

Resolution No.

STOCKTON CITY COUNCIL

RESOLUTION OF CONSIDERATION TO MAKE CHANGES AFFECTING CERTAIN PARCELS WITHIN IMPROVEMENT AREA 2 OF COMMUNITY FACILITIES DISTRICT NO. 2018-2 (WESTLAKE VILLAGES II)

The City Council (the "Council") of the City of Stockton (the "City"), County of San Joaquin, State of California finds that:

WHEREAS, on June 19, 2018, the Council adopted its "Resolution to Form a Community Facilities District and Two Improvement Areas and to Levy a Special Tax Therein to Finance Public Services and the Acquisition and Construction of Certain Public Facilities in and for Such District," Resolution No. 2018-06-19-1502-01 (the "Resolution of Formation"), which established Community Facilities District No. 2018-2 (Westlake Villages II) (the "CFD") and Improvement Area 1 and Improvement Area 2 ("IA2") therein, pursuant to the Mello-Roos Community Facilities Act of 1982, as amended (the "Act"), Chapter 2.5 of Part 1 of Division 2 of Title 5, commencing at section 53311, of the California Government Code; and

WHEREAS, in the Resolution of Formation, the Council approved the boundary map for the CFD, which included depiction of the boundary of Improvement Area 1 and Improvement Area 2, and approved the levy of a special tax (the "Special Tax") on land within Improvement Area 1 and Improvement Area 2 according to a Rate and Method of Apportionment of Special Tax for each respective Improvement Area, both of which were attached to the Resolution of Formation as Exhibit 2 and 3; and

WHEREAS, by separate actions taken that same date, the Council conducted a special, landowner-voter election and obtained the unanimous approval of the qualified landowner electors of CFD to the RMAs, appropriation limits, and the amount of indebtedness authorized to be incurred for Improvement Area 1 and Improvement Area 2, among other things; and

WHEREAS, subsequent to the Resolution of Formation, the Council adopted its Resolution Ordering Change to Rate and Method for Improvement Area No. 1 and 2 and Adjusting Improvement Area Boundaries for a Community Facilities District and Directing Recording of Notice of Special Tax Lien, Resolution No. 2020-02-04-1501 (the "Resolution of Change"), on February 4, 2020, officially reforming the boundaries of Improvement Area No. 1 and Improvement Area No. 2 and amending the Rate and Method of Apportionment of Special Tax for Improvement Area 1 and Improvement Area 2; and

WHEREAS, in connection with the foregoing Resolution of Change, the City caused to be recorded an Amended Notice of Special Tax Lien on February 20, 2020 in the Official Records of San Joaquin County, as Document No. 2020-021960; and

WHEREAS, pursuant to written communication from the sole landowners within Improvement Area 2, authorized representatives of Richmond American Homes of Maryland, Inc., Meritage Homes of California, Inc., Lennar Homes of California, Inc., Stockton Westlake Investment LLC, and Stockton Westlake Marina, LLC, as the authorized representatives of the current landowners of all parcels within IA2 (the "Owner Group"), have requested that:

- (i) the boundary of Improvement Area 2 be reduced, and certain parcels within Improvement Area 2 be established as parcels within respective newly created Improvement Area 3 ("IA3") or Improvement Area 4 ("IA4"), as depicted in the revised boundary map of the CFD as set forth in Exhibit 1 attached hereto (the "Amended Map");
- (ii) IA3 and IA4 be subject to the levy of the Special Taxes according to a newly established Rate and Method of Apportionment of Special Tax for IA3 and Rate and Method of Apportionment of Special Tax for IA4, respectively, attached hereto as Exhibit 2 and 3 (the "IA3 RMA" and "IA4 RMA"), and
- (iii) a bonded indebtedness limit and appropriations limit for IA3 and IA4 be established at \$18,500,000 for IA3 and \$90,000,000 for IA4.

