

CITY OF NOVATO MEASURE A	
A MEASURE A: To finance acquisition of property at the entrance to Pacheco Valle by Marin County Open Space District for permanent open space and no other purpose, shall City of Novato incur indebtedness not exceeding \$600,000 for City of Novato Community Facilities District No. 2014-1 (Pacheco Valle Area) and levy a special tax annually on each parcel within the District, as described in Resolution No. 3-14 (see ballot pamphlet), for no more than 15 years and in any event no later than fiscal year 2033-34, subject to appropriation limit?	YES
	NO

to secure the levy of the special tax would attach to all nonexempt property in the District.

The City Council has adopted the following accountability measures with respect to this ballot measure: (a) the specific purpose of the Bonds is set forth in the ballot measure; (b) any proceeds received from the sale of any Bonds shall be applied only to the purposes set forth in the measure; (c) the proceeds of any Bonds shall be deposited into special accounts to be created therefor as part of the issuance of the Bonds; and (d) the City shall cause a report to be prepared annually under Section 53411 of the Government Code.

Reference is made to the Resolution for a complete description of the boundaries of the District, nature of the Financed Property, and Rate and Method.

s/JEFFREY A. WALTER
Novato City Attorney

**CITY ATTORNEY’S IMPARTIAL ANALYSIS
OF MEASURE A
CITY OF NOVATO
COMMUNITY FACILITIES DISTRICT NO. 2014-1
(PACHECO VALLE AREA)**

On January 7, 2014, the City Council of the City of Novato (“City”) established its City of Novato Community Facilities District No. 2014-1 (Pacheco Valle Area) (“District”) pursuant to the Mello-Roos Community Facilities Act of 1982 (California Gov. Code Section 53311 et seq.) (“Mello-Roos Act”). The District was formed to finance the acquisition of property at the entrance to Pacheco Valle by Marin County Open Space District for permanent open space (“Financed Property”).

This ballot measure:

(i) authorizes the City, on behalf of the District, to incur an indebtedness and issue bonds or other debt (as defined in the Act; collectively, “Bonds”) in an aggregate principal amount not to exceed \$600,000 with interest at a rate or rates not to exceed the maximum interest rate permitted by law at the time of sale of such Bonds for the purpose of acquiring the Financed Property and paying for the costs of issuing the Bonds and related expenses;

(ii) authorizes the City to levy a special tax on taxable property within the District for no more than 15 years and in no event later than fiscal year 2033-34, to pay for debt service on the Bonds, the City’s costs in administering the District, and the costs of acquiring the Financed Property; and

(iii) establishes an annual appropriations limit for the District in the amount of \$64,328.

The ballot measure is being placed on the ballot by the City Council. The qualified electors in this election are the registered voters in the District. In order to pass, this measure must be approved by two-thirds of the votes cast. If the measure is approved, each parcel within the District would be subject to a special tax according to the Amended and Restated Rate and Method of Apportionment of Special Tax (“Rate and Method”) set forth in Resolution No. 3-14 of the City’s City Council (“Resolution”). If the measure is approved, upon recordation of a notice of special tax lien in accordance with applicable law, a continuing lien

ARGUMENT IN FAVOR OF MEASURE A

Pacheco Valle residents are blessed to live in an area surrounded by open space of stunning natural beauty abounding with native trees and wildlife. **In this election, we ask you to SUPPORT a measure to extend open space protection to the last remaining parcels now zoned for development**—the meadow at the Valle entrance and the hillside and creek parcels near the former Marin Independent Journal building—15 acres in all. The Marin County Open Space District will own and maintain the property in perpetuity at no direct cost to Valle residents.

As part of our semi-annual property taxes, each homeowner is being asked to pay an affordable amount over 15 years to finance the land purchase. Monthly costs will be no more than \$6.58 for condo/townhome owners and no more than \$20.67 for single family homeowners. The sole commercial building owner will pay \$325.50 per month. These costs will remain fixed over the 15-year term. Shortly after the election, homeowners will also have a one-time option to pay their entire tax liability up front, thereby saving interest and administrative costs otherwise paid over time.

This is a once in a lifetime opportunity. The corporate owner has agreed to sell the property at a price far below the land's market value. Interest rates may never be lower. Meanwhile, development pressures are real and growing throughout Marin, especially for buildable land near the freeway. If we fail to act now, we will have no control over what will be built on these parcels in the future.

