

RESOLUTION NO. 2023-109

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CORONA DETERMINING THE NECESSITY FOR IMPROVEMENT AREA NO. 3 OF COMMUNITY FACILITIES DISTRICT NO. 2018-1 (BEDFORD) TO INCUR AN INCREASE IN THE BONDED INDEBTEDNESS AND THAT THE RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX FOR IMPROVEMENT AREA NO. 3 AND IMPROVEMENT AREA NO. 4 BE REVISED AND CALLING A SPECIAL ELECTION ON A PROPOSITION FOR INCURRING SUCH BONDED INDEBTEDNESS

WHEREAS, the City Council (the “City Council”) of the City of Corona (the “City”) has received a written petition from Arantine Hills Holdings LP (the “Owner”), the owner of the territory within Improvement Area No. 3 and Improvement Area No. 4 of Community Facilities District No. 2018-1 (Bedford) of the City of Corona (the “Community Facilities District”) requesting that the City Council initiate proceedings pursuant to the Mello-Roos Community Facilities Act of 1982, being Chapter 2.5 (commencing with Section 53311) of Part 1 of Division 2 of Title 5 of the Government Code (the “Act”) to (i) increase the amount of the authorized bonded indebtedness that is allocated to Improvement Area No. 3 of the Community Facilities District from \$25,000,000 to \$37,000,000 and (ii) revise the Rate and Method of Apportionment of Special Tax for Improvement Area No. 3 and Improvement Area No. 4 of the Community Facilities District; and

WHEREAS, on September 20, 2023, the City Council adopted Resolution No. 2023-097, a resolution of consideration pursuant to Sections 53331 and 53334 of the California Government Code, determining that the public convenience and necessity require the changes proposed by such petition, including increasing the amount of authorized bonded indebtedness to be incurred by Improvement Area No. 3 of the Community Facilities District from \$25,000,000 to \$37,000,000 and revising the Rate and Method of Apportionment of Special Tax, and setting a public hearing regarding the proposed changes for 6:30 p.m. on November 1, 2023; and

WHEREAS, on September 20, 2023, the City Council also adopted Resolution No. 2023-098, declaring the necessity for Improvement Area No. 3 of the Community Facilities District to incur a bonded indebtedness in an increased aggregate principal amount not to exceed \$37,000,000 for the purpose of providing public facilities for the Community Facilities District and setting a public hearing regarding the proposed increased bonded indebtedness for 6:30 p.m. on November 1, 2023 to be conducted concurrently with the hearing regarding the changes proposed by Resolution No. 2023-097; and

WHEREAS, notice of the hearing was published and mailed as required by law; and

WHEREAS, on November 1, 2023, at the time and place of the hearing and the notice thereof, the City Council conducted the public hearing and afforded all persons interested, including persons owning property within the Community Facilities District, an opportunity to be

heard on the proposed authorization to incur bonded indebtedness in an increased aggregate principal amount, and no protests were received; and

WHEREAS, the City Council has determined that it is necessary for Improvement Area No. 3 of the Community Facilities District to incur a bonded indebtedness in an increased aggregate principal amount for the purpose of providing public facilities which are necessary to the development of the property in Improvement Area No. 3 of the Community Facilities District; and

WHEREAS, on November 1, 2023, the City Council adopted a resolution, pursuant to Section 53338 of the California Government Code, calling a special election on the changes proposed by Resolution No. 2023-097 on November 1, 2023, immediately following the public hearing; and

WHEREAS, the City Clerk of the City Council (the “City Clerk”) has advised the City Council that statements have been received from the Registrar of Voters of the County of Riverside that there are no persons registered to vote in Improvement Area No. 3 and Improvement Area No. 4 of the Community Facilities District.

NOW, THEREFORE, BE IT RESOLVED AND DETERMINED, BY THE CITY COUNCIL OF THE CITY OF CORONA, AS FOLLOWS:

SECTION 1. Necessity. It is necessary for Improvement Area No. 3 of the Community Facilities District to incur a bonded indebtedness in an aggregate principal amount not to exceed \$37,000,000 for the purpose of financing the design, construction and acquisition of certain public facilities (the “Facilities”) specified in the Resolution of Formation establishing the Community Facilities District adopted by the City Council on June 20, 2018, and paying incidental expenses.

SECTION 2. Payment of Bonded Indebtedness. Pursuant to Section 53351 of the California Government Code, all parcels of taxable property within Improvement Area No. 3 of the Community Facilities District shall be subject to the levy of special taxes to pay the principal of and interest on the aggregate principal amount of the bonds of Improvement Area No. 3 of the Community Facilities District which may be issued and sold to finance the Facilities.

Pursuant to Section 53350 of the California Government Code, all proceedings for purposes of a bond election with respect to the increased bonded indebtedness described herein, as specified in Section 1 hereof, and for the purpose of levying special taxes for the payment of the principal of and interest on the bonds that may be issued and sold to represent such bonded indebtedness and to finance or contribute to the financing of the design, construction and acquisition of the Facilities for Improvement Area No. 3 of the Community Facilities District shall apply only to Improvement Area No. 3 of the Community Facilities District.

