

## **RESOLUTION NO. 2024-054**

### **RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CHINO ESTABLISHING IMPROVEMENT AREA NO. 11 OF COMMUNITY FACILITIES DISTRICT NO. 2003-3 OF THE CITY OF CHINO, AUTHORIZING THE LEVY OF SPECIAL TAXES AND CALLING AN ELECTION THEREIN**

**WHEREAS**, the City Council (the “City Council”) of the City of Chino, California (the “City”) has heretofore adopted Resolution No. 2024-049 (the “Resolution of Intention”) stating its intention to form Improvement Area No. 11 (the “Improvement Area”) of Community Facilities District No. 2003-3 of the City of Chino (the “Community Facilities 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

**WHEREAS**, a copy of the Resolution of Intention setting forth a description of the proposed boundaries of the Improvement Area, the public facilities, services and the incidental expenses to be financed by the Improvement Area (the “Facilities,” “Services” and “Incidental Expenses,” respectively) is on file with the City Clerk; and, except to the extent amended by this resolution, the Resolution of Intention is incorporated herein by reference; and

**WHEREAS**, a combined notice of a public hearing to be held on November 5, 2024 was published and mailed to all landowners of the land proposed to be included within the Improvement Area; and

**WHEREAS**, on November 5, 2024, the City Council opened the public hearing (the “Hearing”) as required by law; and

**WHEREAS**, at the Hearing there was filed with this City Council a report containing a description of the Facilities and Services necessary to meet the needs of the Improvement Area and an estimate of the cost of such Facilities and Services as required by Section 53321.5 of the Act (the “Community Facilities District Report”); and

**WHEREAS**, at the Hearing all persons desiring to be heard on all matters pertaining to the proposed formation of the Improvement Area and the levy of the special taxes and the issuance of bonded indebtedness were heard and a full and fair hearing was held; and

**WHEREAS**, at the Hearing, evidence was presented to the City Council on the matters before it, and the proposed formation of the Improvement Area and the levy of special taxes 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 is fully advised as to all matters relating to the formation of the Improvement Area, the levy of the special taxes and the issuance of bonded indebtedness; and

**WHEREAS**, the City Council has determined that there have been no registered voters residing in the proposed boundaries of the Improvement Area for the period of 90 days prior to the Hearing and that the qualified electors in the Improvement Area are the landowners within the Improvement Area; and

**WHEREAS**, on the basis of all of the foregoing, the City Council has determined at this time to proceed with the establishment of the Improvement Area and with the calling of an election within the boundaries of the Improvement Area to authorize (i) the levy of special taxes within the Improvement Area pursuant to the rate and method of apportionment of the special tax attached as Exhibit C to the Resolution of Intention (the “Rate and Method”), (ii) the issuance of bonds to finance the Facilities and Incidental Expenses, and (iii) the establishment of an additional appropriations limit for the Community Facilities District on behalf of the Improvement Area;

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

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

Section 2. An improvement area within the Community Facilities District to be designated “Improvement Area No. 11 of Community Facilities District No. 2003-3 of the City of Chino, County of San Bernardino, State of California” 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 Community Facilities District and the Improvement Area 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 the Improvement Area are established as shown on the map designated “Proposed Boundary Map Community Facilities District No. 2003-3 Improvement Area No. 11 City of Chino, County of San Bernardino, 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 of San Bernardino Book of Boundary Maps in the County Recorder’s Office in Book No. 93 at page 3 as Document No. 2024-0236132 on October 2, 2024.

Section 4. The types of Facilities, Services and Incidental Expenses authorized to be provided for the Improvement Area are those set forth in the Resolution of Intention. The estimated cost of the Facilities, Services and Incidental Expenses to be financed is set forth in the Community Facilities District Report, which estimates may change as the Facilities are designed and bid for construction and acquisition.

The City of Chino is authorized by the Act to contribute revenue to, or to construct or acquire the Facilities or provide Services, all in accordance with the Act. The City Council finds that the proposed Facilities and Services are necessary to meet the increased demand that will be placed upon public infrastructure and City as a result of new development within the Improvement Area.

