

RESOLUTION R2024-_____

RESOLUTION AUTHORIZING THE ISSUANCE OF SPECIAL TAX BONDS FOR AND ON BEHALF OF IMPROVEMENT AREA NO. 2 OF THE CITY OF MANTECA COMMUNITY FACILITIES DISTRICT NO. 2023-1 (VILLA TICINO WEST FACILITIES), APPROVING AND DIRECTING THE EXECUTION OF A FISCAL AGENT AGREEMENT AND BOND PURCHASE AGREEMENT, APPROVING THE FORM OF PRELIMINARY OFFICIAL STATEMENT, APPROVING SALE OF SUCH BONDS, AND APPROVING OTHER RELATED DOCUMENTS AND ACTIONS

WHEREAS, the City Council previously conducted proceedings under and pursuant to the Mello-Roos Community Facilities Act of 1982, as amended (the "Act"), to (i) establish the City of Manteca Community Facilities District No. 2023-1 (Villa Ticino West Facilities) (the "CFD"), (ii) designate as an initial improvement area within the CFD, "Improvement Area No. 1 of the City of Manteca Community Facilities District No. 2023-1 (Villa Ticino West Facilities)" ("Improvement Area No. 1"), and (iii) establish a future annexation area for the CFD, "City of Manteca Community Facilities District No. 2023-1 (Villa Ticino West Facilities) (Future Annexation Area)" (the "Future Annexation Area"); and

WHEREAS, as part of the CFD formation proceedings, the City Council, as legislative body of the CFD, established the bonded indebtedness limit for the CFD in the principal amount of not to exceed \$24,000,000 (excluding bonds described in Section 53364.2(e) of the Act), initially allocated as follows: (i) for Improvement Area No. 1, \$6,500,000 and (ii) for land within the Future Annexation Area, \$17,500,000; and

WHEREAS, in accordance with the Act and the CFD formation proceedings, in June 2024, owners of land within the Future Annexation Area submitted unanimous approval forms to (i) annex territory into the CFD from the Future Annexation Area as "Improvement Area No. 2 of the City of Manteca Community Facilities District No. 2023-1 (Villa Ticino West Facilities)" ("Improvement Area No. 2"), (ii) approve the form of Rate and Method of Apportionment of Special Taxes for Improvement Area No. 2, and the levy of special taxes on taxable property within Improvement Area No. 2 pursuant thereto, (iii) authorize the issuance of bonds and other debt for Improvement Area No. 2 in a principal amount not to exceed \$11,000,000 and (iv) establish an initial appropriations limit for Improvement Area No. 2 in the amount of \$11,000,000, subject to escalation in accordance with law; and

WHEREAS, under the Act and the CFD formation proceedings, the City Council is authorized to issue bonded indebtedness secured by special taxes levied within the CFD and improvement areas therein for the purpose of providing moneys for the construction and acquisition of improvements, and the payment of certain fees, authorized for the CFD; and

WHEREAS, the City desires to issue the first series of special tax bonds for Improvement Area No. 2 of the CFD; and

WHEREAS, there has been submitted to the City Council a Fiscal Agent Agreement, between the City and U.S. Bank Trust Company, National Association, as fiscal agent (the "Fiscal Agent Agreement"), providing for the issuance of a first series of special tax bonds of the City for Improvement Area No. 2, designated as the "Improvement Area No. 2 of the City of Manteca Community Facilities District No. 2023-1 (Villa Ticino West Facilities) Special Tax Bonds Series 2024" (the "Bonds"), and the City Council, with the aid of City staff, has reviewed the Fiscal Agent

Agreement and found it to be in proper order for the purpose intended, and now desires to approve the Fiscal Agent Agreement and the issuance of the Bonds; and

WHEREAS, the City proposes to sell the Bonds to Samuel A. Ramirez & Co., Inc., as underwriter (the "Underwriter"), pursuant to the terms of a Bond Purchase Agreement (the "Bond Purchase Agreement") by and between the City and the Underwriter, and the Underwriter proposes to offer the Bonds to the investing public by means of a Preliminary Official Statement (the "Preliminary Official Statement"); and

