ITEM NO. 30

STAFF REPORT *CITY OF OCEANSIDE*

DATE: June 21, 2023

TO: Honorable Mayor and City Councilmembers

FROM: City Treasurer's Office

SUBJECT: **RESOLUTIONS OF COMMUNITY FACILITIES DISTRICTS NO. 2000-1 (OCEAN RANCH), NO. 2001-1 (MORRO HILLS), AND 2006-1 (PACIFIC COAST) AUTHORIZING THE LEVY OF SPECIAL TAXES FOR FISCAL YEAR 2023-24**

SYNOPSIS

Staff recommends that the City Council adopt resolutions authorizing the levy of special taxes for Community Facilities Districts 2000-1 (Ocean Ranch), 2001-1 (Morro Hills), and 2006-1 (Pacific Coast) for FY 2023-24.

BACKGROUND

The Mello-Roos Community Facilities Act was enacted in 1982 to provide alternate means for financing infrastructure following the passage of Proposition 13. The Act allows cities, counties and special districts to create defined areas within their jurisdiction and, by a two-thirds vote within the area, impose special taxes to pay for the public improvements and services required by the area. The Community Facilities District (CFD) may provide for the purchase, construction, expansion, or rehabilitation of any real or tangible property with a useful life of at least five years. The CFD may also finance soft costs (such as planning and consulting) involved in the formation of the CFD.

There are three CFDs being addressed under these resolutions. These are the Ocean Ranch Corporate Centre, the Morro Hills Development, and the Pacific Coast Business Park.

The Ocean Ranch Corporate Centre, CFD 2000-1, is an industrial subdivision of approximately 308 net developable acres located north of Oceanside Boulevard and west of College Boulevard. In 2001, the landowners within Ocean Ranch Corporate Centre voted to incur indebtedness and issue bonds in the maximum amount of $25 million. The first bond issue took place in December 2002 for a face value of $12,265,000. The second bond issue took place in November 2004 for a face value of $12,735,000. Both of these bond issues were refinanced in 2013 and 2014, respectively.

Morro Hills Development, CFD 2001-1, is a master-planned community of approximately 588 acres located in northeastern Oceanside's San Luis Rey Valley, just south of the intersection of Vandegrift Road and Douglas Drive. The master plan included 1,007

residential units to be developed around an 18-hole championship public golf course. The master plan also included a public park, elementary school, village center, country store, church and daycare center. In 2002, the City issued the first phase of bonds in the amount of $9,915,000. The second phase was issued in February 2004, in the amount of $11,000,000, to finance construction of infrastructure improvements required for the development of the property within Improvement Area No. 1 within the District. The final phase of bonds was issued in December 2004, for a face value of $16,085,000. All three of these bond issues were refinanced in 2013 and 2014.

Finally, Pacific Coast Business Park, CFD 2006-1, is 105 acres of a 152-acre site, located south of Old Grove Road, west of College Boulevard. The property is entitled for approximately 1,500,000 square feet of industrial, research and development and office space. In 2006, the land owners within Pacific Coast Business Park voted to incur indebtedness and issue bonds in the maximum amount of $12 million. Bonds were issued in May 2008, in the face value amount of $8,880,000. These bonds were refinanced in 2017.

The special tax levy began in tax year 2003-04 for CFDs 2000-1 (Ocean Ranch) and 2001-1 (Morro Hills). The special tax levy began in tax year 2008-09 for CFD 2006-1 (Pacific Coast). Council has approved the special tax levies each year.
In FY22-23, City Council approved a resolution to establish three new CFDs (2023-1 North River Farms Public Facilities, 2023-2 North River Farms Fire Services, 2022-1 North River Farms Safety Services). Special taxes on these CFDs will be assessed in July 2024, and are separate from the current CFDs analyzed in this report.

ANALYSIS

A CFD is a public finance tool to facilitate providing infrastructure for new development that has a broad public benefit. The underlying principles contained in the City's CFD policy are that the public interest is protected; there is fairness in the application of the special taxes; there is full disclosure to potential buyers; and that the City's financial position is protected. The City must find that significant public benefit would occur from the formation of a CFD.