These are the final jewels in the crown of open space that make Pacheco Valle so special. **Please vote YES to keep this land open and beautiful, for ourselves and for future generations, forever.**

s/PETER LOGAN

Preserve Pacheco Valle Meadow Committee

s/RIKKI BAUM

Preserve Pacheco Valle Meadow Committee

s/PATRICK MACLEAMY

Preserve Pacheco Valle Meadow Committee

s/MARJORIE GOODMAN

Preserve Pacheco Valle Meadow Committee

s/JACK VAN HORN

Pacheco Valle Resident

NO ARGUMENT AGAINST MEASURE A WAS SUBMITTED.

FULL TEXT OF MEASURE A
CITY COUNCIL OF THE CITY OF NOVATO
RESOLUTION NO. 3-14
RESOLUTION OF FORMATION OF COMMUNITY
FACILITIES DISTRICT
CITY OF NOVATO
Community Facilities District No. 2014-1
(Pacheco Valle Area)

RESOLVED by the City Council (the “City Council”) of the City of Novato (the “City”), County of Marin, State of California, that:

WHEREAS, on December 3, 2013, this City Council adopted a resolution entitled “Resolution of Intention to Establish Community Facilities District” (the “Resolution of Intention”), stating its intention to form “City of Novato Community Facilities District No. 2014-1 (Pacheco Valle Area)” (the “CFD”), of the City, pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, Chapter 2.5 of Part 1 of Division 2 of Title 5, commencing with Section 53311, of the California Government Code (the “Act”);

WHEREAS, the Resolution of Intention, incorporating a map of the proposed boundaries of the CFD and stating the facilities to be provided (as set forth in the list attached hereto as Exhibit A), and the amended and restated rate and method of apportionment of the special tax to be levied within the CFD to pay the principal and interest on bonds or other debt (as defined in the Act) proposed to be issued with respect to the CFD (which amends and restates the proposed rate and method of apportionment attached as Exhibit B to the Resolution of Intention), are on file with the City Clerk, and the provisions thereof are incorporated herein by this reference as if fully set forth herein;

WHEREAS, on this date, this City Council held a noticed public hearing as required by the Act and the Resolution of Intention relative to the proposed formation of the CFD;

WHEREAS, at the hearing all interested persons desiring to be heard on all matters pertaining to the formation of the CFD, the facilities to be provided therein and the levy of said special tax were heard, and a full and fair hearing was held;

WHEREAS, at the hearing evidence was presented to this City Council on said matters before it, including a report caused to be prepared by the Finance Manager (the “Report”) as to the facilities to be provided through the CFD and the costs thereof, a copy of which is on file with the City Clerk, and this City Council at the conclusion of said hearing is fully advised in the premises; and

WHEREAS, written protests with respect to the formation of the CFD, the furnishing of specified types of facilities and the amended and restated rate and method of apportionment of the special taxes have not been filed with the City Clerk by 50% or more of the registered voters residing within the territory of the CFD or property owners of one-half or more of the area of land within the CFD and not exempt from the proposed special tax.

NOW, THEREFORE, IT IS HEREBY ORDERED as follows:

1. **Recitals Correct.** The foregoing recitals are true

and correct.

2. **No Majority Protest.** The proposed special tax to be levied within the CFD has not been precluded by majority protest pursuant to section 53324 of the Act.

3. **Prior Proceedings Valid.** All prior proceedings taken by this City Council in connection with the establishment of the CFD and the levy of the special tax have been duly considered and are hereby found and determined to be valid and in conformity with the Act.

4. **Name of CFD.** The community facilities district designated “City of Novato Community Facilities District No. 2014-1 (Pacheco Valle Area)” is hereby established pursuant to the Act.

5. **Boundaries of CFD.** The boundaries of the CFD, as set forth in the map of the CFD heretofore recorded in the Marin County Recorder’s Office on December 16, 2013, in Book 2013 at Page 179, as Document 2013-0074469 of Maps of Assessment and Community Facilities Districts, are hereby approved, are incorporated herein by reference and shall be the boundaries of the CFD.

6. **Description of Facilities.** The type of public facilities proposed to be financed by the CFD and pursuant to the Act shall consist of those items listed as facilities in Exhibit A hereto and by this reference incorporated herein (the “Facilities”).

The Finance Manager is hereby authorized and directed to enter into a joint community facilities agreement with the Marin County Open Space District, which will own or operate the Facilities, as may be necessary to comply with the provisions of Section 53316.2(a) and (b) of the Act. The Council hereby declares that such joint agreement will be beneficial to owners of property in the area of the CFD.

