

RESOLUTION NO. _____

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MERCED, ACTING AS THE LEGISLATIVE BODY OF THE COMMUNITY FACILITIES DISTRICT NO. 2003-2 (SERVICES) OF THE CITY OF MERCED DETERMINING THE VALIDITY OF PRIOR PROCEEDINGS, CALLING A SPECIAL ELECTION RELATED TO ANNEXATION NO. 19

WHEREAS, the City Council (the “Council”) of the City of Merced, California (the “City”), has heretofore formed the Community Facilities District No. 2003-2 (Services) of the City of Merced (the “District”) pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, (the “Act”);

WHEREAS, the City Council, acting as the legislative body of the District has heretofore adopted Resolution No. 2021-27 (the “Resolution of Intention to Annex”) stating its intention to annex certain property to the District (“Annexation No. 19”) pursuant to the Act; and

WHEREAS, a copy of the Resolution of Intention to Annex, incorporating a description and map of the proposed boundaries of Annexation No. 19 to the District and setting forth the amended rate and method of apportionment (the “Special Tax Formula”) and manner of collection of the special tax to be levied within the proposed Annexation No. 19, which will be used to finance certain public services, including but not limited to public safety services, landscape maintenance, park and parkway maintenance, street lighting maintenance and flood control services and other services authorized pursuant to the Act (the “Services”) that are in addition to those provided in the territory within the proposed Annexation No. 19 prior to the annexation to the District and do not supplant services already available within the territory proposed to be included in the District, is on file with the City Clerk and incorporated herein by reference; and

WHEREAS, the Resolution of Intention to Annex set as the date of the public hearing on the annexation of proposed Annexation No. 19 to the District and this Council held said public hearing as required by law; and

WHEREAS, prior to the commencement of the hearing, there was filed with the City Council a Community Facilities Report prepared by Goodwin Consulting Group (the “CFD Report”) containing a boundary map of Annexation No. 19, a description of the services and maintenance, an estimate of the costs of the Services

and incidental expense to be financed by properties within the District, including Annexation No. 19, and the CFD Report has been reviewed by the Council and is incorporated herein and made a part of the record of the public hearing; and

WHEREAS, at said hearing all persons not exempt from the special tax desiring to be heard on all matters pertaining to the annexation of proposed Annexation No. 19 to the District were heard and a full and fair hearing was held; 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, this Council wishes to present to the qualified electors of Annexation No. 19 a proposition to levy special taxes on property within Annexation No. 19 pursuant to the Act;

NOW, THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED BY THE CITY COUNCIL OF THE CITY OF MERCED, ACTING AS THE LEGISLATIVE BODY OF COMMUNITY FACILITIES DISTRICT NO. 2003-2 (SERVICES) OF THE CITY OF MERCED, AS FOLLOWS:

Section 1. Pursuant to Section 53339.7 of the Act, the Council finds and determines that the proceedings prior hereto were valid and in conformity with the requirements of the Act.

Section 2. Written protests against the annexation of Annexation No. 19 to the District, or against the furnishing of specified services or the levying of a specified special tax within Annexation No. 19, have not been filed by fifty percent (50%) or more of the registered voters, or six registered voters, whichever is more, residing within the existing District, or fifty percent (50%) or more of the registered voters or six registered voters, whichever is more, residing within Annexation No. 19, or by the owners of one-half or more of the area of land in the territory included in the existing District, or by the owners of one-half or more of the area of land in Annexation No. 19.

Section 3. The description and map of the boundaries of Annexation No. 19, on file in the City Clerk's office and as described in the Resolution of Intention to Annex, and incorporated herein by reference, shall be the boundaries of the Annexation No. 19. The map of the proposed boundaries of Annexation No. 19 has been recorded in the Office of the County Recorder of Merced County, California on

Dec. 2, 2021 in Book 15 pages 18-19 of the Book of Maps of Assessments and Community Facilities Districts (Instrument Number No. 2021053516) .

Section 4. Except where funds are otherwise available, there shall be levied annually in accordance with procedures contained in the Act on nonexempt property within Annexation No. 19, a special tax sufficient to finance the Services that are in addition to those provided in the territory within Annexation No. 19 prior to the annexation to the District and do not supplant services already available within the territory proposed to be included in the District and other costs, including but not limited to all costs of the tax levy. The amended rate and method of apportionment of the special tax and manner of collection is described in detail in Exhibit “A” attached hereto and incorporated herein by this reference. The Council hereby determines the Special Tax Formula to be reasonable. The special tax shall be utilized to pay for authorized Services and administrative expenses and to fund and replenish any reserve fund established for the District.

Section 5. Upon recordation of a notice of special tax lien pursuant to Section 3117.5 of the Streets and Highways Code, a continuing lien to secure each levy of the special tax shall attach to all nonexempt real property in Annexation No. 19, and this lien shall continue in force and effect until the special tax obligation is prepaid or otherwise permanently satisfied and the lien canceled in accordance with law or until collection of the tax by the District ceases.