The attached resolutions authorize the levying of special taxes for the Ocean Ranch, Morro Hills, and Pacific Coast CFDs for FY 2023-24.

FISCAL IMPACT

The FY 2023-24 Special Tax Assessment for each of the respective CFDs has been calculated by the Districts' special tax consultant, and will be submitted to the San Diego County Assessor's office for placement on the 2023-24 tax rolls as follows:

CFD	FY22-23 Special Tax Assessment	FY23-24 Special Tax Assessment	% Change
Ocean Ranch	1,660,185	1,693,388	2.0%
Morro Hills	1,079,405	1,079,405	0.0%
Morro Hills IA	472,579	472,579	0.0%
Pacific Coast	630,766	648,833	2.9%
Total	**$ 3,842,935**	**$ 3,894,205**	**1.3%**

These special tax assessments will result in total revenue of $3,894,205 that will be dedicated to paying debt incurred in the formation of the CFDs and for ancillary costs associated with the administration of the districts.

In May 2023, the CFD Special Tax Levy Requirements were calculated by the Districts' special tax consultant and were based on the Districts' trustee account balances, fiscal year special tax collections and expense information. The Special Tax Levy Receipts included in the adopted 2023-24 budget represent conservative estimates of the special tax levy requirements based on the Districts' financial and trustee account balance information available as of April 2023.

COMMISSION OR COMMITTEE REPORT

Does not apply.

CITY ATTORNEY'S ANALYSIS

The referenced documents have been reviewed by the City Attorney and approved as to form.

RECOMMENDATION

Staff recommends that the City Council adopt resolutions authorizing the levy of special taxes for Community Facilities Districts 2000-1 (Ocean Ranch), 2001-1 (Morro Hills), and 2006-1 (Pacific Coast) for FY 2023-24.

PREPARED BY:

Silvia Twardy
Supervising Accountant

SUBMITTED BY:

Jonathan Borrego
City Manager

REVIEWED BY:

Michael Gossman, Assistant City Manager
Jill Moya, Financial Services Director

ATTACHMENTS:

1. Resolution for CFD No. 2000-1
2. Resolution for CFD No. 2001-1
3. Resolution for CFD No. 2006-1

ATTACHMENT 1

RESOLUTION NO. _____

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF OCEANSIDE, ACTING IN ITS CAPACITY AS THE LEGISLATIVE BODY OF COMMUNITY FACILITIES DISTRICT NO. 2000-1 OF THE CITY OF OCEANSIDE (OCEAN RANCH CORPORATE CENTRE) AUTHORIZING THE LEVY OF A SPECIAL TAX FOR FISCAL YEAR 2023-2024

WHEREAS, on March 7, 2001, the City Council of the City of Oceanside (the "City Council") adopted Resolution No. 01-R116-1 stating its intention to form Community Facilities District No. 2000-1 of the City of Oceanside (Ocean Ranch Corporate Centre) ("Community Facilities District No. 2000-1") pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, Section 53311 *et seq.* of the Government Code (the "Act"); and

WHEREAS, on March 7, 2001, the City Council also adopted Resolution No. 01-R117-1 stating its intention to incur bonded indebtedness in the amount of $25,000,000 within proposed Community Facilities District No. 2000-1 for the purpose of financing the facilities and incidental expenses described in Resolution No. 01-R116-1 to serve the area within Community Facilities District No. 2000-1; and

WHEREAS, on May 2, 2001, the City Council adopted Resolution No. 01-R263-1 which established Community Facilities District No. 2000-1, authorized the levy of a special tax within Community Facilities District No. 2000-1 and called an election within Community Facilities District No. 2000-1 on the ballot proposition relating to levying a special tax combined and consolidated with the proposition relating to the incurring of bonded indebtedness; and