Section 5. The City Council hereby adopts the Rate and Method as the applicable rate and method of apportionment for the Improvement Area. Except where funds are otherwise available, it is the intention of the City Council, subject to the approval of the eligible voters within the Improvement Area, to levy the proposed Special Tax A (as defined in the Rate and Method) in the Improvement Area at the rates set forth in the Rate and Method on all non-exempt property within the Improvement Area sufficient to pay (i) the Facilities and the principal and interest and other periodic costs on the bonds proposed to be issued by the Community Facilities District on behalf of the Improvement Area to finance the Facilities and Incidental Expenses, including the establishment and replenishment of reserve funds, any 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) and other expenses of the type permitted by Section 53345.3 of the Act; and (ii) the Incidental Expenses.

Except where funds are otherwise available, it is also the intention of the City Council, subject to the approval of the eligible voters within the Improvement Area, to levy the proposed Special Tax B (as defined in the Rate and Method, and, together with Special Tax A, the "Special Tax") in the Improvement Area at the rates set forth in the Rate and Method on all non-exempt property within the Improvement Area sufficient to pay (i) the Services; and (ii) the Incidental Expenses.

The Community Facilities District expects to incur, and in certain cases has already incurred, Incidental Expenses in connection with the creation of the Improvement Area, providing the Services, the issuance of bonds, the levying and collecting of the Special Tax, the completion and inspection of the Facilities and the annual administration of the bonds and the Community Facilities District. The Rate and Method is attached as Exhibit C to the Resolution of Intention, and the City Council hereby finds that the Rate and Method contains sufficient detail to allow each landowner within the Improvement Area to estimate the maximum amount that may be levied against each parcel. As described in greater detail in the Community Facilities District Report, which is incorporated by reference herein, the Special Tax is based on the expected demand that each parcel of real property within the Improvement Area will place on the Facilities and Services and, accordingly, is hereby determined to be reasonable. The Special Tax shall be levied on each assessor's parcel pursuant to the Rate and Method, but Special Tax A shall not be levied after Fiscal Year 2068-69. The Special Tax is apportioned to each parcel on the foregoing bases pursuant to Section 53325.3 of the Act and the Special Tax is not a tax on or a tax based upon the ownership of real property.

The City's Director of Finance or Acting Director of Finance 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. In the event that a portion of the property within the Improvement Area shall become for any reason exempt, wholly or partially, from the levy of Special Tax specified in the Rate and Method, the City Council shall, on behalf of the Improvement Area, increase the levy to the extent necessary and permitted by law and these proceedings upon the remaining property within the Improvement Area which is not delinquent or exempt in order to yield the required debt service payments on any outstanding bonds of the Improvement Area or to prevent the Community Facilities District from defaulting on any other obligations or liabilities of the Improvement Area; provided, however, that under no circumstances shall the Special Tax in the Improvement Area be increased in any fiscal year as a consequence of delinquency or default by the owner of any other parcel or parcels within the Improvement Area by more than ten percent (10%) above the amount that would have been levied in that fiscal year had there never been any such delinquencies or defaults. The amount of the Special Tax will be set in accordance with the Rate and Method.

Section 7. 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 Improvement Area; and this lien shall continue in force and effect until (i) in the case of Special Tax A, the Special Tax A obligation is prepaid and permanently satisfied and the lien canceled in accordance with law, or (ii) for both Special Tax A

and Special Tax B, until collection of the applicable Special Tax by the Community Facilities District on behalf of the Improvement Area ceases.

Section 8. Consistent with Section 53325.6 of the Act, the City Council finds and determines that the land within the Improvement Area, 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 the Improvement Area and will be benefited by the Improvements proposed to be provided within the Improvement Area.

Section 9. It is hereby further determined that there is no ad valorem property tax currently being levied on property within the proposed Improvement Area for the exclusive purpose of paying the principal of or interest on bonds or other indebtedness incurred to finance the construction of capital facilities which provide the same services to the territory of the Improvement Area as are proposed to be provided by the Facilities or Services to be financed by the Improvement Area.

Section 10. Written protests against the establishment of the Improvement Area have not been filed by one-half or more of the registered voters within the boundaries of the Improvement Area or by the property owners of one-half or more of the area of land within the boundaries of the Improvement Area. 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 11. An election is hereby called for the Improvement Area on the propositions of levying the Special Tax on the property within the Improvement Area and establishing an additional appropriations limit for the Community Facilities District on behalf of the Improvement Area pursuant to Section 53325.7 of the Act and shall be consolidated with the election on the proposition of incurring bonded indebtedness for by the Community Facilities District on behalf of the Improvement Area, pursuant to Section 53351 of the Act. The propositions to be placed on the ballot for the Improvement Area are attached hereto as Exhibit A.

