

STOCKTON CITY COUNCIL

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

CITY OF STOCKTON COMMUNITY FACILITIES DISTRICT NO. 2018-2 (WESTLAKE VILLAGES II)

On May 15, 2018, pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, Chapter 2.5 of Part 1 of Division 2 of Title 5, commencing with section 53311, of the California Government Code (the "Act"), this City Council adopted a resolution titled "Resolution of Intention 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" (the "Resolution of Intention"), stating its intention to form (i) "City of Stockton Community Facilities District No. 2018-2 (Westlake Villages II) (the "CFD"), (ii) "Improvement Area 1 of the City of Stockton Community Facilities District No. 2018-2 (Westlake Villages II)" ("Improvement Area 1"), and (iii) "Improvement Area 2 of the City of Stockton Community Facilities District No. 2018-2 (Westlake Villages II)" ("Improvement Area 2" and together with Improvement Area 1, the "Improvement Areas"); and

The Resolution of Intention, incorporating a map of the proposed boundaries of the CFD and the Improvement Areas and stating the facilities and services to be provided (as set forth in the list attached hereto as Exhibit 1), the cost of providing such facilities and services, and the rate and method of apportionment of the special tax to be levied within each of the Improvement Areas to pay the principal and interest on bonds proposed to be issued with respect to each Improvement Area, the cost of the facilities and the cost of the services, is on file with the City Clerk and the provisions thereof are incorporated herein by this reference as if fully set forth herein; and

On this date, this City Council held a noticed public hearing as required by the Act and the Resolution of Intention relative to the proposed formation of the CFD and the Improvement Areas; and

At the hearing, all interested persons desiring to be heard on all matters pertaining to the formation of the CFD and the Improvement Areas, the facilities to be provided therein, the services to be provided therein and the levy of said special tax were heard and a full and fair hearing was held; and

At the hearing evidence was presented to this City Council on said matters before it, including a CFD hearing report (the "Report") which City staff caused to be prepared as to the facilities and the services to be provided through the CFD and the Improvement Areas and the costs thereof, a copy of which is on file with the City Clerk, and this City Council at the conclusion of said hearing is fully advised in the premises; and

The special tax proposed to be levied in each of the Improvement Areas of the CFD to pay for the proposed facilities and services to be provided therein, as set forth in the formula in Exhibit 2 and Exhibit 3 hereto, has not been eliminated by protest by fifty percent (50%) or more of the registered voters residing within the territory of the Improvement Areas or the owners of one-half (1/2) or more of the area of land within any of the Improvement Areas not exempt from the special tax; now, therefore,

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

1. The foregoing recitals are true and correct.
2. The proposed special tax to be levied within the CFD has not been precluded by majority protest pursuant to section 53324 of the Act.
3. All prior proceedings taken by this City Council in connection with the establishment of the CFD and the Improvement Areas and the levy of the special tax have been duly considered and are hereby found and determined to be valid and in conformity with the Act.
4. The community facilities district designated "City of Stockton Community Facilities District No. 2018-2 (Westlake Villages II)" is hereby established pursuant to the Act.

The following improvement areas within the CFD are hereby established pursuant to the Act:

- (i) "Improvement Area 1 of the City of Stockton Community Facilities District No. 2018-2" ("Improvement Area 1").
 - (ii) "Improvement Area 2 of the City of Stockton Community Facilities District No. 2018-2" ("Improvement Area 2").
5. The boundaries of the CFD and the Improvement Areas, as set forth in the map of the CFD heretofore recorded in the San Joaquin County Recorder's Office on May 18, 2018, at Book 6 of Maps of Assessment and Community Facilities Districts at Page 126, as Document No. 2018-055603, are hereby approved, are incorporated herein by reference and shall be the boundaries of the CFD and the Improvement Areas.

6. The type of public facilities proposed to be financed by the CFD and the Improvement Areas pursuant to the Act shall consist of those items listed as facilities in Exhibit 1 hereto and by this reference incorporated herein (the "Facilities").

The type of public services proposed to be financed by the CFD and the Improvement Areas pursuant to the Act shall consist of those items shown in Exhibit 1 hereto and by this reference incorporated herein (the "Services").