WHEREAS, on May 2, 2001, the City Council also adopted Resolution No. 01-R264-1 which determined the necessity to incur bonded indebtedness in the amount of $25,000,000 within Community Facilities District No. 2000-1 and called an election within Community Facilities District No. 2000-1 for May 15, 2001, on the proposition of incurring bonded indebtedness combined and consolidated with the proposition of levying a special tax; and

WHEREAS, on May 15, 2001, an election was held within Community Facilities District No. 2000-1 at which the qualified electors approved by more than a two-thirds vote the proposition of incurring bonded indebtedness of $25,000,000 and levying a special tax as set forth in Resolution No. 01-R263-1; and

WHEREAS, on July 11, 2001, the City Council adopted Resolution No. 01-R406-1 which certified the results of the May 15, 2001 election conducted by the City Clerk, which results showed that more than two-thirds of the votes cast were in favor of the proposition to incur bonded indebtedness and levy the special tax; and

WHEREAS, on July 18, 2001, the City Council adopted Ordinance No. 01-OR439-1 which authorized the levy of the special tax within Community Facilities District No. 2000-1; and

WHEREAS, this City Council hereby certifies that the Ordinance authorizing the levy of the special taxes within Community Facilities District No. 2000-1 has been duly adopted in accordance with law and is legal and valid; and

WHEREAS, subsequent to the adoption of Ordinance No. 01-OR439-1, the City Council determined that public necessity and convenience required that the rate and method of apportionment of the special tax, described in Ordinance No. 01-OR439-1 and approved by the qualified electors within the District at the special election held on May 15, 2001, should be changed; and

WHEREAS, the City Council adopted Resolution No. 04-R533-1 on August 4, 2004 setting forth in Exhibit A thereto the proposed amendments to the rate and method of apportionment of the special tax, expressing its intention to consider the proposed amendments and calling a public hearing on September 15, 2004 as required by Section 53338 of the Act; and

WHEREAS, on September 15, 2004, the City Council held a public hearing regarding the proposed amendments to the rate and method of apportionment of the special tax in accordance with the requirements of Section 53338 of the Act at the conclusion of which the City Council determined to submit the proposed amendments to a vote of the qualified electors of the District and adopted

Resolution No. 04-R821-1 calling an election on the proposition to approve the proposed amendments; and

WHEREAS, the election on the proposition regarding the proposed amendments was held on September 15, 2004, and thereafter on September 15, 2004, the City Clerk canvassed the election results and certified that more than two-thirds of the votes cast were in favor of such proposition; and

WHEREAS, on September 15, 2004, the City Council adopted Resolution No. 04-R822-1 as a resolution of change in accordance with Section 53338(b) of the Act, which declared the proposed amendments to the rate and method of apportionment of the special tax to be effective; and

WHEREAS, on October 6, 2004, the City Council enacted Ordinance No. 04-OR869-1 amending in part Ordinance No. 01-OR439-1 (as amended, the "Ordinance") to authorize the levy of a special tax within the District in accordance with the amended rate and method of apportionment of the special tax commencing in Fiscal Year 2005-2006 and each Fiscal Year thereafter for the purposes set forth in Resolution No. 01-R263-1 and Resolution No. 04-R822-1; and

WHEREAS, the Ordinance provides that the City Council is further authorized to determine, by ordinance, or by resolution if permitted by then applicable law, on or before August 10 of each year, the specific special tax to be levied on each parcel of land in Community Facilities District No. 2000-1; and

WHEREAS, it is now necessary and appropriate that this City Council levy and collect the special taxes for Fiscal Year 2023-2024 for the purpose specified in the Ordinance, by the adoption of a resolution as specified by the Act and the Ordinance; and

WHEREAS, the special taxes being levied hereunder are at the same rate or at a lower rate than provided by the Ordinance;

NOW, THEREFORE, the City Council of the City of Oceanside acting in its capacity as the legislative body of Community Facilities District No. 2000-1 does resolve as follows:

Section 1. The above recitals are all true and correct.