WHEREAS, the information required to be obtained and disclosed with respect to the Bonds in accordance with Government Code Section 5852.1 is set forth in the staff report accompanying this Resolution; and

WHEREAS, all conditions, things and acts required to exist and to have been performed precedent to and with respect to the issuance of the Bonds and the levy of the special taxes securing the Bonds, as contemplated by this resolution and the Fiscal Agent Agreement, have happened and exist as required by the laws of the State of California, including the Act, and the actions to be performed in due time for the issuance of the Bonds conform in form and manner to the applicable laws of the State of California, including the Act.

NOW, THEREFORE, BE IT HEREBY RESOLVED BY THE CITY COUNCIL OF THE CITY OF MANTECA:

SECTION 1. Findings. This Council finds and determines that (i) it is prudent in the management and development of land in the City and the CFD to issue the Bonds to provide money for the construction and acquisition of improvements, and the payment of certain fees, authorized for the CFD, and (ii) the Bonds and the CFD are substantially in compliance with the City's goals and policies concerning community facilities district financings, with any deviations hereby approved. All prior proceedings for the CFD, including with respect to the establishment of the CFD and the Future Annexation Area and the annexation, establishment and designation of Improvement Area No. 2 as an improvement area within the CFD, are hereby ratified, confirmed and approved in all respects.

SECTION 2. Law Applicable. For the purposes of these proceedings in and for the CFD, the Act shall be the authority for the issuance of the Bonds.

SECTION 3. Bonds Authorized. Pursuant to the Act, this Resolution and the Fiscal Agent Agreement, the Bonds, in an aggregate principal amount not to exceed \$11,000,000, are hereby authorized to be issued. The Bonds shall be executed in the form set forth in, and otherwise as provided in, the Fiscal Agent Agreement. The Bonds shall be dated and executed in the forms, be in the principal amounts, denominations, mature, be payable at the place and in the priorities and bear interest at the rates as set forth in and otherwise as provided in the Fiscal Agent Agreement.

The Bonds shall not be issued unless the value of the real property within Improvement Area No. 2 subject to the special tax to pay debt service on the Bonds, based on assessed values and/or an appraisal by an independent appraiser hired by the City for the purpose of determining such value, is at least three times the principal amount of the Bonds to be issued, plus the principal amount of all other bonds outstanding that are secured by a special tax levied pursuant to the Act on property within Improvement Area No. 2 or a special assessment levied on property within Improvement Area No. 2.

SECTION 4. Fiscal Agent Agreement. The Fiscal Agent Agreement in substantially the form on file with the City Clerk is hereby approved. The City Manager, Finance Director or such other person or persons as any of them may designate (each an "Authorized Officer") are hereby separately authorized and directed to execute and deliver the Fiscal Agent Agreement, with such additions thereto or changes therein as are approved by the Authorized Officer upon consultation with the City's bond counsel, and including but not limited to such additions or changes as are necessary or advisable to permit the timely issuance, sale and delivery of the Bonds; provided, however, that no additions or changes shall authorize the issuance of an aggregate principal amount of Bonds in excess of the amount authorized by this Resolution.

The date, manner of payment, interest rate or rates, interest payment dates, denominations, form, registration privileges, manner of execution, place of payment, terms of redemption and other terms of the Bonds shall be as provided in the Fiscal Agent Agreement, as finally approved and executed by an Authorized Officer. The terms and provisions of the Fiscal Agent Agreement, as finally executed, are incorporated herein by reference as if fully set forth herein. The approval of such additions or changes shall be conclusively evidenced by the execution and delivery of the Fiscal Agent Agreement by an Authorized Officer.

SECTION 5. Bond Preparation and Delivery; Sale of the Bonds. The Bonds, when executed, shall be delivered to the fiscal agent for authentication. The fiscal agent is hereby requested and directed to authenticate the Bonds by executing the fiscal agent's certificate of authentication and registration appearing thereon, and to deliver the Bonds, when duly executed and authenticated, to the Underwriter in accordance with written instructions executed on behalf of the City by the Mayor and/or an Authorized Officer, which instructions are hereby authorized, for and in the name and on behalf of the City, to be delivered.