7. **Special Tax.**

a. Except to the extent that funds are otherwise available to the CFD to pay for the Facilities and/or the principal and interest as it becomes due on bonds or other debt of the CFD issued to finance the Facilities, a special tax (the “Special Tax”) sufficient to pay the costs thereof, secured by the recordation of a continuing lien against all non-exempt real property in the CFD, is intended to be levied annually within the CFD, and collected in the same manner as ordinary ad valorem property taxes or in such other manner as may be prescribed by this City Council.

b. The proposed amended and restated rate and method of apportionment of the Special Tax among the parcels of real property within the CFD, in sufficient detail to allow each landowner within the proposed CFD to estimate the maximum amount such owner will have to pay, are shown in Exhibit B attached hereto and hereby incorporated herein.

The Special Tax shall not be levied in the CFD for more than 15 years or in any event after fiscal year 2033-34, except that a Special Tax that was lawfully levied in or before the final tax year and that remains delinquent may be collected in subsequent years. Under no circumstances shall the Special Tax levied against any parcel in the CFD to be used for private residential purposes be increased as a consequence of delinquency or default by the owner of any other parcel or parcels

EXHIBIT A
CITY OF NOVATO
Community Facilities District No. 2014-1
(Pacheco Valle Area)
DESCRIPTION OF FACILITIES TO BE FINANCED
BY THE CFD

It is intended that City of Novato Community Facilities District No. 2014-1 (Pacheco Valle Area) (the "CFD") will be authorized to finance all or a portion of the costs of the following parcels of land located within the County of Marin: APN 160-480-34; APN 160-480-06; and APN 160-480-33.

OTHER

The CFD may also finance any of the following:

1. Bond and other debt (as defined in the Mello-Roos Community Facilities Act of 1982, as amended) related expenses, including underwriters discount, reserve fund, capitalized interest, letter of credit fees and expenses, bond and disclosure counsel fees and expenses, bond or other debt remarketing costs, and all other incidental expenses.

2. Administrative fees of the City and the bond trustee or fiscal agent related to the CFD and the bonds and other debt.

3. Reimbursement of costs related to the formation of the CFD advanced by the City, the landowner(s) in the CFD, or any party related to any of the foregoing, as well as reimbursement of any costs advanced by the City, the landowner(s) in the CFD or any party related to any of the foregoing, for facilities, fees or other purposes or costs of the CFD.

TAX RATE STATEMENT FOR MEASURE A

EXHIBIT B
CITY OF NOVATO
Community Facilities District No. 2014-1
(Pacheco Valle Area)
AMENDED AND RESTATED RATE AND METHOD
OF APPORTIONMENT OF SPECIAL TAX

A Special Tax shall be levied and collected in the City of Novato Community Facilities District No. 2014-1 (Pacheco Valle Area) (the "District") each Fiscal Year, in an amount determined by the application of the procedures described below. All of the Taxable Property (as defined below) in the District, unless exempted by the provisions hereof, shall be taxed for the specified purposes, to the extent and in the manner herein provided.

I. DEFINITIONS

The terms used herein shall have the following meanings:
"Acreage" or "Acre" means that acreage shown on the Assessor's Parcel Map or in the Assessor's Data for each Assessor's Parcel. In the event that the Assessor's Parcel Map or Assessor's Data shows no acreage, the Acreage for any Assessor's Parcel shall be determined by the District Administrator based upon the applicable condominium plan, final map or parcel map.

"Act" means the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5, Division 2 of Title 5 of the Government Act of the State of California.

"Administrative Expenses" means the following actual or reasonably estimated costs directly related to the

within the CFD by more than 10% above the amount that would have been levied in that fiscal year had there never been any such delinquencies or defaults.

8. **Responsible Official.** The Finance Manager of the City of Novato, 922 Machin Avenue, Novato, CA 94945, (415) 899-8912, is the officer of the City who will be responsible for preparing annually a current roll of special tax levy obligations by assessor's parcel number and who will be responsible for estimating future special tax levies pursuant to the Act.

9. **Tax Lien.** Upon recordation of a notice of special tax lien pursuant to Section 3114.5 of the Streets and Highways Code of California, a continuing lien to secure each levy of the special tax shall attach to all nonexempt real property in the CFD and this lien shall continue in force and effect until the special tax obligation is prepaid and permanently satisfied and the lien canceled in accordance with law or until collection of the tax by the City ceases.