Section 2. In accordance with Section 53340 of the Act and the Ordinance, there is hereby levied upon the parcels within the District which are not otherwise exempt from taxation under the Act or the Ordinance the special taxes for Fiscal Year 2023-2024 (the "Special Taxes"), at the tax rates set forth in Attachment A hereto and the Special Tax Consultant shall apportion the Special Taxes in the manner specified in Resolution No. 04-R822-1 and the report prepared by the Special Tax Consultant entitled "Administration Report Fiscal Year 2023-2024" (Attachment A) submitted herewith. Such rates do not exceed the maximum rates set forth in the Ordinance. After adoption of this Resolution, but no later than August 10, 2023, the Special Tax Consultant shall deliver the list of all parcels subject to the special tax levy including the amount of the Special Taxes to be levied on each parcel in Fiscal Year 2023-2024 (the "Tax Roll List") to the Financial Services Director or his or her designee and thereafter, but in no event later than August 10, 2023, the Financial Services Director or the designee shall cause a certified copy of this Resolution together with the Tax Roll List, to be filed with the County Auditor-Controller. The Tax Roll List may contain tax rates lower than those set forth in Attachment A if the Financial Services Director determines that such lower rates are adequate to accomplish the purposes of the District in Fiscal Year 2023-2024. The Financial Services Director or the designee and the County Auditor-Controller are hereby authorized to make changes to the Tax Roll List from time to time to correct any error in the amount of the levy on any parcel to make it consistent with the rate and method of apportionment attached to the Ordinance, including, but not limited to, adding any parcels omitted from the Tax Roll List or deleting any parcels included in the Tax Roll List.

Section 3. Properties or entities of the state, federal or local governments shall be exempt from the above-referenced and approved Special Taxes only to the extent set forth in the Ordinance and otherwise shall be subject to the Special Taxes consistent with the provisions of Section 53317.3 of the Act in effect as of the date of adoption of this Resolution.

Section 4. All of the collections of the Special Taxes shall be used only as provided for in the Act and Resolution No. 01-R263-1 and Resolution No. 04-R822-1. The Special Taxes shall be levied only so long as needed to accomplish the purposes described in Resolution No. 01-R263-1 and Resolution No. 04-R822-1.

Section 5. The Special Taxes shall be collected in the same manner as ordinary ad valorem taxes are collected and shall be subject to the same penalties and the same procedure, sale and lien priority in cases of delinquency as provided for ad valorem taxes as such procedure may be modified by law or this City Council from time to time.

Section 6. As a cumulative remedy, if any amount levied as the Special Taxes for payment of interest or principal on any outstanding bonds of the District (the "Bonds"), together with any penalties and other charges accruing under this Resolution, are not paid when due, the City Council may, not later than four years after the due date of the last installment of principal on the Bonds, order that the same be collected by an action brought in the superior court to foreclose the lien of such Special Taxes.

Section 7. The Financial Services Director or the designee is hereby authorized to transmit a certified copy of this Resolution, together with the Tax Roll List, to the County Auditor-Controller, together with other supporting documentation as may be required to place the Special Taxes on the secured property tax roll for Fiscal Year 2023-2024 and for the collection of the Special Taxes in the manner of ad valorem property taxes and to perform all other acts which are required by the Act, the Ordinance, or by law or deemed necessary by the Financial Services Director in order to accomplish the purpose of this Resolution, the Act or Bond covenants.

Section 8. This Resolution shall be effective upon its adoption.

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PASSED AND ADOPTED by the City Council of the City of Oceanside, California, this 21st day of June, 2023, by the following vote:

AYES:

NAYS:

ABSENT:

ABSTAIN:

MAYOR OF THE CITY OF OCEANSIDE

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney

ATTACHMENT 2

RESOLUTION NO. _____

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF OCEANSIDE, ACTING IN ITS CAPACITY AS THE LEGISLATIVE BODY OF COMMUNITY FACILITIES DISTRICT NO. 2001-1 OF THE CITY OF OCEANSIDE (MORRO HILLS DEVELOPMENT) AUTHORIZING THE LEVY OF SPECIAL TAXES FOR FISCAL YEAR 2023-2024

