

RESOLUTION NO. 2020-44

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ESCONDIDO ESTABLISHING COMMUNITY FACILITIES DISTRICT NO. 2020-1 OF THE CITY OF ESCONDIDO (SERVICES) AND FUTURE ANNEXATION AREA THEREIN, AUTHORIZING THE LEVY OF A SPECIAL TAX THEREOF, CALLING AN ELECTION AND APPROVING AND AUTHORIZING CERTAIN ACTIONS RELATED THERETO

WHEREAS, the City Council (the "City Council") of the City of Escondido (the "City") has heretofore adopted Resolution No. 2020-24 stating its intention to form Community Facilities District No. 2020-1 of the City of Escondido (Services) ("Community Facilities District No. 2020-1" or the "District") pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California (the "Act") and to designate a future annexation thereof (the "Future Annexation Area"); and

WHEREAS, a copy of Resolution No. 2020-24 setting forth a description of the proposed boundaries of Community Facilities District No. 2020-1 and the Future Annexation Area, the services and incidental expenses to be financed by the District and the rate and method of apportionment of the special tax proposed to be levied within the District is on file with the City Clerk; and

WHEREAS, notice was published and mailed to all landowners of the land proposed to be included within the District as required by law relative to the intention of this City Council to form proposed Community Facilities District No. 2020-1 and to levy a special tax (the "Special Tax") to finance the services and incidental expenses described in Resolution No. 2020-24; and

WHEREAS, on May 13, 2020, this City Council conducted a noticed public hearing as required by law relative to the proposed formation of Community Facilities District No. 2020-1 and the levy of the Special Tax therein; and

WHEREAS, at the May 13, 2020 public hearing there was filed with this City Council a report containing a description of the services necessary to meet the needs of the District and the Future Annexation Area and an estimate of the cost of such services as required by Section 53321.5 of the Act (the "CFD Report"); and

WHEREAS, at the May 13, 2020 public hearing all persons desiring to be heard on all matters pertaining to the formation of Community Facilities District No. 2020-1, the designation of the Future Annexation Area and the levy of the Special Tax were heard and full and fair hearings were held; and

WHEREAS, following the public hearing, this City Council has determined to authorize the formation of the District and the designation of the Future Annexation Area to finance the types of services (the "Services") and the incidental expenses (the "Incidental Expenses") set forth in Attachment A hereto, which are described in more detail in the CFD Report; and

WHEREAS, at the public hearing evidence was presented to this City Council on the matters before it, and the proposed Special Tax to be levied within the District was not precluded by a majority protest of the type described in Section 53324 of the Act, and this City Council at the conclusion of the hearing was fully advised as to all matters relating to the formation of the District, the designation of the Future Annexation Area and the levy of the Special Tax; and

WHEREAS, this City Council has determined, based on a Certificate of Registrar of Voters of the County of San Diego on file in the office of the City Clerk, that no registered voters have been residing in the proposed boundaries of Community Facilities District No. 2020-1 for each of the 90 days prior to May 13, 2020, and that the qualified electors in Community Facilities District No. 2020-1 are the landowners within the District; and

WHEREAS, on the basis of all of the foregoing, this City Council has determined to proceed with the establishment of Community Facilities District No. 2020-1 and the designation of the Future Annexation Area and to call an election therein to authorize (i) the levy of Special Tax pursuant to the rate and method of apportionment of the special tax, as set forth in Attachment C to Resolution No. 2020-24 (the "Rate and Method"), and (ii) the establishment of an appropriations limit for Community Facilities District No. 2020-1.

BE IT RESOLVED, by the City Council of the City of Escondido that:

Section 1. Each of the above recitals is true and correct.

Section 2. A community facilities district to be designated "Community Facilities District No. 2020-1 of the City of Escondido (Services)" is hereby established pursuant to the Act. The City Council hereby finds and determines that all prior proceedings taken with respect to the establishment of the District were valid and in conformity with the requirements of law, including the Act. This finding is made in accordance with the provisions of Section 53325.1(b) of the Act.