7. The proposed rate and method of apportionment of the Special Tax among the parcels of real property within each Improvement Area (as to each Improvement Area, its "Rate and Method"), in sufficient detail to allow each landowner within each Improvement Area to estimate the maximum amount such owner will have to pay, are shown in the two respective Rate and Methods attached hereto as Exhibits 2 and 3 and hereby incorporated herein. Except to the extent that funds are otherwise available to the CFD and each of the Improvement Areas to pay for the Facilities, the Services and/or the principal and interest as it becomes due on bonds issued with respect to each respective Improvement Area to finance the Facilities, a special tax (the "Improvement Area Special Tax") sufficient to pay the costs thereof, secured by the recordation of a continuing lien against all non-exempt real property in each respective Improvement Area, is intended to be levied annually within each Improvement Area and collected in the same manner as ordinary *ad valorem* property taxes or in such other manner as may be prescribed by this City Council.

As to each Improvement Area, the Improvement Area Special Tax to finance the Facilities shall not be levied in such Improvement Area after the fiscal year specified in the respective Rate and Method, except that a Special Tax that was lawfully levied in or before the final tax year and that remains delinquent may be collected in subsequent years. Under no circumstances shall the Special Tax levied against any parcel in each Improvement Area used for private residential purposes be increased as a consequence of delinquency or default by the owner of any other parcel or parcels within such Improvement Area by more than 10 percent.

8. It is hereby found and determined that the Facilities and the Services are necessary to meet increased demands placed upon local agencies as the result of development occurring in the CFD and the Improvement Areas.

9. The Chief Financial Officer of the City, 425 N. El Dorado Street, Stockton, California 95202, (209) 937-8908, is the officer of the City who will be responsible for preparing annually a current roll of special tax levy obligations by assessor's parcel number and who will be responsible for estimating future special tax levies pursuant to the Act.

10. Upon recordation of a notice of special tax lien pursuant to section 3114.5 of the Streets and Highways Code of California, a continuing lien to secure each levy of the special tax shall attach to all nonexempt real property in each respective

Improvement Area and this lien shall continue in force and effect until the special tax obligation is prepaid and permanently satisfied and the lien canceled in accordance with law or until collection of the tax by the City ceases.

11. In accordance with the Act, the annual appropriations limit, as defined by subdivision (h) of section 8 of Article XIII B of the California Constitution, of the Improvement Areas is hereby preliminarily established at \$15,000,000 for Improvement Area 1 and \$60,000,000 for Improvement Area 2, and said appropriations limit shall be submitted to the voters of each respective Improvement Area as hereafter provided. The proposition establishing said annual appropriations limit shall become effective if approved by the qualified electors voting thereon and shall be adjusted in accordance with the applicable provisions of the Act.

12. Pursuant to the provisions of the Act, the proposition of the levy of each Improvement Area Special Tax and the proposition of the establishment of the appropriations limit specified above shall be submitted to the qualified electors of each Improvement Area at an election. The time, place and conditions of the election shall be as specified by a separate resolution of the City Council.

13. Section 53314.9 of the Act provides that, either before or after formation of the CFD, the City may accept work in-kind from any source, including, but not limited to, private persons or private entities, may provide, by resolution, for the use of that work in-kind for any authorized purpose and the City Council may enter into an agreement (an "Acquisition Agreement"), by resolution, with the person or entity advancing the work in-kind, to reimburse the person or entity for the value, or cost, whichever is less, of the work in-kind, as determined by the City Council, with or without interest, under the conditions specified in the Act. Any work in-kind must be performed or constructed as if the work had been performed or constructed under the direction and supervision, or under the authority of, the City. The Chief Financial Officer of the City is authorized to enter into an Acquisition Agreement in such form as such bond counsel to the City and such officer deem appropriate.

14. This resolution shall take effect upon its adoption.

PASSED, APPROVED, and ADOPTED June 19, 2018.

MICHAEL D. TUBBS, Mayor
of the City of Stockton

ATTEST:

BRET HUNTER, CMC
City Clerk of the City of Stockton