WHEREAS, on February 6, 2002, the City Council of the City of Oceanside (the "City Council") adopted Resolution No. 02-R091-1 stating its intention to form Community Facilities District No. 2001-1 of the City of Oceanside (Morro Hills Development) ("Community Facilities District No. 2001-1") and designate Improvement Area No. 1 therein ("Improvement Area No. 1") pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, Section 53311 *et seq.* of the Government Code (the "Act"); and

WHEREAS, on February 6, 2002, the City Council also adopted Resolution No. 02-R092-1 stating its intention to incur bonded indebtedness in the amount of $26,000,000 within proposed Community Facilities District No. 2001-1 and $11,000,000 within Improvement Area No. 1 for the purpose of financing the facilities and incidental expenses described in Resolution No. 02-R091-1 to serve the area within Community Facilities District No. 2001-1 and Improvement Area No. 1, respectively; and

WHEREAS, on March 13, 2002, the City Council adopted Resolution No. 02-R185-1 which established Community Facilities District No. 2001-1, designated Improvement Area No. 1, authorized the levy of a special tax within Community Facilities District No. 2001-1 and Improvement Area No. 1 and called an election within Community Facilities District No. 2001-1 and Improvement Area No. 1, respectively, on the ballot proposition relating to levying a special tax combined and consolidated with the proposition relating to the incurring of bonded indebtedness; and

WHEREAS, on March 13, 2002, the City Council also adopted Resolution No. 02-R186-1 which determined the necessity to incur bonded indebtedness in the amount of $26,000,000 within

Community Facilities District No. 2001-1 and $11,000,000 within Improvement Area No. 1 and called an election within Community Facilities District No. 2001-1 and within Improvement Area No. 1 for March 26, 2002, on the proposition of incurring bonded indebtedness combined and consolidated with the proposition of levying a special tax; and

WHEREAS, on March 26, 2002, an election was held within Community Facilities District No. 2001-1 and within Improvement Area No. 1 at which the qualified electors approved by more than a two-thirds vote the proposition of incurring bonded indebtedness of $26,000,000 and levying a special tax within Community Facilities District No. 2001-1 and the proposition of incurring bonded indebtedness of $11,000,000 and the levying of a special tax within Improvement Area No. 1 as set forth in Resolution No. 02-R185-1; and

WHEREAS, on April 17, 2002, the City Council adopted Resolution No. 02-R305-1 which certified the results of the March 26, 2002 elections conducted by the City Clerk, which results showed that more than two-thirds of the votes cast were in favor of the proposition to incur bonded indebtedness and levy the special tax within both Community Facilities Districts No. 2001-1; and

WHEREAS, on May 1, 2002, the City Council adopted Ordinance No. 02-OR326-1 which authorized the levy of the special tax within Community Facilities District No. 2001-1 and within Improvement Area No. 1 (the "Ordinance"); and

WHEREAS, this City Council hereby certifies that the Ordinance authorizing the levy of the special taxes within Community Facilities District No. 2001-1 and within Improvement Area No. 1 has been duly adopted in accordance with law and is legal and valid; and

WHEREAS, the Ordinance provides that the City Council is further authorized to determine, by ordinance, or by resolution if permitted by then applicable law, on or before August 10 of each year, the specific special tax to be levied on each parcel of land in Community Facilities District No. 2001-1 and within Improvement Area No. 1; and

WHEREAS, it is now necessary and appropriate that this City Council levy and collect the special taxes for Fiscal Year 2023-2024 for the purpose specified in the Ordinance, by the adoption of a resolution as specified by the Act and the Ordinance; and

WHEREAS, the special taxes being levied hereunder are at the same rate or at a lower rate than provided by the Ordinance;

NOW, THEREFORE, the City Council of the City of Oceanside acting in its capacity as the legislative body of Community Facilities District No. 2001-1 does resolve as follows:

Section 1. The above recitals are all true and correct.