Section 3. The boundaries of Community Facilities District No. 2020-1 are established as shown on the map designated "Boundary Map of Community Facilities

District No. 2020-1 (Services) City of Escondido, County of San Diego, State of California”, which map is on file in the office of the City Clerk and was recorded pursuant to Sections 3111 and 3113 of the Streets and Highways Code in the County Book of Maps of Assessment and Community Facilities Districts in the Assessor-County Clerk-Recorder’s office of the County of San Diego in Book No. 48 Page Nos. 79-80 on April 13, 2020, as Instrument No. 2020-7000088. The boundaries of the Future Annexation Area set forth in Resolution No. 2020-24 is hereby established.

Section 4. The types of Services and Incidental Expenses authorized to be provided for Community Facilities District No. 2020-1 are those set forth in Attachment A attached hereto. The estimated cost of the Services and Incidental Expenses to be financed is set forth in the CFD Report.

The City Council finds and determines that the proposed Services are necessary to meet the increased demand that will be placed upon local agencies and public infrastructure as a result of new development within the District and that the Services to be financed benefit residents of the City and the future residents of the District.

Section 5. Except where funds are otherwise available, it is the intention of this City Council, subject to the approval of the eligible voters of the District, to levy annually a Special Tax at the rates set forth in the Rate and Method on all non-exempt property within the District sufficient to pay for the Services and the Incidental Expenses. The District expects to incur, and in certain cases has already incurred, Incidental Expenses in connection with the creation of the District, the levying and collecting of the Special Tax, and the annual administration of the the District. The Rate and Method is described in detail in Attachment C to Resolution No. 2020-24 and incorporated herein by this

reference, and the City Council hereby finds that the Rate and Method contains sufficient detail to allow each landowner within the District to estimate the maximum amount that may be levied against each parcel. As described in greater detail in the CFD Report, which is incorporated by reference herein, the Special Tax is based on the expected demand that each parcel of real property within Community Facilities District No. 2020-1 will place on the Services and on the benefit that each parcel will derive from the right to access the Services and, accordingly, is hereby determined to be reasonable. The Special Tax shall be levied on each assessor's parcel in accordance with the Rate and Method. The Special Tax is apportioned to each parcel on the foregoing bases pursuant to Section 53325.3 of the Act and such Special Tax is not on or based upon the ownership of real property or the assessed value of real property.

If Special Taxes of the District are levied against any parcel used for private residential purposes, (i) the maximum Special Tax rate shall be specified as a dollar amount which shall be calculated and established not later than the date on which the parcel is first subject to the Special Tax because of its use for private residential purposes and shall not be increased over time except as authorized under the Rate and Method, and (iii) under no circumstances will the Special Tax levied against any such parcel used for private residential uses be increased as a consequence of delinquency or default by the owner or owners of any other parcel or parcels within the District by more than ten percent above the amount that would have been levied in that fiscal year had there never been any such delinquencies or defaults.

The City Manager of the City of Escondido, will be responsible for preparing annually, or authorizing a designee to prepare, a current roll of special tax levy obligations

by assessor's parcel number and will be responsible for estimating future special tax levies pursuant to Section 53340.2 of the Act.

Section 6. Upon recordation of a notice of special tax lien pursuant to Section 3114.5 of the Streets and Highways Code, a continuing lien to secure each levy of the Special Tax shall attach to all non-exempt real property in the District 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 Special Tax by the District ceases.

Section 7. Consistent with Section 53325.6 of the Act, the City Council finds and determines that the land within Community Facilities District No. 2020-1, if any, devoted primarily to agricultural, timber or livestock uses and being used for the commercial production of agricultural, timber or livestock products is contiguous to other land within Community Facilities District No. 2020-1 and will be benefited by the Services proposed to be provided within Community Facilities District No. 2020-1.

Section 8. It is hereby further determined that there is no *ad valorem* property tax currently being levied on property within proposed Community Facilities District No. 2020-1 for the exclusive purpose of paying for the same services to the territory of Community Facilities District No. 2020-1 as are proposed to be provided by the Services to be financed by Community Facilities District No. 2020-1.

Section 9. Written protests against the establishment of the District and the designation of the Future Annexation Area have not been filed by one-half or more of the registered voters within the boundaries of the District or by the property owners of one-half (1/2) or more of the area of land within the District. The City Council hereby finds

that the proposed Special Tax has not been precluded by a majority protest pursuant to Section 53324 of the Act.