Section 6. The Council finds that the proposed public services are necessary to meet the increased demand put upon the City as a result of the development within Annexation No. 19.

Section 7. The Council finds that there is not an ad valorem property tax currently being levied on property within the proposed Annexation No. 19 for the exclusive purpose of financing the Services.

Section 8. Pursuant to and in compliance with the provisions of Government Code Section 50075.1, the City Council hereby continues the following accountability measures pertaining to the levy by the District of the Special Tax described in Section 4 above:

- A. Such Special Tax shall be levied for the specific purposes set forth in Section 7 hereof.
- B. The proceeds of the levy of such Special Tax shall be applied only to the specific purposes set forth in Section 4 hereof.

C. The District shall establish an account or accounts into which the proceeds of such Special Tax shall be deposited.

D. The Finance Director, or his or her designee, acting for and on behalf of the District, shall annually file a report with the City Council as required pursuant to Government Code Section 50075.3.

Section 9. The Office of the Finance Director, 678 West 18th Street, Merced, California 95340, (209) 385-5783, or its designee, is designated to be responsible for preparing annually a current roll of special tax levy obligations by assessor's parcel number and for estimating future special tax levies pursuant to Section 53340.1 of the Government Code.

Section 10. Pursuant to Government Code Section 53353.5, the Council hereby submits to the qualified electors of Annexation No. 19 a proposition (the "Proposition") to annex into the District Annexation No. 19 and to levy special taxes on property within Annexation No. 19 in accordance with the Special Tax Formula. The Proposition is attached as Exhibit "B."

Section 11. A special election is hereby called for the Annexation No. 19 within the District on the Proposition set forth in Section 10 above.

Section 12. The Council hereby directs that the election be conducted by the City Clerk of the City of Merced, as the elections official.

Section 13. The City Clerk shall mail or hand deliver the ballot to the landowner immediately upon the adoption of this Resolution.

Section 14. The time for notice having been waived by the qualified electors, the date of the special election for the District on the proposition shall be on the 20th day of December, 2021. The voter ballot shall be returned to the City Clerk at 678 West 18th Street, Merced, California 95340, no later than 11:00 o'clock p.m. on December 20, 2021. The election may be closed with the concurrence of the City Clerk, as soon as all of the ballots are returned.

Section 15. The Council finds and determines that there were no registered voters residing within the territory of proposed Annexation No. 19 at the time of the protest hearing and ninety (90) days prior thereto. The requirements of Section 53326 of the Government Code having been waived by all of the landowners, the ballot for the special election shall be personally delivered to the landowners within the Annexation No. 19. Each landowner shall have one (1) vote for each acre or

portion thereof that he or she owns within Annexation No. 19, as provided by Section 53326 of the Act.

Section 16. Annexation No. 19 within the District shall constitute a single election precinct for the purpose of holding said election.

Section 17. The City Clerk is directed to certify and attest to this Resolution.

PASSED, APPROVED AND ADOPTED this ___ day of _____, 2021.

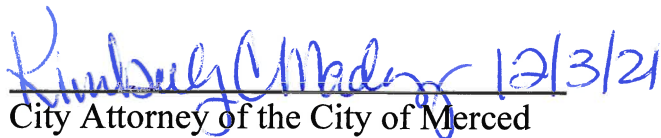
COMMUNITY FACILITIES DISTRICT
NO. 2003-2 (SERVICES) OF THE CITY
OF MERCED

By _____
Mayor of the City of Merced
Acting as the Legislative Body of the
Community Facilities District No 2003-2
(Services) of the City of Merced

ATTEST:

Deputy City Clerk of the City of Merced
Acting as the Legislative Body of the
Community Facilities District No 2003-2
(Services) of the City of Merced

APPROVED AS TO FORM



City Attorney of the City of Merced

EXHIBIT A

**AMENDED RATE AND METHOD OF APPORTIONMENT
OF SPECIAL TAX**

EXHIBIT B

SAMPLE BALLOT

**COMMUNITY FACILITIES DISTRICT NO. 2003-2 (SERVICES)
OF THE CITY OF MERCED**

ANNEXATION NO. 19

SPECIAL TAX ELECTION

December 20, 2021

To vote, mark an “X” in the voting square after the word “YES” or after the word “NO.” All marks otherwise made are forbidden.

This ballot represents _____ votes.

If you wrongly mark, tear, or deface this ballot, return it to the City Clerk of the City of Merced at 678 West 18th Street, Merced, California 95340.

PROPOSITION: Shall the Community Facilities District No. 2003-2 (Services) of the City of Merced (the “CFD”), annex property known as Annexation No. 19 to the CFD and be authorized to levy special taxes within Annexation No. 19 to the CFD pursuant to the amended rate and method of apportionment of special taxes (the “Special Tax Formula”) set forth in that certain resolution adopted on April 19, 2021 by the City Council of the City of Merced, acting as the legislative body of the CFD, to finance the authorized services and administrative expenses, all as provided in the Special Tax Formula?

YES	
NO	