Section 2. In accordance with Section 53340 of the Act and the Ordinance, there is hereby levied upon the parcels within the Community Facilities District No. 2001-1 which are not otherwise exempt from taxation under the Act or the Ordinance the special taxes for Fiscal Year 2023-2024 (the "Special Taxes"), at the tax rates set forth in Attachment A hereto and there is hereby levied upon the parcels within Improvement Area No. 1 which are not otherwise exempt from taxation under the Act or the Ordinance the Special Taxes for Fiscal Year 2023-2024 (the "Improvement Area No. 1 Special Taxes"), at the tax rates set forth in Attachment B hereto. The Special Tax Consultant shall apportion the Special Taxes and the Improvement Area No. 1 Special Taxes in the manner specified in Resolution No. 02-R185-1 and the reports prepared by the Special Tax Consultant entitled "Administration Report Fiscal Year 2023-2024" (Attachments A and B) submitted herewith. Such rates do not exceed the maximum rates set forth in the Ordinance. After adoption of this Resolution, but no later than August 10, 2023, the Special Tax Consultant shall deliver the list of all parcels subject to the special tax levy including the amount of the Special Taxes and the Improvement Area No. 1 Special Taxes to be levied on each parcel in Fiscal Year 2023-2024 (the "Tax Roll List") to the Financial Services Director or his or her designee and thereafter, but in no event later than August 10, 2023, the Financial Services Director or the designee shall cause a certified copy of this Resolution together with the Tax Roll List, to be filed with the County Auditor-

Controller. The Tax Roll List may contain tax rates lower than those set forth in Attachment A and Attachment B if the Financial Services Director determines that such lower rates are adequate to accomplish the purposes of the District and Improvement Area No. 1 in Fiscal Year 2023-2024. The Financial Services Director or designee and the County Auditor-Controller are hereby authorized to make changes to the Tax Roll List from time to time to correct any error in the amount of the levy on any parcel to make it consistent with the respective rate and method of apportionment for Community Facilities District No. 2001-1 and for Improvement Area No. 1 attached to the Ordinance, including, but not limited to, adding any parcels omitted from the Tax Roll List or deleting any parcels included in the Tax Roll List.

Section 3. Properties or entities of the state, federal or local governments shall be exempt from the above-referenced and approved Special Taxes and Improvement Area No. 1 Special Taxes only to the extent set forth in the Ordinance and otherwise shall be subject to the Special Taxes and Improvement Area No. 1 Special Taxes consistent with the provisions of Section 53317.3 of the Act in effect as of the date of adoption of this Resolution.

Section 4. All of the collections of the Special Taxes and Improvement Area No. 1 Special Taxes shall be used only as provided for in the Act and Resolution No. 02-R185-1. The Special Taxes and Improvement Area No. 1 Special Taxes shall be levied only so long as needed to accomplish the purposes described in Resolution No. 02-R185-1.

Section 5. The Special Taxes and Improvement Area No. 1 Special Taxes shall be collected in the same manner as ordinary ad valorem taxes are collected and shall be subject to the same penalties and the same procedure, sale and lien priority in cases of delinquency as provided for ad valorem taxes as such procedure may be modified by law or this City Council from time to time.

Section 6. As a cumulative remedy, if any amount levied as the Special Taxes or the Improvement Area No. 1 Special Taxes for payment of interest or principal on any outstanding bonds of the District (the "District Bonds") or of Improvement Area No. 1 (the "Improvement Area No. 1

Bonds"), respectively, together with any penalties and other charges accruing under this Resolution, are not paid when due, the City Council may, not later than four years after the due date of the last installment of principal on the Bonds or Improvement Area No. 1 Bonds, order that the same be collected by an action brought in the superior court to foreclose the lien of such Special Taxes or Improvement Area No. 1 Special Taxes.

