

RESOLUTION NUMBER 6606

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PERRIS ACTING FOR THE CITY AND IN ITS CAPACITY AS THE LEGISLATIVE BODY OF COMMUNITY FACILITIES DISTRICT NO. 2022-1 (WILLOWBEND) OF THE CITY OF PERRIS, AUTHORIZING THE ISSUANCE OF BONDED INDEBTEDNESS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$14,500,000 TO PUBLIC FINANCE FACILITIES AND FEES FOR FACILITIES, PERMITTING THE PURCHASE OF SUCH BONDS BY THE PERRIS JOINT POWERS AUTHORITY, AND APPROVING CERTAIN DOCUMENTS AND TAKING CERTAIN OTHER ACTIONS IN CONNECTION THEREWITH

WHEREAS, the City Council (the “City Council”) of the City of Perris (the “City”), located in Riverside County, California (hereinafter sometimes referred to as the “legislative body of the District”) has, previously formed Community Facilities District No. 2022-1 (Willowbend) of the City of Perris (the “District”) pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5, Part 1, Division 2, Title 5 of the Government Code of the State of California (the “Act”); and

WHEREAS, following the formation of the District, a certain bond proposition was submitted to the qualified electors within the District, and was approved by more than two-thirds of the votes cast at the election held on March 8, 2022, in addition to the levy of a special tax (the “Special Tax”) in accordance with a rate and method of apportionment within the District (the “RMA”); and

WHEREAS, following formation and the election, certain property owners prepaid their special tax obligations pursuant to the RMA; and

WHEREAS, based upon the formation proceedings and the election held by the legislative body of the District, the District is authorized to issue bonds, pursuant to the Act, in an aggregate principal amount not to exceed \$17,500,000 in order to finance the acquisition and/or construction of certain facilities and incidental expenses; and

WHEREAS, the District desires to accomplish the financing of certain public facilities through the issuance of bonds in an aggregate principal amount not to exceed \$14,500,000 designated as “Community Facilities District No. 2022-1 (Willowbend) of Special Tax Bonds, 2025 Series” (the “District Bonds”); and

WHEREAS, in order to effect the issuance of the District Bonds, the legislative body of the District desires to approve the form of a Fiscal Agent Agreement, by and between the District and U.S. Bank Trust, National Association (the “Fiscal Agent Agreement”), as fiscal agent, the form of which is on file with the City Clerk; and

WHEREAS, the City and the Housing Authority of the City of Perris, entered into a Joint Exercise of Powers Agreement, created under the Joint Exercise of Powers Act (Sections 6500 *et seq.* of the California Government Code) (the "Bond Law"), dated as of March 26, 2013, thereby forming the Perris Joint Powers Authority (the "Authority") to assist the City and the Housing Authority of the City in their respective financings; and

WHEREAS, the City Council has heretofore undertaken proceedings and declared the necessity of the District to issue bonds pursuant to the terms and provisions of the Act, and desires to issue bonds at this time under the Act, with the assistance of the Authority, to provide the funds to pay for the public facilities which the District is authorized to finance; and

WHEREAS, in order to raise the funds to purchase the District Bonds, the Authority will issue its Perris Joint Powers Authority Local Agency Revenue Bonds (CFD Nos. 2021-1 and 2022-1), 2025 Series (the "Authority Bonds") pursuant to the Bond Law, and use the proceeds thereof to purchase the District Bonds from the District and certain other local agency revenue bonds, to pay certain costs of issuance and fund certain reserve accounts and other funds in connection therewith; and

WHEREAS, the legislative body of the District has determined in accordance with Government Code Section 53360.4 and other applicable laws that a negotiated sale of the District Bonds to the Authority in accordance with the terms of the Commitment Agreement and Purchase Contract for Purchase and Sale of Local Obligation Bonds to be entered into by the District and the Authority (the "Local Obligation Bond Purchase Contract"), a form of which is on file with the City Clerk, will result in a lower overall cost to the District; and

WHEREAS, the Authority will sell the Authority Bonds to Oppenheimer & Co., Inc. (the "Underwriter") pursuant to the terms of the Bond Purchase Agreement, by and between the Authority and the Underwriter (the "Authority Purchase Contract"), a form of which is on file with the City Clerk; and

WHEREAS, in order to effect the issuance of the District Bonds by the District and the Authority Bonds, the legislative body of the District desires to direct the preparation of a Preliminary Official Statement for the Authority Bonds related to the District Bonds and to approve the form of and authorize the execution and delivery of certain other documents; and

WHEREAS, the legislative body of the District has determined that it is prudent in the management of its fiscal affairs to issue the District Bonds, that it will accomplish a public purpose; and

WHEREAS, the value of the real property in the District subject to the special tax to pay debt service on the District Bonds is more than three times the principal amount of the District Bonds (based on an appraisal, dated January 27, 2025, by Integra Realty Resources (the "Appraisal"))) and the principal amount of all other bonds outstanding that are secured by a special tax levied pursuant to the Act or a special assessment levied on property within the District, which fact is required as a precondition to the issuance of the District Bonds; and

