

RESOLUTION NO. 2024-037

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CHULA VISTA, ACTING AS THE LEGISLATIVE BODY OF CITY OF CHULA VISTA COMMUNITY FACILITIES DISTRICT NO. 07-I (OTAY RANCH VILLAGE ELEVEN), AUTHORIZING THE ISSUANCE OF ITS 2024 SPECIAL TAX REFUNDING BONDS IN A PRINCIPAL AMOUNT NOT TO EXCEED ELEVEN MILLION NINE HUNDRED EIGHTY THOUSAND DOLLARS (\$11,980,000) AND APPROVING CERTAIN DOCUMENTS AND TAKING CERTAIN OTHER ACTIONS IN CONNECTION THEREWITH

WHEREAS, the City Council of the City of Chula Vista (the “City”), located in the County San Diego, California (hereinafter sometimes referred to as the “legislative body of the District”), has heretofore undertaken proceedings to form City of Chula Vista Community Facilities District No. 07-I (Otay Ranch Village Eleven) (the “District”) pursuant to the terms and provisions of 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, the District is authorized to finance and refinance certain public facilities and other governmental facilities that are necessary to meet increased demands placed upon the City as a result of development or rehabilitation occurring within the District (the “Facilities”); and

WHEREAS, the District has previously issued its \$19,480,000 Special Tax Refunding Bonds, Series 2013 (the “Prior Bonds”) to refinance certain Facilities in connection with the issuance by the Chula Vista Municipal Financing Authority (the “Authority”) of its Special Tax Revenue Refunding Bonds, Series 2013 (the “Prior Authority Bonds”); and

WHEREAS, the legislative body of the District now desires to refund the outstanding Prior Bonds and effect a simultaneous refunding of the Prior Authority Bonds through the issuance of bonds in an aggregate principal amount not to exceed \$11,980,000 designated as the “City of Chula Vista Community Facilities District No. 07-I (Otay Ranch Village Eleven) 2024 Special Tax Refunding Bonds” (the “2024 Bonds”); and

WHEREAS, in order to effect the issuance of the 2024 Bonds, the legislative body of the District desires to enter into a Bond Indenture relating to the 2024 Bonds (the “Local Obligation Bond Indenture”), with Wilmington Trust, National Association, as trustee, in substantially the form presented herewith; and

WHEREAS, the legislative body of the District has determined in accordance with Section 53360.4 of the Act that a negotiated sale of the 2024 Bonds to the Authority in accordance with the terms of the Local Obligations Purchase Agreement to be entered into by and among the Authority, the District and certain other community facilities districts of the City participating in the financing (the “Bond Purchase Agreement”) approved as to form by this legislative body herein will result in a lower overall cost to the District than a public sale; and

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WHEREAS, the Authority will issue its bonds (the “Authority Bonds”) to provide funds for its purchase of the 2024 Bonds; and

WHEREAS, the District has determined to adopt the City’s Debt Policy (Policy No. 220-05), as amended, supplemented, and restated from time to time, as the debt policy of the District.

NOW, THEREFORE, THE CITY COUNCIL, ACTING AS THE LEGISLATIVE BODY OF THE DISTRICT, DOES HEREBY RESOLVE, ORDER AND DETERMINE AS FOLLOWS:

Section 1. Each of the above recitals is true and correct.

Section 2. The legislative body of the District is authorized pursuant to the Act, to issue the 2024 Bonds for the benefit of the District for purposes set forth herein and to take the necessary steps to refund and redeem the Prior Bonds.