Section 7. The Financial Services Director or designee is hereby authorized to transmit a certified copy of this Resolution, together with the Tax Roll List, to the County Auditor-Controller , together with other supporting documentation as may be required to place the Special Taxes and Improvement Area No. 1 Special Taxes on the secured property tax roll for Fiscal Year 2023-2024 and for the collection of the Special Taxes and Improvement Area No. 1 Special Taxes in the manner of ad valorem property taxes and to perform all other acts which are required by the Act, the Ordinance, or by law or deemed necessary by the Financial Services Director in order to accomplish the purpose of this Resolution, the Act or District Bond or Improvement Area No. 1 Bond covenants.

Section 8. This Resolution shall be effective upon its adoption.

PASSED AND ADOPTED by the City Council of the City of Oceanside, California, this 21st day of June, 2023, by the following vote:

AYES:
NAYS:
ABSENT:
ABSTAIN:

MAYOR OF THE CITY OF OCEANSIDE

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney

ATTACHMENT 3

RESOLUTION NO. _____

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF OCEANSIDE, ACTING IN ITS CAPACITY AS THE LEGISLATIVE BODY OF COMMUNITY FACILITIES DISTRICT NO. 2006-1 OF THE CITY OF OCEANSIDE (PACIFIC COAST BUSINESS PARK) AUTHORIZING THE LEVY OF A SPECIAL TAX FOR FISCAL YEAR 2023-2024

WHEREAS, on January 18, 2006, the City Council of the City of Oceanside (the "City Council") adopted Resolution No. 06-R0031-1 stating its intention to form Community Facilities District No. 2006-1 of the City of Oceanside (Pacific Coast Business Park) ("Community Facilities District No. 2006-1") pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, Section 53311 *et seq.* of the Government Code (the "Act"); and

WHEREAS, on January 18, 2006, the City Council also adopted Resolution No. 06-R0032-1 stating its intention to incur bonded indebtedness in the amount of $12,000,000 within proposed Community Facilities District No. 2006-1 for the purpose of financing the facilities and incidental expenses described in Resolution No. 06-R0031-1 to serve the area within Community Facilities District No. 2006-1; and

WHEREAS, on February 22, 2006, the City Council adopted Resolution No. 06-R0075-1 which established Community Facilities District No. 2006-1, authorized the levy of a special tax within Community Facilities District No. 2006-1 and called an election within Community Facilities District No. 2006-1 on the ballot proposition relating to levying a special tax combined and consolidated with the proposition relating to the incurring of bonded indebtedness; and

WHEREAS, on February 22, 2006, the City Council also adopted Resolution No. 06-R0076-1 which determined the necessity to incur bonded indebtedness in the amount of $12,000,000 within Community Facilities District No. 2006-1 and called an election within Community Facilities District No. 2006-1 for February 22, 2006, on the proposition of incurring bonded indebtedness combined and consolidated with the proposition of levying a special tax; and

WHEREAS, on February 22, 2006, an election was held within Community Facilities District No. 2006-1 at which the qualified electors approved by more than a two-thirds vote the proposition of incurring bonded indebtedness of $12,000,000 and levying a special tax as set forth in Resolution No. 06-R0075-1; and

WHEREAS, on February 22, 2006, the City Council adopted Resolution No. 06-R0077-1 which certified the results of the February 22, 2006 election conducted by the City Clerk, which results showed that more than two-thirds of the votes cast were in favor of the proposition to incur bonded indebtedness and levy the special tax; and

WHEREAS, on March 8, 2006, the City Council adopted Ordinance No. 06-OR0098-1 which authorized the levy of the special tax within Community Facilities District No. 2006-1; and

WHEREAS, this City Council hereby certifies that the Ordinance authorizing the levy of the special taxes within Community Facilities District No. 2006-1 has been duly adopted in accordance with law and is legal and valid; and

WHEREAS, the Ordinance provides that the City Council is further authorized to determine, by ordinance, or by resolution if permitted by then applicable law, on or before August 10 of each year, the specific special tax to be levied on each parcel of land in Community Facilities District No. 2006-1; and

WHEREAS, it is now necessary and appropriate that this City Council levy and collect the special taxes for Fiscal Year 2023-2024 for the purpose specified in the Ordinance, by the adoption of a resolution as specified by the Act and the Ordinance; and

WHEREAS, the special taxes being levied hereunder are at the same rate or at a lower rate than provided by the Ordinance;

NOW, THEREFORE, the City Council of the City of Oceanside acting in its capacity as the legislative body of Community Facilities District No. 2006-1 does resolve as follows:

Section 1. The above recitals are all true and correct.