WHEREAS, in compliance with Government Code Section 5852.1, the District has obtained from its municipal advisor the required good faith estimates of the following

information (a) the true interest cost of the bonds, (b) the finance charge of the bonds, (c) the amount of proceeds of the bonds expected to be received net of the fees and charges paid to third parties and any reserves or capitalized interest paid or funded with proceeds of the bonds, (d) the sum total of all debt service payments on the bonds calculated to the final maturity of the bonds plus the fees and charges paid to third parties not paid with the proceeds of the bonds; and

WHEREAS, such good faith estimates are disclosed and set forth in Exhibit A attached hereto and incorporated herein; and

WHEREAS, pursuant to Government Code Section 6586, following publication of a notice, the City Council has held a public hearing regarding the benefits derived from the public facilities project; and

WHEREAS, at said hearing, evidence was presented to the Council on said matters before it, and this Council at the conclusion of said hearing is fully advised in the premises; and

WHEREAS, all conditions precedent to issuance of the Bonds pursuant to the policies and procedures of the City of Perris relating to community facilities districts have been met or are hereby waived.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Perris, acting for itself and as the legislative body of Community Facilities District No. 2021-2 (Willowbend) of the City of Perris, does hereby resolve, determine and order as follows:

Section 1. Each of the above recitals is true and correct and is adopted by the legislative body of the District.

Section 2. The District is authorized pursuant to the Act to issue the District Bonds for the purpose of financing capital improvements and public facilities related to the District.

Section 3. The issuance of the District Bonds in a principal amount not to exceed \$14,500,000 is hereby authorized with the exact principal amount to be determined by the official signing of the Local Obligation Purchase Contract for the District Bonds in accordance with Section 7 below. The legislative body of the District hereby determines that it is prudent in the management of its fiscal affairs and a public purpose to issue the District Bonds. The District Bonds shall mature on the dates and pay interest at the rates set forth in the Local Obligation Purchase Contract to be executed on behalf of the District in accordance with Section 7 hereof.

Section 4. The form of the Fiscal Agent Agreement, a copy of which is on file with the City Clerk, be and is hereby approved in substantially the form thereof or with such changes as may be approved by the Mayor, City Manager, Assistant City Manager or Finance Director (each, an "Authorized Officer"), said Authorized Officer's execution thereof to constitute conclusive evidence of said officer's approval of all such changes, and each of said Authorized Officers be and is hereby authorized, together or alone to execute and deliver said Fiscal Agent Agreement. The City Clerk or a duly authorized Deputy or Assistant City Clerk (the "City Clerk") is hereby authorized to attest to said Authorized Officer's signature.

Section 5. The District Bonds shall be executed on behalf of the District by the manual or facsimile signature of an Authorized Officer and attested with the manual or facsimile signature of the City Clerk. U.S. Bank National Association is hereby appointed to act as fiscal agent for the District Bonds.

Section 6. The covenants set forth in the Fiscal Agent Agreement to be executed in accordance with Section 4 above are hereby approved, shall be deemed to be covenants of the legislative body of the District, and shall be complied with by the District and its officers.

Section 7. The form of the Local Obligation Bond Purchase Contract and the Authority Purchase Contract relating to the purchase of the District Bonds by the Authority and relating to the purchase of the Authority Bonds by the Underwriter, respectively, copies of which are on file with the City Clerk, be and are hereby approved in the forms thereof, or with such changes as may be approved by an Authorized Officer, said Authorized Officer's execution thereof to constitute conclusive evidence of said officer's approval of all such changes, and each Authorized Officer be and is hereby authorized, together or alone, to execute and deliver said agreements and to insert in each of the aforesaid Agreements the dollar amount which reflects the provisions of said purchase contracts; provided, however, that the true interest cost with respect to the Authority Bonds shall not exceed 6.00% and the Underwriter's discount shall not exceed 1.50% of the principal amount of the Authority Bonds thereof, excluding any original issue discount on the Authority Bonds and the purchase price of the District Bonds shall not exceed any amount prohibited by the Bond Law.

Section 8. The Authorized Officers are hereby directed to prepare or cause to be prepared the Continuing Disclosure Agreement. The Authorized Officers shall present the Continuing Disclosure Agreement, in substantially final form, for approval by the Districts prior to the issuance of the Authority Bonds.

Section 9. The Authorized Officers are hereby directed to prepare or cause to be prepared the Preliminary Official Statement related to the Authority Bonds describing pertinent information with respect to the Authority Bonds and District Bonds for investors and information required under Federal Securities' laws. The Authorized Officers shall present the Preliminary Official Statement, in a substantially final form, for approval by the Districts prior to the issuance of the Authority Bonds.