10. **Appropriations Limit.** In accordance with the Act, the annual appropriations limit, as defined by subdivision (h) of Section 8 of Article XIII B of the California Constitution, of the CFD is hereby preliminarily established at \$64,328, which is the expected revenue to be generated by the levy of the maximum special tax in fiscal year 2014-15, and said appropriations limit shall be submitted to the voters of the CFD as hereafter provided. The proposition establishing said annual appropriations limit shall become effective if approved by the qualified electors voting thereon and shall be adjusted in accordance with the applicable provisions of the Act.

11. **Election.** Pursuant to the provisions of the Act, the proposition of the levy of the special tax and the proposition of the establishment of the appropriations limit specified above shall be submitted to the qualified electors of the CFD at an election. The time, place and conditions of the election shall be as specified by a separate resolution of this City Council.

12. **Effective Date.** This resolution shall take effect upon its adoption.

* * * * *

I HEREBY CERTIFY that the foregoing resolution was duly and regularly adopted by the City Council of the City of Novato, Marin County, California, at a meeting thereof, held on the 7th day of January, 2014, by the following vote, to wit:

AYES: Councilmembers Athas, Kellner, Lucan, Eklund

NOES: Councilmembers None

ABSTAIN: Councilmembers None

ABSENT: Councilmembers None

RECUSE: Councilmembers MacLeamy

s/SHERI HARTZ

City Clerk

administration of the District: the costs of any paying agents/fiscal agents/trustees related to Bond payments (including the fees and expenses of its counsel), banking and management; the costs of computing the Annual Special Tax Requirement and the annual Special Tax and of preparing the annual Special Tax collection schedules; the costs of collecting the Special Taxes, including any charges levied by the County Auditor's Office, Tax Collector's Office or Treasurer's Office; the costs of the City or designee in complying with the disclosure requirements of the California Government Code (including the Act) and the federal securities laws; costs of responding to public inquiries regarding the Special Taxes; the costs of the City or designee related to an appeal of the Special Tax or interpretation of the Rate and Method; amounts needed to pay rebate to the federal government related to Bonds; and the costs of commencing and pursuing to completion any foreclosure action arising from delinquent Special Taxes in the District. Administrative Expenses shall also include costs related to the formation of the District and of annexing territory to the District as well as any amounts advanced by the City for any administrative purposes of the District and an allocable share of the salaries of City staff and an allocable portion of City overhead costs relating to the foregoing, or costs of the City in any way related to the establishment or administration of the District.

"Annual Special Tax Requirement" means that amount with respect to the District determined by the Council or designee as required in any Fiscal Year to pay: (1) Debt Service, (2) the Administrative Expenses, (3) any amount required to establish or replenish a Reserve Fund in connection with the District, (4) any amount required to establish or replenish any operating reserve held by the City for Administrative Expenses, (5) amounts needed to compensate for historical delinquencies and reasonably anticipated delinquent Special Taxes based on the delinquency rate for Special Taxes levied in the previous Fiscal Year. The amounts referred to in clauses (1) and (3) of the preceding sentence may be reduced in any Fiscal Year (in the City's sole discretion) by (i) interest earnings on or surplus balances in funds and accounts for Bonds to the extent that such earnings or balances are available to apply against debt service pursuant to the Indenture, (ii) proceeds from the collection of penalties associated with delinquent Special Taxes, and (iii) any other revenues available to pay debt service on the bonds or other indebtedness as determined by the District Administrator.

"Assessor's Data" means Acreage or other Parcel information contained in the records of the County Assessor.

"Assessor's Parcel" or "Parcel" means a lot or parcel shown in an Assessor's Parcel Map with an assigned Assessor's Parcel number.

"Assessor's Parcel Map" means an official map of the Assessor of the County designating parcels by Assessor's Parcel number.

"Association Property" means any property within the boundaries of the District owned in fee or by easement, or irrevocably dedicated to, a property owner or community association, including any master or sub-association, as of

January 1 of the prior Fiscal Year.

"Attached Single Family Residential Property" means those Parcels which have been assigned a use code of 14 by the County, or which are otherwise known by the District Administrator to be multiple residential lots.

"Authorized Facilities" means the public facilities authorized to be financed, in whole or in part, by the Special Tax proceeds.

"Bonds" means bonds or other debt (as defined in the Act), whether in one or more series, issued or assumed by the District to fund Authorized Facilities.

