

RESOLUTION NO. 2004-703

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF AUG 31 2004

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SACRAMENTO RELATING TO THE NORTH NATOMAS COMMUNITY FACILITIES DISTRICT NO. 4 AUTHORIZING THE EXPENDITURE OF BOND PROCEEDS AVAILABLE AFTER COMPLETION OF AUTHORIZED FACILITIES IN ACCORDANCE WITH THE MELLO- ROOS COMMUNITY FACILITIES ACT OF 1982

WHEREAS, the City Council (the "Council") of the City of Sacramento (the "City") has heretofore duly adopted Resolution No. 98-525 wherein the Council established the North Natomas Community Facilities District No. 4 ("CFD No. 4") pursuant to the terms and provisions of the "Mello-Roos Community Facilities Act of 1982," (being Sections 53311 et seq. of the Government Code of the State of California), and all laws amendatory thereof or supplemental thereto, (the "Mello-Roos Act"), for purposes of issuance of bonds up to \$85,000,000 to finance the acquisition and construction of certain common drainage facilities (the "Primary Facilities"), and upon completion of the Primary Facilities or assurances of sufficient funds to complete the Primary Facilities, to finance the acquisition and construction of certain other improvements (the "Secondary Facilities"); and

WHEREAS, the Council has heretofore duly adopted Resolution No. 98-612 approving a Master Indenture authorizing the issuance of bonds in series, and a First Supplemental Indenture authorizing the issuance of the first series of bonds, (the "Series A (1999) Bonds") in the amount of \$16,215,000, and Resolution No. 2001-161 approving a Second Supplemental Indenture and authorizing the issuance of a second series of bonds, (the "Series B (2001) Bonds") in the amount of \$12,750,000, and Resolution No. 2003-583 approving a Third Supplemental Indenture and authorizing the issuance of a third series of bonds, (the "Series C (2003) Bonds") in the amount of \$29,765,000; and

WHEREAS, CFD No. 4 is divided into four tax zones (Tax Zones 1A, 1B, II and IV) which are considered in determining the assignment of maximum annual special taxes and calculating annual special taxes as set forth in the Rate and Method of Apportionment for CFD No. 4 dated October 2, 1998; and

WHEREAS, the City has determined that the Primary Facilities in Tax Zone II have been completed or there is adequate assurance that there will be sufficient funding to complete the Primary Facilities in Tax Zone II, thus allowing for use of bond proceeds for Secondary Facilities; and

- 1 -

FOR CITY CLERK USE ONLY

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WHEREAS, the authorized Secondary Facilities include facilities that are the subject of development impact fees ("Development Fees") established pursuant to the North Natomas Finance Plan and set forth in Title 18 of the City Code; and

WHEREAS, through the collection of Development Fees, which have been and will continue to be adjusted on a periodic basis to reflect the construction of facilities and changes in the costs of construction, the City has determined that it will obtain sufficient funds to complete the Secondary Facilities and other infrastructure for which such fees are collected; and

WHEREAS, the City is considering using remaining bond proceeds from Tax Zone II in an amount not to exceed \$1,404,783 to pay fees for development projects that are included in CFD No. 4 as authorized Secondary Facilities, with such fees due and owing as a condition of issuance of building permits; and

WHEREAS, the City has been advised by bond counsel that the use of bond proceeds from Tax Zone II in CFD No. 4 in the amount of \$1,404,783 to pay Development Fees for future development in CFD No. 4 is appropriate and permissible under the Mello-Roos Act, the legal documents forming and governing CFD No. 4, and the relevant bond documents, and does not constitute an impermissible use of bond proceeds.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SACRAMENTO, AS FOLLOWS:

Section 1. The above recitals are true and correct and are incorporated herein, and the Council so finds and determines.

Section 2. The Council hereby authorizes the use of bond proceeds from Tax Zone II in CFD No. 4 in the amount not to exceed \$1,404,783 to pay Development Fees for future development in CFD 4, with such fees due and owing as a condition of issuance of building permits.

APPROVED:
HEATHER FARGO

MAYOR

ATTEST:
SHIRLEY CONCOLINO

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