

RESOLUTION NO. _____ (N.C.S.)

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SALINAS, ACTING AS
THE LEGISLATIVE BODY OF COMMUNITY FACILITIES DISTRICT NO. 2016-1
(MONTE BELLA) OF THE CITY OF SALINAS, DETERMINING THE NECESSITY TO
INCUR BONDED INDEBTEDNESS WITHIN THE COMMUNITY FACILITIES
DISTRICT AND IMPROVEMENT AREA NOS. 1, 2 AND 3 THEREIN AND CALLING
ELECTIONS THEREIN**

WHEREAS, on October 18, 2016, the City Council (the “City Council”) of the City of Salinas, California (the “City”) adopted Resolution No. 595 (the “Resolution of Intention”) stating its intention to form Community Facilities District No. 2016-1 (Monte Bella) of the City of Salinas (the “Community Facilities District”), and Improvement Area Nos. 1, 2 and 3 therein (each an “Improvement Area,” and, collectively, the “Improvement Areas”), pursuant to the Mello-Roos Community Facilities Act of 1982, as amended (the “Act”); and

WHEREAS, on October 18, 2016, the City Council also adopted Resolution No. 596 stating its intention to incur bonded indebtedness within the proposed Community Facilities District in an amount not to exceed (a) \$3,575,000 for Improvement Area No. 1, (b) \$3,025,000 for Improvement Area No. 2 and (c) \$4,400,000 for Improvement Area No. 3 to finance: (1) the purchase, construction, expansion, improvement or rehabilitation of public improvements identified in Exhibit B to the Resolution of Intention, including all furnishings, equipment and supplies related thereto (collectively, the “Facilities”) and (2) the incidental expenses to be incurred in financing the Facilities and forming and administering the Community Facilities District and the Improvement Areas therein (the “Incidental Expenses”); and

WHEREAS, a notice was published as required by law relative to the intention of the City Council to form the proposed Community Facilities District and the Improvement Areas therein and to incur bonded indebtedness for the Improvement Areas; and

WHEREAS, on November 29, 2016, the City Council opened a noticed public hearing to determine whether it should proceed to form the Community Facilities District and the Improvement Areas therein, issue bonds to pay for the Facilities and Incidental Expenses and to authorize a rate and method of apportionment of a special tax for each Improvement Area to be levied within each Improvement Area for the purposes described in the Resolution of Intention; and

WHEREAS, at said public hearing all persons desiring to be heard on all matters pertaining to the formation of the Community Facilities District and the Improvement Areas therein, the levy of a special tax and the issuance of bonds to pay for the cost of the proposed Facilities and Incidental Expenses were heard and a full and fair hearing was held; and

WHEREAS, subsequent to such hearing the City Council adopted a resolution establishing the Community Facilities District and the Improvement Areas therein (the “Resolution of Formation”); and

WHEREAS, the City Council desires to make the necessary findings to incur bonded indebtedness for the Community Facilities District and the Improvement Areas therein, to declare the purpose for said indebtedness, and to authorize the submittal of certain propositions to the voters of each Improvement Area, being the owners of land within the Improvement Areas, all as authorized and required by law.

NOW, THEREFORE, BE IT RESOLVED, that the Salinas City Council does hereby resolve, order and determine as follows:

Section 1. It is necessary to incur bonded indebtedness of the Community Facilities District in a maximum aggregate principal amount not to exceed (a) \$3,575,000 for Improvement Area No. 1, and (b) \$3,025,000 for Improvement Area No. 2, and (c) \$4,400,000 for Improvement Area No. 3.

Section 2. The indebtedness is to be incurred for the purpose of financing the costs of purchasing, constructing, modifying, expanding, improving, or rehabilitating the Facilities, as described in the Resolution of Intention and the Resolution of Formation, financing the Incidental Expenses, and carrying out the powers and purposes of the Community Facilities District on behalf of the Improvement Areas, 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 (including such fees for instruments which serve as the basis of a reserve fund in lieu of cash), administrative expenses and other expenses of the type authorized by Section 53345.3 of the Act.

Section 3. The whole of the property within the Improvement Areas, other than property exempted from the special tax pursuant to the provisions of the rate and method of apportionment attached to the Resolution of Intention as Exhibit C for each Improvement Area, shall pay for the bonded indebtedness of the applicable Improvement Area pursuant to the levy of the special tax in such Improvement Area authorized by the Resolution of Formation.

Section 4. The maximum term of the bonds to be issued shall in no event exceed thirty (30) years from the September 1 next following the date of issuance of the bonds of such series, 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 the fixed rate shall not exceed the maximum rate permitted by Section 53531 of the California Government Code, 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 each Improvement Area on the proposition of incurring the bonded indebtedness for such Improvement Area. The proposition relative to incurring bonded indebtedness for each

Improvement Area shall be in the forms set forth in Exhibit A to the Resolution of Formation. The elections in the Improvement Areas on the proposition of incurring bonded indebtedness shall be consolidated with the elections and on the propositions to levy a special tax and to establish an appropriations limit for the Community Facilities District, which propositions shall be in the forms set forth in Exhibit A to the Resolution of Formation.

Section 8. The date of the consolidated special elections for the Improvement Areas shall be November 29, 2016, or such later date as is consented to by the City Clerk of the City of Salinas (the "City Clerk") and the owners of land within each Improvement Area. The elections shall be conducted by the City Clerk. Except as otherwise provided by the Act, the elections shall be conducted in accordance with the provisions of law regulating elections of the City insofar as such provisions are determined by the City Clerk to be applicable. The City Clerk is authorized to conduct the elections 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 elections by 7:00 p.m. on the election day; provided the elections shall be closed at such earlier time as all qualified electors have voted as provided in Section 53326(d) of the Act. It is hereby found that there are no registered voters within the territory of either Improvement Area and, pursuant to Section 53351(j) of the Act, the ballots for the special elections shall be distributed in person or by mail with return postage prepaid to the landowners of record within each Improvement Area as of the close of the November 29, 2016 hearing regarding the formation of the Community Facilities District and the Improvement Areas therein. Each landowner shall have one vote for each acre or portion thereof that he, she or it owns within each Improvement Area, as provided in Section 53326 of the Act.

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

Section 10. Certification. The City Clerk of the City of Salinas shall certify to the passage and adoption of this resolution and enter it into the book of original resolutions.

PASSED AND APPROVED this 29th day of November, 2016 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Joe Gunter, Mayor

ATTEST:

Patricia M. Barajas, City Clerk

[illegible]

I hereby certify that the foregoing Resolution was duly and regularly adopted by the City Council of the City of Salinas at a regular meeting thereof held on the 29th day of November, 2016, by the following vote:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

Patricia M. Barajas, City Clerk