas and each landowner, or the authorized representative thereof, shall have one vote for each acre or portion thereof that such landowner owns within the respective Improvement Areas, as provided in Section 53326 of the Act. The sole landowner within Improvement Area No. 1 has executed and delivered a waiver of certain election law requirements and consenting to the holding of the election on April 19, 2023, which waiver is on file with the City Clerk. The sole landowner within Improvement Area No. 2 has executed and delivered a waiver of certain election law requirements and consenting to the holding of the election on April 19, 2023, which waiver is on file with the City Clerk.

Section 9. This Resolution shall be effective upon its adoption.

PASSED, APPROVED AND ADOPTED this the 19th day of April, 2023.

Bill Zimmerman, Mayor

Attest:

A. Kay Vinson, Acting City Clerk

Approved as to form:

Jeffrey T. Melching, City Attorney

ATTACHMENT A

BALLOT PROPOSITIONS

**COMMUNITY FACILITIES DISTRICT NO. 2023-2
(CIMARRON RIDGE) OF THE CITY OF MENIFEE**

IMPROVEMENT AREA NO. 1

SPECIAL TAX AND SPECIAL BOND ELECTION

April 19, 2023

PROPOSITION A: Shall Community Facilities District No. 2023-2 (Cimarron Ridge) of the City of Menifee (the "District") incur an indebtedness and issue bonds in the maximum principal amount of \$10,000,000 for Improvement Area No. 1 therein (the "Improvement Area") with interest at a rate or rates not to exceed the maximum interest rate permitted by law, to finance the Facilities and the Incidental Expenses described in Resolution No. 23-1296 of the City Council of the City of Menifee?

YES _____

NO _____

PROPOSITION B: Shall a special tax with a rate and method of apportionment for the Improvement Area as provided in Resolution No. 23-1296 of the City Council of the City of Menifee be levied to pay for the Facilities, Incidental Expenses and other purposes described in Resolution No. 23-1296, including the payment of the principal of and interest on bonds issued by the District for the Improvement Area to finance the Facilities and Incidental Expenses?

YES _____

NO _____

PROPOSITION C: For each year commencing with Fiscal Year 2023-2024, shall the appropriations limit, as defined by subdivision (h) of Section 8 of Article XIII B of the California Constitution, for Community Facilities District No. 2023-2 be an amount equal to \$7,500,000?

YES _____

NO _____

ATTACHMENT B

BALLOT PROPOSITIONS

**COMMUNITY FACILITIES DISTRICT NO. 2023-2
(CIMARRON RIDGE) OF THE CITY OF MENIFEE**

IMPROVEMENT AREA NO. 2

SPECIAL TAX AND SPECIAL BOND ELECTION

April 19, 2023

PROPOSITION D: Shall Community Facilities District No. 2023-2 (Cimarron Ridge) of the City of Menifee (the "District") incur an indebtedness and issue bonds in the maximum principal amount of \$15,000,000 for Improvement Area No. 2 therein (the "Improvement Area") with interest at a rate or rates not to exceed the maximum interest rate permitted by law, to finance the Facilities and the Incidental Expenses described in Resolution No. 23-1296 of the City Council of the City of Menifee?

YES _____

NO _____

PROPOSITION E: Shall a special tax with a rate and method of apportionment for the Improvement Area as provided in Resolution No. 23-1296 of the City Council of the City of Menifee be levied to pay for the Facilities, Incidental Expenses and other purposes described in Resolution No. 23-1296, including the payment of the principal of and interest on bonds issued by the District for the Improvement Area to finance the Facilities and Incidental Expenses?

YES _____

NO _____

PROPOSITION F: For each year commencing with Fiscal Year 2023-2024, shall the appropriations limit, as defined by subdivision (h) of Section 8 of Article XIII B of the California Constitution, for Community Facilities District No. 2023-2 be an amount equal to \$7,500,000?

YES _____

NO _____