

RESOLUTION NO. 01-11

**RESOLUTION DECLARING THE POSSIBLE NEED
AND RESERVING THE ENTITLEMENT
TO INCUR BONDED INDEBTEDNESS**

**FORT ORD REUSE AUTHORITY
BASEWIDE COMMUNITY FACILITIES DISTRICT**

WHEREAS, this Governing Board (this "Board") has, by resolution adopted this same date, declared its intention to take legal proceedings pursuant to the Mello-Roos Community Facilities Act of 1982 (Sections 53311 and following, California Government Code; hereafter referred to as the "Act") to establish a community facilities district to be known as the "Fort Ord Reuse Authority Basewide Community Facilities District, Fort Ord Reuse Authority, County of Monterey, State of California," and hereafter in this resolution referred to as the "CFD"; and

WHEREAS, the purpose of establishing the CFD is to provide a method by which special taxes may be levied upon nonexempt property interests, including but not limited to both (a) fee title conveyed to a nonexempt person and (b) nonexempt taxable possessory interests to be established with respect to portions of the real property within the CFD, the proceeds of which special taxes will be utilized to (a) finance certain authorized public facilities and (b) pay certain authorized incidental expenses of the CFD, all in furtherance of the development of the property within the CFD in accordance with the approved master plan for such development; and

WHEREAS, pursuant to Section 53345 of the Act, whenever this Board deems it necessary for a community facilities district to incur a bonded indebtedness, it shall by resolution make the declarations set forth in this Resolution;

NOW, THEREFORE, BE IT RESOLVED by the Governing Board of the Fort Ord Reuse Authority as follows:

1. In conformity with the requirements of Section 53345 of the Act, this Board declares and finds that in order to finance the construction and installation of the authorized public facilities within the CFD on a timely basis, as stated in the resolution of intention to establish the CFD adopted by this Board on this same date, it is necessary to reserve entitlement to incur a bonded indebtedness as authorized by and in accordance with the provisions of the Act. However, it is the policy of the FORA Board to encourage a one-time payment of the special tax prior to issuance of a final map for a development project and to selectively and seldom, if ever, issue CFD bonds. If the CFD does incur debt, it shall only do so in those circumstances when, at the time of issuance (i) special tax revenues from that CFD are reasonably expected to provide at least 125% debt service coverage for each year of the term of such bonds, and (ii) such CFD establishes and covenants to cause special taxes to be levied in an amount sufficient to maintain, for the term of such bonds, a reserve fund securing such bonds in an amount equaling the lesser of:

- a. maximum annual debt service on all bonds then outstanding; or,
- b. one hundred twenty-five percent (125%) of average annual debt service on all bonds then outstanding; or,
- c. ten percent (10%) of the original proceeds of the bonds.

All statements and materials related to any future sale of Community Facilities District ("CFD") bonds shall emphasize and state that neither the faith, credit nor the taxing power of the FORA Board is pledged to the repayment of the bonds, nor is the FORA Board obligated to replenish the reserve fund from revenue sources other than special taxes, or proceeds from foreclosure proceedings.

Should the FORA Board seek debt financing through the CFD, it is the policy of the FORA Board to use cost-effective credit enhancement techniques, when feasible, to increase security and/or borrowing capacity. Debt repayment is not to extend beyond the term of FORA's

existence (Fiscal Year 2013/14). To enable a longer period for amortizing the CFD special tax obligation and/or to encourage local determinations, it is the policy of the FORA Board to support local jurisdictions in their efforts to create overlapping CFDs with the capability to issue debt for pre-payment of the FORA CFD special tax obligation.

Further, it is the policy of the FORA Board to comply with all provisions of the Act including, but not limited to, Section 53345.8 of the California Government Code, as such section may be amended from time to time.

2. The purpose for which the proposed debt is to be incurred is to expedite the rate of construction and installation of the authorized public facilities as needed for the orderly development of the property within the CFD as contemplated in the approved master plan.

3. The maximum amount of the proposed debt is \$300.0 million, though indebtedness of the CFD, if any, is anticipated to be far below this maximum amount. This maximum amount was chosen because it represents an estimate of the inflation-adjusted cost of all public facilities to be funded by the CFD.

4. This Board hereby sets Friday, November 9, 2001, at 4:00 p.m., or as soon thereafter as the Board may reach the matter, in the FORA Conference Room, 100 12th Street, Marina, California, as the time and place for a public hearing by this Board on the reservation of entitlement to issue bonds secured by the proceeds of the special taxes. At that time and place any persons interested, including but not limited to any persons owning property in the proposed CFD and any registered voters, if any, living within the proposed CFD, will be heard.

5. It is the intention of this Board that any such bonds as may be issued shall be

made callable in accordance with the terms of the Act.

6. The Clerk is hereby directed to have a notice of hearing, containing the matters specified by Section 55346 of the Act, published once in the newspaper customarily used for legal publications in the vicinity of the CFD no later than November 2, 2001.

PASSED AND ADOPTED at a meeting of the Governing Board of the Fort Ord Reuse Authority this 21st day of September 2001, by the following vote:

AYES: Board Members Perrine, Smith, Barlich, Johnson, Davis, Colcaano, Albert, Pendergrass, Gustafson, Maricini, Potter, and Barnes


NOES: Board Members - none -

ABSTAIN: Board Members - none -

ABSENT: Board Members McCloud

I, JAMES E. PERRINE, Chair of the Board of Directors of the Fort Ord Reuse Authority of the County of Monterey, State of California, hereby certify that the foregoing is a true copy of an original order of the said Board of Directors duly made and entered in the minutes thereof in Item 5b, page 2 of the duly approved minutes dated Sept. 21, 2001.

DATED: 9/26/01

By: 
JAMES E. PERRINE
Chair, Board of Directors
Fort Ord Reuse Authority