Section 10. In accordance with the requirements of Section 53345.8 of the Act, the legislative body of the District hereby determines that the value of the real property within the District subject to the respective special taxes to pay debt service on the District Bonds is not less than three times the principal amount of the respective District Bonds and the principal amount of all other bonds outstanding that are secured by a special tax levied pursuant to the Act or a special assessment levied on property within the District. This determination is based on the the Appraisal related to the real property within the District.

Section 11. The City Council approves of the financing and hereby finds that significant public benefits exist in undertaking the financing in accordance with the criteria set forth in Government Code Section 6586.

Section 12. All conditions precedent to the financing pursuant to the City's policies relating to Mello-Roos Districts have been met or are hereby waived.

Section 13. Each Authorized Officer and the other officers and staff of the City and the District responsible for the fiscal affairs of the District are hereby authorized and directed to take any actions and execute and deliver any and all documents and certificates as are necessary to accomplish the issuance, sale and delivery of the District Bonds and to consummate the transactions contemplated by each aforesaid Agreement. In the event that the Mayor is unavailable to sign any document authorized for execution herein, any Authorized Officer may sign such document. Any authorized document herein to be signed by the City Clerk may be signed by a duly appointed deputy or assistant city clerk.

Section 14. This resolution shall take effect and be enforceable immediately upon its adoption.

ADOPTED, SIGNED and APPROVED this 25th day of February, 2025.

Michael M. Vargas, Mayor

ATTEST:

Nancy Salazar, City Clerk

STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE) §
CITY OF PERRIS)

I, Nancy Salazar, City Clerk of the City of Perris, do hereby certify that the foregoing Resolution Number 6606 was duly adopted by the City Council of the City of Perris at a regular meeting of said Council on the 25th day of February, 2025, and that it was so adopted by the following vote:

AYES: RABB, VALLEJO, NAVA, CORONA, VARGAS
NOES: NONE
ABSENT: NONE
ABSTAIN: NONE

Nancy Salazar, City Clerk

Exhibit A

The good faith estimates set forth herein are provided with respect to the District Bonds in accordance with California Government Code Section 5852.1. Such good faith estimates have been provided to the Authority by Fieldman, Rolapp & Associates, Inc. (the Authority's "Municipal Advisor").

Principal Amount of the District Bonds. The Municipal Advisor has informed the Authority that, based on the Authority's financing plan and current market conditions, its good faith estimate of the aggregate principal amount of the District Bonds to be sold is \$13,450,000 (the "Estimated Principal Amount").

True Interest Cost of the District Bonds. The Municipal Advisor has informed the Authority that, assuming that the respective Estimated Principal Amount of the District Bonds are sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the true interest cost of the District Bonds, which means the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for the District Bonds, is 4.96%.

Finance Charge of the District Bonds. The Municipal Advisor has informed the Authority that, assuming that the Estimated Principal Amount of the District Bonds are sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the finance charge for the District Bonds, which means the sum of all fees and charges paid to third parties (or costs associated with the District Bonds), is \$420,313.

Amount of Proceeds to be Received. The Municipal Advisor has informed the Authority that, assuming that the Estimated Principal Amount of the District Bonds are sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the amount of proceeds expected to be received by the Authority for sale of the District Bonds, less the finance charge of the District Bonds as estimated above, less a debt service reserve fund deposit for the District Bonds, paid or funded with proceeds of the District Bonds, is \$11,891,969.

Total Payment Amount. The Municipal Advisor has informed the Authority that, assuming that the Estimated Principal Amount of the District Bonds are sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the total payment amount, which means the sum total of all payments the Authority will make to pay debt service on the District Bonds, plus the finance charge for the District Bonds, as described above, not paid with the respective proceeds of the District Bonds, calculated to the final maturity of the District Bonds, is \$27,594,750.

The foregoing estimates constitute good faith estimates only and are based on market conditions prevailing at the time of preparation of such estimates on February 6, 2025. The actual principal amount of the District Bonds issued and sold, the true interest cost thereof, the finance charges thereof, the amount of proceeds received therefrom and total payment amount

with respect thereto may differ from such good faith estimates due to (a) the actual date of the sale of the District Bonds being different than the date assumed for purposes of such estimates, (b) the actual principal amount of District Bonds sold being different from the respective Estimated Principal Amount, (c) the actual amortization of the District Bonds being different than the amortization assumed for purposes of such estimates, (d) the actual market interest rates at the time of sale of the District Bonds being different than those estimated for purposes of such estimates, (e) other market conditions, or (f) alterations in the Authority's financing plan, or a combination of such factors. The actual date of sale of the District Bonds and the actual principal amount of District Bonds sold will be determined by the Authority based on various factors. The actual interest rates borne by the District Bonds will depend on market interest rates at the time of sale thereof. The actual amortization of the District Bonds will also depend, in part, on market interest rates at the time of sale thereof. Market interest rates are affected by economic and other factors beyond the control of the Authority.