If approved by this Council at a subsequent meeting and subject to the unanimous consent of the Owner Group, the above requests would adjust improvement area boundaries within the CFD, authorize a Special Tax amount to be applicable to all parcels of land within a newly established IA3 and IA4 which Special Tax differs from that of Improvement Area 1 and Improvement Area 2, and provide a limit for the future issuance of debt in IA3 and IA3 and associated appropriations limits; and

WHEREAS, this Council wishes to consider and to undertake proceedings to approve and adopt the Amended Map, the IA3 RMA and the IA4 RMA, and the IA3 and IA4 indebtedness and appropriation limits, all in furtherance of the accomplishment of the authorized purposes of the CFD and as requested and approved by the Owner Group, now, therefore,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF STOCKTON, AS FOLLOWS:

1. This Council finds and determines that the foregoing recitals are all true and correct.
2. This City Council hereby further finds that the actions and determinations made herein are necessary and convenient to carry out the purpose of the Act and the

financing contemplated by the CFD and are not otherwise prohibited by law and that the actions taken hereby are final and in accordance with the Act.

3. This Council hereby finds and determines that public convenience and necessity require that City undertake proceedings under the Act to accomplish the following changes to the CFD (i) revise the CFD boundary map to reduce the boundary of Improvement Area 2 and establish IA3 and IA4 from land currently within Improvement Area 2, (ii) establish a rate and method of apportionment for IA3 and IA4 as set forth in the IA3 RMA and IA4 RMA, and (iii) establish an indebtedness and appropriation limit for IA3 and IA4, all as requested by the Owner Group in order to more effectively accomplish the authorized purposes of CFD.

4. This Council is considering amending the boundary map of the CFD as depicted in the revised boundary map of the CFD set forth in Exhibit 1 attached hereto. The Council finds that the Amended Map is in the form and contains the matters prescribed by Section 3110 of the California Streets and Highways Code. The Council hereby adopts such map as the Proposed Amended Map of Boundary of the CFD and the Improvement Areas and directs the City Clerk to certify the adoption of this resolution on the face of the map, and to file a copy of the map in the office of the City Clerk in accordance with Section 3111 of the California Streets and Highways Code and within 15 days of the date of adoption of this resolution transmit the map to the County Recorder for recording in the Book of Maps of Assessment and Community Facilities Districts in the office of the County Recorder of the County of San Joaquin.

5. This Council is considering the creation of a new Rate and Method of Apportionment of Special Tax within newly established improvement areas, being IA3 and IA4, and that property within those improvement areas be subject to an amount of annual special tax, as set forth in the proposed IA3 RMA and IA4 RMA attached hereto as Exhibits 2 and 3.

6. This Council is considering the establishment of an indebtedness limit for IA3 of \$18,500,000 for IA3 and an indebtedness limit for IA4 of \$90,000,000, and an appropriation limit for IA3 and IA4 in an amount equal to the indebtedness limit.

7. The Council hereby set Tuesday, January 11, 2022, at 5:30 p.m. or as soon as possible thereafter, in the City Council Chambers, 425 N. El Dorado Street, Stockton, CA 95202, be, and the same are hereby appointed and fixed as the time and place when and where this Council, as legislative body for the CFD, will conduct a public hearing on the Amended Map, IA3 RMA and IA4 RMA, and the IA3 and IA4 indebtedness and appropriation limits and consider and finally determine whether the public interest, convenience and necessity require said changes to the CFD and the levy of said special tax as changed on the property affected thereby.

8. The City Clerk is hereby directed to cause notice of said public hearing to be given by publication one time in a newspaper of general circulation in the area of the CFD affected by the changes to the special tax. The publication of said notice shall be

completed at least seven days before the date herein set for said hearing. The City Clerk shall also cause a copy of said notice to be mailed to each landowner (and to each registered voter, if any) within the territory proposed to be taxed at a changed rate pursuant to the amendment, which notice shall be mailed at least fifteen days before the date of said hearing. Said notice shall be substantially in the form specified in Section 53339.4 of the Act.

9. This Resolution shall take effect upon its adoption.

PASSED, APPROVED, and ADOPTED December 7, 2021.

KEVIN J. LINCOLN II
Mayor of the City of Stockton

ATTEST:

ELIZA R. GARZA, CMC
City Clerk of the City of Stockton