

RESOLUTION NUMBER R- 297634

ADOPTED ON FEB 11 2003

RESOLUTION OF THE COUNCIL OF THE CITY OF SAN DIEGO ACTING AS THE LEGISLATIVE BODY OF COMMUNITY FACILITIES DISTRICT NO. 2 (SANTALUZ) DETERMINING THE NECESSITY TO INCUR BONDED INDEBTEDNESS WITHIN IMPROVEMENT AREA NO. 4 OF COMMUNITY FACILITIES DISTRICT NO. 2 (SANTALUZ) AND CALLING AN ELECTION THEREIN.

WHEREAS, on January 7, 2003, the Council of The City of San Diego [Council] adopted Resolution No. R-297517 stating its intention to annex certain territory to Community Facilities District No. 2 (Santaluz) [Community Facilities District No. 2 or the District] pursuant to the Mello-Roos Community Facilities Act of 1982, as amended [Act], and to levy a special tax therein as set forth in Exhibit C to Resolution No. R-297517 [Special Tax]; and

WHEREAS, on January 7, 2003, the Council also adopted Resolution No. R-297518 stating its intention to incur bonded indebtedness within proposed Improvement Area No. 4 of Community Facilities District No. 2 in the amount of \$10,500,000 to finance (1) the purchase, construction, modification, expansion, improvement or rehabilitation of the types of public facilities identified in Exhibit B to Resolution No. R-297517 and incorporated herein by this reference [Facilities], and (2) the incidental expenses to be incurred in financing the Facilities and annexing the territory within Improvement Area No. 4 and administering the District, as identified in Resolution No. R-297517 [Incidental Expenses]; and

WHEREAS, a notice was published as required by law relative to the intention of the Council to annex the territory within Improvement Area No. 4 to Community Facilities District

No. 2, to levy the Special Tax therein and to incur bonded indebtedness within proposed Improvement Area No. 4; and

WHEREAS, on February 11, 2003, the Council held a noticed public hearing to determine whether it should proceed to annex the territory within proposed Improvement Area No. 4 to Community Facilities District No. 2, issue bonds of Improvement Area No. 4 to pay for the Facilities and Incidental Expenses and authorize the levy of the Special Tax within proposed Improvement Area No. 4 of Community Facilities District No. 2 for the purposes described in Resolution No. R-297517; and

WHEREAS, at said hearings all persons desiring to be heard on all matters pertaining to the proposed annexation, the designation of Improvement Area No. 4, the levy of the Special Tax within and the issuance of bonds for Improvement Area No. 4 to pay for the cost of the Facilities and Incidental Expenses were heard and a full and fair hearing was held; and

WHEREAS, the Council, subsequent to such hearing, adopted Resolution No. R-297632 calling an election on the proposed annexation and the levy of the Special Tax on the territory to be annexed, which was held on February 11, 2003; and

WHEREAS, at such election, the levy of the Special Tax was approved by more than two-thirds of the votes cast by the qualified electors within proposed Improvement Area No. 4; and

WHEREAS, the Council then adopted its Resolution No. R-297633 certifying the results of the election and adding to the District the territory proposed for annexation as Improvement Area No. 4 of the District; and

WHEREAS, the Council desires to make the necessary findings to incur bonded indebtedness within Improvement Area No. 4 of the District, to declare the purpose for said debt, and to authorize the submittal of a proposition to the voters of Improvement Area No. 4, being

the landowners within Improvement Area No. 4, all as authorized and required by law; NOW,
THEREFORE,

BE IT RESOLVED, by the Council of The City of San Diego, acting in its capacity as the legislative body of Community Facilities District No. 2, as follows:

1. That it is necessary to incur bonded indebtedness for Improvement Area No. 4 of Community Facilities District No. 2 in a maximum aggregate principal amount not to exceed \$10,500,000.