Section 2. In accordance with Section 53340 of the Act and the Ordinance, there is hereby levied upon the parcels within the District which are not otherwise exempt from taxation under the Act or the Ordinance the special taxes for Fiscal Year 2023-2024 (the "Special Taxes"), at the tax rates set forth in Attachment A hereto and the Special Tax Consultant shall apportion the Special Taxes in the manner specified in Resolution No. 06-R0075-1 and the report prepared by the Special Tax Consultant entitled "Administration Report Fiscal Year 2023-2024" (Attachment A) submitted herewith. Such rates do not exceed the maximum rates set forth in the Ordinance. After adoption of this Resolution, but no later than August 10, 2023, the Special Tax Consultant shall deliver the list of all parcels subject to the special tax levy including the amount of the Special Taxes to be levied on each parcel in Fiscal Year 2023-2024 (the "Tax Roll List") to the Financial Services Director or his or her designee and thereafter, but in no event later than August 10, 2023, the Financial Services Director or the designee shall cause a certified copy of this Resolution together with the Tax Roll List, to be filed with the County Auditor-Controller. The Tax Roll List may contain tax rates lower than those set forth in Attachment A if the Financial Services Director determines that such lower rates are adequate to accomplish the purposes of the District in Fiscal Year 2023-2024. The Financial Services Director or the designee and the County Auditor-Controller are hereby authorized to make changes to the Tax Roll List from time to time to correct any error in the amount of the levy on any parcel to make it consistent with the rate and method of apportionment attached to the Ordinance, including, but not limited to, adding any parcels omitted from the Tax Roll List or deleting any parcels included in the Tax Roll List.

Section 3. Properties or entities of the state, federal or local governments shall be exempt from the above-referenced and approved Special Taxes only to the extent set forth in the Ordinance and otherwise shall be subject to the Special Taxes consistent with the provisions of Section 53317.3 of the Act in effect as of the date of adoption of this Resolution.

Section 4. All of the collections of the Special Taxes shall be used only as provided for in the Act and Resolution No. 06-R0076-1. The Special Taxes shall be levied only so long as needed to accomplish the purposes described in Resolution No. 06-R0075-1.

Section 5. The Special Taxes shall be collected in the same manner as ordinary ad valorem taxes are collected and shall be subject to the same penalties and the same procedure, sale and lien priority in cases of delinquency as provided for ad valorem taxes as such procedure may be modified by law or this City Council from time to time.

Section 6. As a cumulative remedy, if any amount levied as the Special Taxes for payment of interest or principal on any outstanding bonds of the District (the "Bonds"), together with any penalties and other charges accruing under this Resolution, are not paid when due, the City Council may, not later than four years after the due date of the last installment of principal on the Bonds, order that the same be collected by an action brought in the superior court to foreclose the lien of such Special Taxes.

Section 7. The Financial Services Director or the designee is hereby authorized to transmit a certified copy of this Resolution, together with the Tax Roll List, to the County Auditor-Controller, together with other supporting documentation as may be required to place the Special Taxes on the secured property tax roll for Fiscal Year 2023-2024 and for the collection of the Special Taxes in the manner of ad valorem property taxes and to perform all other acts which are required by the Act, the Ordinance, or by law or deemed necessary by the Financial Services Director in order to accomplish the purpose of this Resolution, the Act or Bond covenants.

Section 8. This Resolution shall be effective upon its adoption.

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PASSED AND ADOPTED by the City Council of the City of Oceanside, California, this 21st day of June, 2023, by the following vote:

AYES:

NAYS:

ABSENT:

ABSTAIN:

MAYOR OF THE CITY OF OCEANSIDE

ATTEST:

APPROVED AS TO FORM:

City Clerk

City Attorney