SECTION 3. Amount of Debt; Terms of Bonds. The aggregate principal amount of the bonded indebtedness to be incurred by Improvement Area No. 3 of the Community Facilities District shall not exceed \$37,000,000. The maximum term of the bonds and/or any series shall not exceed forty (40) years, and such bonds may be issued in differing series, at differing times. The

maximum rate of interest to be paid on the bonds shall not exceed twelve (12) percent per annum or the maximum interest rate permitted by law at the time of sale of any of such bonds. The bonds, except where other funds are made available, shall be paid exclusively from the annual levy of the special tax within Improvement Area No. 3 of the Community Facilities District, and are not secured by any other taxing power or funds of the Community Facilities District or the City.

SECTION 4. Proposition to be Submitted to Voters. The proposition to be submitted to the qualified electors of Improvement Area No. 3 of the Community Facilities District with respect to the proposed bonded indebtedness shall be as follows:

PROPOSITION A

Proposition A: Shall Improvement Area No. 3 of Community Facilities District No. 2018-1 (Bedford) of the City of Corona, County of Riverside, State of California, subject to accountability measures required pursuant to Government Code Section 53410 and 53411, incur a bonded indebtedness for Improvement Area No. 3 in an amount not to exceed \$37,000,000 for the specific purposes set forth in the Resolution No. 2023-098, adopted by the City Council of City of Corona on September 20, 2023?

SECTION 5. Election. The date of the special election for Improvement Area No. 3 of the Community Facilities District with respect to the incurring of the aforementioned bonded indebtedness, at which time the proposition set forth in Section 4 hereof shall be submitted to the appropriate qualified voters of Improvement Area No. 3 of the Community Facilities District is November 1, 2023, and that special election is hereby called for that date. Pursuant to Section 53326 of the California Government Code, since at the time of the close of the public hearing, and for at least the preceding ninety (90) days, less than twelve (12) persons have been registered to vote within the territory of Improvement Area No. 3 of the Community Facilities District, the vote in the special election will be by the landowners of Improvement Area No. 3 of the Community Facilities District whose property would be subject to the special taxes if they were levied at the time of the election, with each landowner of record at the close of the public hearing having one vote for each acre or portion of an acre of land that he or she owns within Improvement Area No. 3 of the Community Facilities District, and the special elections shall be conducted by the City Clerk. The special election shall be consolidated with the special election with respect to the propositions regarding the revision of the Rate and Method of Apportionment of Special Tax for Improvement Area No. 3 and Improvement Area No. 4 of the Community Facilities District. The consolidated special elections shall be conducted by the City Clerk pursuant to applicable provisions of the California Elections Code with respect to mail-ballot elections of cities and specifically Division 4 (commencing with Section 4000) of that Code, insofar as they may be applicable. Pursuant to Section 53326 of the California Government Code, the official ballots shall be delivered by the City Clerk to the qualified electors by mail or personal service. The voted official ballots shall be received by the City Clerk by 5:00 p.m. on the date of the election; provided that if all qualified electors have voted, the election shall be closed with the concurrence of the City Clerk.

SECTION 6. Accountability Measures. Pursuant to and in compliance with Section 53410 of the California Government Code, if the voters approve the proposition contained in the official ballot for the consolidated special elections with respect to Improvement Area No. 3 of the Community Facilities District incurring bonded indebtedness for the purposes for which such indebtedness is to be incurred and bonds of Improvement Area No. 3 of the Community Facilities District are to be issued (the “Bond Proposition”), the incurring of such bonded indebtedness and the issuance of bonds of Improvement Area No. 3 of the Community Facilities District shall be subject to the following accountability measures:

(a) The Bond Proposition shall identify the specific purposes for which the bonds are to be issued;

(b) The proceeds of the bonds shall be applied only for the specific purposes identified in the Bond Proposition;

(c) An account or accounts shall be created pursuant to the fiscal agent agreement for such bonds into which the proceeds of the sale of such bonds shall be deposited; and

(d) The City Manager, or designee, shall file a report with the City Council as required by Section 53411 of the California Government Code.

The City Council finds that the Bond Proposition which will be set forth in the official ballot for Improvement Area No. 3 of the Community Facilities District for the consolidated special elections, and which is set forth in Section 4 hereof, identifies the specific purposes for which the Community Facilities District will incur bonded indebtedness and issue bonds for Improvement Area No. 3 of the Community Facilities District.

SECTION 7. Effective Date. This Resolution shall take effect from and after the date of its passage and adoption.

SECTION 8. The Mayor shall sign this Resolution and the City Clerk shall attest thereto, and this Resolution shall take effect and be in force on the date of its adoption.

PASSED, APPROVED AND ADOPTED this ___(th) day of _____, ____.

Mayor of the City of Corona, California

ATTEST:

City Clerk of the City of Corona, California

CERTIFICATION

I, Sylvia Edwards, City Clerk of the City of Corona, California, do hereby certify that the foregoing Resolution was regularly passed and adopted by the City Council of the City of Corona, California, at a regular meeting thereof held on the ___(th) day of _____, ____ by the following vote:

AYES:

NOES:

ABSENT:

ABSTAINED:

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the City of Corona, California, this ___(th) day of _____, _____.

City Clerk of the City of Corona, California

[SEAL]