Section 3. The issuance of the 2024 Bonds in an aggregate principal amount not to exceed \$11,980,000 is hereby authorized, with the exact principal amount to be determined by the official signing the Bond Purchase Agreement in accordance with Section 6 below. The legislative body of the District hereby determines that it is prudent in the management of its fiscal affairs to issue the 2024 Bonds. The 2024 Bonds shall mature on the dates and pay interest at the rates set forth in the Bond Purchase Agreement to be executed on behalf of the District in accordance with Section 6 hereof. The 2024 Bonds shall be governed by the terms and conditions of the Local Obligation Bond Indenture presented at this meeting. The Local Obligation Bond Indenture shall be prepared by Bond Counsel to the District and executed by one or more of the Mayor, the City Manager, the Assistant City Manager, the Deputy City Manager, the Finance Director, and their written designees (collectively, the “Authorized Officers”) substantially in the form presented at this meeting, with such additions thereto and changes therein as the officer or officers executing the same deem necessary to cure any ambiguity or defect therein, to insert the offering price(s), interest rate(s), selling compensation, principal amount per maturity, redemption dates and prices and such other related terms and provisions as limited by Section 6 hereof, to conform any provisions therein to the Bond Purchase Agreement and the Official Statement for the Authority Bonds. Approval of such changes shall be conclusively evidenced by the execution and delivery of the Local Obligation Bond Indenture by one or more Authorized Officers. Capitalized terms used in this Resolution which are not defined herein have the meanings ascribed to them in the Local Obligation Bond Indenture.

In satisfaction of the requirements contained in Section 53363.2 of the Act, the legislative body of the District hereby determines that: (1) it is anticipated that the purchase of the 2024 Bonds will occur on or about March 19, 2024, (2) the 2024 Bonds shall bear the date, be in the denominations, have the maturity dates (which do not exceed the latest maturity date of the Prior Bonds), and be payable at the place and be in the form specified in the Local Obligation Bond Indenture, (3) the 2024 Bonds will bear interest at the minimum rate of 0.10% per annum, and (4) the designated cost of issuing the 2024 Bonds, as defined by Section 53363.8 of the Act, shall include all of the costs specified in Section 53363.8(a), (b)(2) and (c).

In satisfaction of the requirements contained in Section 53364.2 of the Act, the legislative body of the District hereby determines that any savings achieved through the issuance of the 2024 Bonds shall be used to reduce special taxes of the District in accordance with the Act.

Section 4. The 2024 Bonds shall be executed on behalf of the District by the manual or facsimile signature of the Mayor of the City, and attested with the manual or facsimile signature of the City Clerk. Wilmington Trust, National Association is hereby appointed to act as trustee for the 2024 Bonds.

Section 5. The covenants set forth in the Local Obligation Bond Indenture to be executed in accordance with Section 3 above are hereby approved, shall be deemed to be covenants of the City Council in its capacity as the legislative body of the District, and shall be complied with by the District and its officers.

Section 6. The form of the Bond Purchase Agreement presented herewith is hereby approved; and any one of the Authorized Officers is hereby authorized and directed, for and in the name of the District, to execute the Bond Purchase Agreement substantially in the form approved, with such additions thereto and changes therein as may be approved or required by an Authorized Officer, including changes relating to dates and numbers as are necessary to conform the Bond Purchase Agreement to the dates, amounts and interest rates applicable to the 2024 Bonds as of the sale date. Approval of such additions and changes shall be conclusively evidenced by the execution and delivery of the Bond Purchase Agreement; provided, however, that the Bond Purchase Agreement shall be signed only if: (i) the interest rate on the 2024 Bonds is such that the principal and total net interest cost to maturity on the 2024 Bonds is less than the principal and total net interest cost to maturity on the Prior Bonds; and (ii) the net present value savings resulting from the refunding of the Prior Bonds is not less than five percent (5.00%) of the principal amount of the 2024 Bonds.

Section 7. The form of the Preliminary Official Statement for the Authority Bonds presented at this meeting is hereby approved, and the underwriter of the Authority Bonds is hereby authorized to distribute the Preliminary Official Statement to prospective purchasers of the Authority Bonds in the form hereby approved, together with such additions thereto and changes therein as are determined necessary or desirable by the Authorized Officers, to make such Preliminary Official Statement final as of its date for purposes of Rule 15c2-12 of the Securities and Exchange Commission, as amended, including, but not limited to, such additions and changes as are necessary to make all information set forth therein accurate and not misleading. The underwriter of the Authority Bonds is further authorized to distribute the final Official Statement for the Authority Bonds and any supplement thereto to the purchasers thereof.