Section 12. The date of the election within the Improvement Area shall be November 5, 2024, or such later date as is consented to by the City Clerk and the landowners within the Improvement Area. 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 insofar as such provisions are determined by the City Clerk to be applicable.

It is hereby found that there are no registered voters within the territory of the Improvement Area, 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 the Improvement Area. The voters shall be the landowners of record within the Improvement Area as of November 5, 2024.

Section 13. The preparation of the Community Facilities District Report is hereby ratified. The Community Facilities District Report, as submitted, is hereby approved and made a part of the record of the public hearing regarding the formation of the Improvement Area, and is ordered to be kept on file with the transcript of these proceedings and open for public inspection.

Section 14. This Resolution shall be effective upon its adoption.

PASSED AND ADOPTED by the City Council at a regular meeting held on the 5th day of November 2024.

CITY COUNCIL OF THE CITY OF CHINO

By: \_\_\_\_\_  
Eunice M. Ulloa,  
Mayor of the City of Chino

ATTEST:

\_\_\_\_\_  
Natalie Gonzaga  
City Clerk of the City of Chino

STATE OF CALIFORNIA                    )  
COUNTY OF SAN BERNARDINO        ) ss.  
CITY OF CHINO                            )

I, NATALIE GONZAGA, City Clerk of the City of Chino, do hereby certify that the foregoing Resolution was duly adopted by the City Council of the City of Chino at a regular meeting held on the 5th day of November 2024, by the following votes:

AYES:           COUNCIL MEMBERS

NOES:           COUNCIL MEMBERS

ABSENT:        COUNCIL MEMBERS

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NATALIE GONZAGA, CITY CLERK

Attachments: Exhibit A

**EXHIBIT A**

**SAMPLE BALLOT**

**IMPROVEMENT AREA NO. 11  
OF COMMUNITY FACILITIES DISTRICT NO. 2003-3  
OF THE CITY OF CHINO**

**SPECIAL TAX AND SPECIAL BOND ELECTION**

November 5, 2024

This ballot represents \_\_\_\_ votes.

To vote, write or stamp a cross (“+” or “X”) in the voting square after the word “YES” or after the word “NO”. All marks otherwise made are forbidden. All distinguishing marks are forbidden and make the ballot void.

If you wrongly mark, tear or deface this ballot, return it to the City Clerk of the City of Chino and obtain another.

PROPOSITION A: Shall Improvement Area No. 11 of Community Facilities District No. 2003-3 of the City of Chino (the “Improvement Area”) incur an indebtedness and issue bonds for the Improvement Area in the maximum principal amount of \$20,000,000, with interest at a rate or rates not to exceed the maximum interest rate permitted by law, to finance the Facilities and the Incidental Expenses described in Resolution No. 2024-049 of the City Council of the City of Chino (the “Resolution of Intention”)?

YES\_\_\_\_\_

NO\_\_\_\_\_

PROPOSITION B: Shall Special Tax A and Special Tax B with a rate and method of apportionment attached as Exhibit C to the Resolution of Intention, at rates ranging from \$8,620 to \$10,300 per unit and \$80,952 per acre until June 30, 2069, in the case of Special Tax A, and at rates ranging from \$1,071 to \$1,276 per unit and \$9,334 per acre in perpetuity as long as the Services are provided, in the case of Special Tax B, be levied to pay for (i) in the case of Special Tax A, the Facilities, Incidental Expenses and the principal of and interest on bonds issued to finance the Facilities and Incidental Expenses and the other purposes described in resolution of the City Council stating its intention to form the Improvement Area (the “Resolution of Intention”), and (ii) in the case of Special Tax B, the Services, Incidental Expenses and the other purposes described in the Resolution of Intention?

YES\_\_\_\_\_

NO\_\_\_\_\_

PROPOSITION C: For each year commencing with Fiscal Year 2025-26, shall the appropriations limit, as defined by subdivision (h) of Section 8 of Article XIII B of the California Constitution, for the Community Facilities District on behalf of the Improvement Area be increased by an amount equal to \$20,000,000?

YES\_\_\_\_\_

NO\_\_\_\_\_