Section 10. An election is hereby called for Community Facilities District No. 2020-1 on the propositions of levying the special tax on the property within Community Facilities District No. 2020-1 and establishing an appropriations limit for Community Facilities District No. 2020-1 pursuant to Section 53325.7 of the Act. The propositions to be placed on the ballot for the District are attached hereto as Attachment B.

Section 11. The date of the election within Community Facilities District No. 2020-1 shall be May 13, 2020, or such later date as is consented to by the City Clerk and the landowners within Community Facilities District No. 2020-1. The City Clerk shall conduct the election. Except as otherwise provided by the Act, the election shall be conducted by personally delivered or mailed ballot and, 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 Escondido insofar as such provisions are determined by the City Clerk to be applicable.

It is hereby found that there are not more than twelve registered voters within the territory of Community Facilities District No. 2020-1, and, pursuant to Section 53326 of the Act, each landowner who is the owner of record on the date hereof, or the authorized representative thereof, shall have one vote for each acre or portion thereof that he, she or it owns within Community Facilities District No. 2020-1. The voters shall be the landowners of record within Community Facilities District No. 2020-1 as of May 13, 2020.

Section 12. The preparation of the CFD Report is hereby ratified. The CFD Report, as submitted, is hereby approved and was made a part of the record of the public

hearing regarding the formation of Community Facilities District No. 2020-1. The CFD Report is ordered to be kept on file with the transcript of these proceedings and open for public inspection.

Section 13. This Resolution shall be effective upon its adoption.

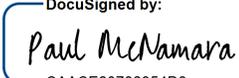
PASSED, ADOPTED AND APPROVED by the City Council of the City of Escondido at a regular meeting thereof this 13th day of May, 2020 by the following vote to wit:

AYES : Councilmembers: DIAZ, MARTINEZ, MORASCO, MCNAMARA

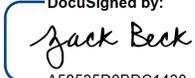
NOES : Councilmembers: NONE

VACANT : Councilmembers: DISTRICT 2

APPROVED:

DocuSigned by:

CAACE20782954D3
PAUL MCNAMARA, Mayor of the
City of Escondido, California

ATTEST:

DocuSigned by:

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ZACK BECK, City Clerk of the
City of Escondido, California

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ATTACHMENT A

Types of Services To Be Financed By Community Facilities District No. 2020-1

The services which may be funded with proceeds of the special tax of CFD No. 2020-1, as provided by Section 53313 of the Act, include the following (collectively, the "Services"):

- (i) maintenance of parks, parkways, park lighting, sidewalks, signage, landscaping in public areas, easements or right of way and open space;
- (ii) flood and storm protection services;
- (iii) the operation of storm drainage systems;
- (iv) maintenance of streets and roadways, traffic signals and street lighting;
- (v) graffiti and debris removal from public improvements;
- (vi) public safety services including police, fire protection and fire suppression;
and
- (vii) maintenance and operation of any real property or other tangible property with an estimated useful life of five or more years that is owned by the City of Escondido.

In addition to payment of the cost and expense of the forgoing services, proceeds of the special tax may be expended to pay "Administrative Expenses" as said term is defined in the Rate and Method of Apportionment and to establish an operating reserve for the costs of services as determined by the CFD Administrator. Capitalized terms used and not defined herein shall have the meanings set forth in the Rate and Method of Apportionment of Special Tax for CFD No. 2020-1.

ATTACHMENT B
BALLOT PROPOSITIONS
COMMUNITY FACILITIES DISTRICT NO. 2020-1
OF THE CITY OF ESCONDIDO (SERVICES)
SPECIAL TAX ELECTION
May 13, 2020

PROPOSITION A: Shall a special tax with a rate and method of apportionment as provided in Resolution No. 2020-24 of the City Council of the City of Escondido be levied to pay for the Services, Incidental Expenses and other purposes described in Resolution No. 2020-24?

YES _____

NO _____

PROPOSITION B: For each year commencing with Fiscal Year 2020-21, 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. 2020-1 be an amount equal to \$20,000,000?

YES _____

NO _____