Section 8. In accordance with the requirements of Section 53345.8 of the Act, the legislative body of the District hereby determines that the assessed value of the real property in the District subject to the special tax to pay debt service on the 2024 Bonds is at least three times the principal amount of the 2024 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.

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Section 9. Each of the Authorized Officers are authorized, but not required, to cooperate with the Authority so that the Authority may obtain a rating of the Authority Bonds from a nationally recognized rating service and to obtain a municipal bond insurance policy guaranteeing payment of principal and interest with respect to some or all of the Authority Bonds and/or a debt service reserve policy with respect to the Authority Bonds. The Authorized Officers are hereby further authorized to revise any of the documents referenced herein, or any related documents, to incorporate any provisions required in order to obtain such a municipal bond insurance policy and/or a debt service reserve policy.

Section 10. The City Manager, the Assistant City Manager, the Deputy City Manager, the Finance Director, the City Clerk, or their written designee, are authorized to provide for all services necessary to effect the issuance of the 2024 Bonds. Such services shall include, but not be limited to, obtaining legal services, trustee services, and any other services deemed appropriate. The City Manager, the Assistant City Manager, the Deputy City Manager, the Finance Director, the City Clerk, or their written designee, are authorized to pay for the cost of such services, together with other costs of issuance from 2024 Bond proceeds, including premium costs for a municipal bond insurance policy and for a debt service reserve policy.

Section 11. The City Manager, the Assistant City Manager, the Deputy City Manager, the Finance Director, the City Clerk, and all other officers of the City are hereby authorized and directed to take any actions and execute and deliver any and all documents as are necessary to accomplish the issuance, sale, and delivery of the 2024 Bonds in accordance with the provisions of this Resolution, the fulfillment of the purposes of the 2024 Bonds as described in the Local Obligation Bond Indenture, including, but not limited to modifying the documents approved by this Resolution to reflect any provisions required by the bond insurer for the Authority Bonds, if any, certifying as to the accuracy of information in the Preliminary Official Statement and the final Official Statement relating to the District and executing and delivering any amendments to the documents for the Prior Bonds. In the event that no policy and/or reserve fund surety bond is obtained for the Authority Bonds, the Authorized Officers are authorized to delete the related provisions in the documents approved by this Resolution, as necessary. Any document authorized herein to be signed by the City Clerk may be signed by a duly appointed deputy clerk.


Section 12. The District hereby adopts the City's Debt Policy (Policy No. 220-05), as amended, supplemented, and restated from time to time, as the debt policy of the District pursuant to California Government Code Section 8855.


Section 13. The City Council acknowledges that the good faith estimates required by Section 5852.1 of the California Government Code are disclosed in the staff report and are available to the public at the meeting at which this Resolution is approved.

Section 14. This Resolution shall take effect immediately upon its adoption.

Presented by

Approved as to form by

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 Sarah Schoen  
 Director of Finance/Treasurer

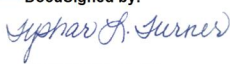
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 Jill D.S. Maland  
 Lounsbury Ferguson Altona & Peak  
 Acting City Attorney

PASSED, APPROVED, and ADOPTED by the City Council of the City of Chula Vista, California, this 20th day of February 2024 by the following vote:

AYES: Councilmembers: Chavez, Gonzalez, Preciado, and McCann  
 NAYS: Councilmembers: None  
 ABSENT: Councilmembers: None

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 John McCann, Mayor

ATTEST:

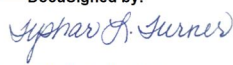
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 Kerry K. Bigelow, MMC, City Clerk

For

STATE OF CALIFORNIA     )  
 COUNTY OF SAN DIEGO    )  
 CITY OF CHULA VISTA     )

I, Kerry K. Bigelow, City Clerk of Chula Vista, California, do hereby certify that the foregoing Resolution No. 2024-037 was duly passed, approved, and adopted by the City Council at a regular meeting of the Chula Vista City Council held on the 20th day of February 2024.

Executed this 20th day of February 2024.

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 Kerry K. Bigelow, MMC, City Clerk

For