2. That the indebtedness is to be incurred for the purpose of financing the costs of purchasing, constructing, modifying, expanding, improving, or rehabilitating the Facilities, as described in Resolution No. R-297517, financing the Incidental Expenses, and carrying out the powers and purposes of Improvement Area No. 4 of Community Facilities District No. 2, including, but not limited to, financing the costs of selling the bonds, establishing and replenishing bond reserve funds and paying remarketing, credit enhancement and liquidity facility fees and other expenses of the type authorized by Section 53345.3 of the Act.

3. That the whole of the property within Improvement Area No. 4, other than property exempted from the Special Tax pursuant to the provisions of the rate and method of apportionment for Improvement Area No. 4 attached to Resolution No. R-297517 as Exhibit "C," shall pay for the bonded indebtedness of Improvement Area No. 4 pursuant to the levy of the Special Tax authorized by the election and Resolution No. R- **297633**

4. That the maximum term of the bonds to be issued for Improvement Area No. 4 shall in no event exceed forty years.

5. That the bonds shall bear interest at the rate or rates not to exceed the maximum interest rate permitted by law, payable annually or semiannually, or in part annually and in part

semiannually, except the first interest payment may be for a period of less than six months, with the actual rate or rates and times of payment to be determined at the time or times of sale thereof.


6. That the bonds may bear a variable or fixed interest rate, provided that such variable rate or the fixed rate shall not exceed the maximum rate permitted by Section 53531 of the Act, or any other applicable provision of law limiting the maximum interest rate on the bonds.

7. That pursuant to Section 53351 of the Act, a special election is hereby called for Improvement Area No. 4 of Community Facilities District No. 2 on the proposition of incurring bonded indebtedness for Improvement Area No. 4 as set forth in Proposition B attached hereto.

8. That the date of the special election for Improvement Area No. 4 of Community Facilities District No. 2 shall be February 11, 2003, or such later date as is consented to by the City Clerk and the landowners within Improvement Area No. 4 of the District eligible to vote and the polls shall be open for said election between the hours of 10:00 a.m. and 10:00 p.m. The election shall be conducted by the City Clerk. 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 San Diego insofar as such provisions are determined by the City Clerk to be applicable. The City Clerk is authorized to conduct the election following the adoption of this resolution, and all ballots shall be received by, and the City Clerk shall close the election by, 10:00 p.m. on the election day; provided the election shall be closed at such earlier time as all qualified electors have voted as provided in Section 53326(d) of the Act. It is hereby found, based on information provided by the Registrar of Voters of the County of San Diego, that there are fewer than twelve registered voters within the territory of Improvement Area No. 4 of Community Facilities District No. 2 and, pursuant to Section 53326 of the Act, the ballots for the special election shall be distributed by the City Clerk to the authorized representatives of the landowners of record within

Improvement Area No. 4 of Community Facilities District No. 2 as of the close of the February 11, 2003 public hearing regarding the proposed annexation. Each landowner shall have one vote for each acre or portion thereof that it owns within Improvement Area No. 4 of Community Facilities District No. 2; as provided in Section 53326 of the Act. The territory within Improvement Area No. 4 shall constitute a single election precinct for the purpose of holding the election.

APPROVED: CASEY GWINN, City Attorney

By 
Kelly J. Salt
Deputy City Attorney

KJS:pev
1/27/03
Or.Dept:Fin.Svcs.
R-2003-927
Form=r&t.frm

EXHIBIT A

OFFICIAL BALLOT

**IMPROVEMENT AREA NO. 4 OF
COMMUNITY FACILITIES DISTRICT NO. 2 (Santaluz)
SPECIAL BOND ELECTION**

February 11, 2003

This ballot represents _____ votes.

To vote, stamp a cross (+) 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 and obtain another.

PROPOSITION B: Shall Community Facilities District No. 2 (Santaluz) [District] incur an indebtedness and issue bonds for Improvement Area No. 4 of the District in the maximum principal amount of \$10,500,000, 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. R-297517 of the Council of the City of San Diego.?

YES _____

NO _____

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