SECTION 6. Covenant to Foreclose. The City hereby covenants, for the benefit of the owners of the Bonds, to commence and diligently pursue to completion any foreclosure action regarding delinquent installments of any amount levied as a special tax for the payment of debt service on the Bonds, said foreclosure action to be commenced and pursued as more completely set forth in the Fiscal Agent Agreement.

SECTION 7. Approval of Preliminary Official Statement. The City Council hereby approves the Preliminary Official Statement in substantially the form presented to the City Council at this meeting. The Authorized Officers are each hereby authorized and directed to execute a final Official Statement (the "Official Statement"), for and in the name and on behalf of the City, in such form, together with any additions thereto or changes therein deemed necessary or advisable by the Authorized Officer executing such document upon consultation with the City's bond counsel. The City Council hereby authorizes and directs the Underwriter to distribute copies of the Preliminary Official Statement to persons who may be interested in the purchase of the Bonds and to deliver copies of the Official Statement to all actual purchasers of the Bonds. The City Council hereby authorizes the delivery of the Preliminary Official Statement and the Official Statement. The City Council hereby authorizes and directs an Authorized Officer, on behalf of the City, to deem "final," pursuant to Rule 15c2-12 of the Securities Exchange Act of 1934, the Preliminary Official Statement prior to its distribution to prospective purchasers of the Bonds.

SECTION 8. Approval of Purchase Agreement. The City Council hereby approves the Bond Purchase Agreement; provided, however, that the aggregate principal amount of Bonds shall not exceed \$11,000,000 or result in an Underwriter's discount in excess of 1.50%, or a true interest cost in excess of 5.75%. Subject to the foregoing parameters, an Authorized Officer is

hereby authorized and directed to execute the Bond Purchase Agreement in substantially the form on file with the City Clerk, together with such changes and additions thereto deemed advisable by the Authorized Officer executing the same. The City Council hereby finds and determines that the sale of the Bonds at negotiated sale as contemplated by the Bond Purchase Agreement will result in a lower overall cost.

SECTION 9. Actions Authorized. All actions heretofore taken by the officers, employees and agents of the City with respect to the issuance, sale and delivery of the Bonds are hereby approved, confirmed and ratified, and the Authorized Officers are hereby authorized and directed to do any and all things and take any and all actions and execute any and all certificates, agreements and other documents, which they, or any of them, may deem necessary or advisable in order to consummate the lawful issuance, sale and delivery of the Bonds in accordance with this Resolution, and any certificate, agreement, and other document described in the documents herein approved, and the Authorized Officers are hereby authorized to perform the following, as and to the extent deemed necessary:

- A) Create a new fund and associated accounts within the City's general ledger to record any and all activity associated with Improvement Area No. 2 of the CFD;
- B) Make any and all budget adjustments necessary to complete the financing transaction and record the Bond finance closing;
- C) Make any and all budget adjustments necessary to record the remittance of special taxes levied within Improvement Area No. 2 of the CFD, to pay debt service on the Bonds, and to pay any administrative expenses associated with the Bonds or Improvement Area No. 2 of the CFD;
- D) Reimburse any other funds from special tax collections for any expenses they incur that is associated with Improvement Area No. 2 of the CFD.

All actions to be taken by an Authorized Officer as specified herein, may be taken by the Authorized Officer or any designee, with the same force and effect as if taken by such Authorized Officer.

SECTION 10. Effectiveness. This Resolution shall take effect immediately upon its adoption.

I HEREBY CERTIFY that the foregoing Resolution was duly adopted by the City Council of the City of Manteca at a public meeting of said City Council held on the ___ day of _____, 2024, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

MAYOR: _____
GARY SINGH
Mayor

ATTEST: _____
CASSANDRA CANDINI-TILTON
City Clerk