"City" means the City of Novato, County of Marin.

"Council" means the City Council of the City, acting as the legislative body of the District.

"County" means the County of Marin, California.

"Debt Service" means for each Debt Year, the total amount of principal and interest due for any Bonds of the District.

"Debt Year" means the twelve (12) month period ending on the second debt service payment date of each calendar year, as defined in the Indenture authorizing issuance of Bonds.

"Detached Single Family Residential Property" means those Parcels which have been assigned a use code of 10 or 11 by the County, or which are otherwise known to the District Administrator to be individual residential structures.

"District" means the City of Novato Community Facilities District No. 2014-1 (Pacheco Valle Area).

"District Administrator" means an official of the City, or designee or agent or consultant, responsible for determining the Annual Special Tax Requirement and providing for the levy and collection of Special Taxes each Fiscal Year.

"Exempt Property" means all property located within the boundaries of the District which is exempt from the Special Tax pursuant to Section V below.

"Finance Director" means the official of the City who is the chief financial officer or other comparable officer of the City or designee thereof.

"Fiscal Year" means the period from July 1st of any calendar year through June 30th of the following calendar year.

"Indenture" means the indenture, fiscal agent agreement, resolution, or other instrument pursuant to which Bonds for the District are issued, as modified, amended, and/or supplemented from time to time, and any instrument replacing or supplementing the same.

"Maximum Special Tax Rate" means the maximum Special Tax authorized for levy in any Fiscal Year that may apply to Taxable Property as described in Section III.

"Non-Residential Property" means all property that is not used for people to live in, and does not include Public Property.

"Proportionately" means that the ratio of the actual Special Tax levied in any Fiscal Year to the Maximum Special Tax Rate authorized to be levied in that Fiscal Year is equal for all Assessor's Parcels.

"Public Property" means property within the boundaries of the District owned by, irrevocably offered or dedicated to, or for which an easement for purposes of public or private road right-of-way making the property unusable for any

other purpose has been granted to the federal government, the State of California, the County, the City, or any local government or other public agency as of January 1 of the prior Fiscal Year.

“**Rate and Method**” means this Amended and Restated Rate and Method of Apportionment of Special Tax.

“**Reserve Fund**” means a reserve account set aside by the City for the purpose of providing additional security to Bond holders for payment of principal of and interest on the Bonds, as specified in the Indenture.

“**Special Tax**” means the amount levied in each Fiscal Year on each Assessor’s Parcel of Taxable Property to fund the Annual Special Tax Requirement.

“**Taxable Property**” means all Attached Single Family Residential Property, Detached Single Family Residential Property, Non-Residential Property, Taxable Public Property and Taxable Association Property located within the boundaries of the District which is not otherwise Exempt Property.

“**Taxable Association Property**” means any Parcel of Association Property that had in its entirety been a Parcel of Taxable Property in a prior Fiscal Year and, as such, had been subject to a Special Tax levy that was not prepaid when the association took ownership of the Parcel.

“**Taxable Public Property**” means any Parcel of Public Property that had in its entirety been a Parcel of Taxable Property in a prior Fiscal Year and, as such, had been subject to a Special Tax levy that was not prepaid when the public agency took ownership of the Parcel.

II. DETERMINATION OF TAXABLE PARCELS

On *July 1* of each Fiscal Year, the District Administrator shall determine the valid Assessor’s Parcel Numbers for the current Fiscal Year for all Taxable Property within the District. If any Parcel numbers are no longer valid from the previous Fiscal Year, the District Administrator shall determine the new Parcel number or numbers that are in effect for the current Fiscal Year. To the extent a Parcel or Parcels of Taxable Property are subdivided, consolidated or otherwise reconfigured, the Special Tax rates shall be assigned to the new Assessor’s Parcels pursuant to Section III.

The Administrator shall also determine whether each Assessor’s Parcel of Taxable Property is Attached Single Family Residential Property, Detached Single Family Residential Property, Non-Residential Property, or Taxable Public Property.

III. ANNUAL SPECIAL TAX - METHOD OF APPORTIONMENT

All Taxable Property shall be subject to a Special Tax defined as follows:

The Special Tax shall be calculated each Fiscal Year by the District Administrator and levied by the City. The Annual Special Tax Requirement shall be apportioned to each Parcel of Taxable Property within the District by the method shown below.

First. Determine the Annual Special Tax Requirement.

Second. Levy the Special Tax on each Parcel of Taxable Property Proportionately, up to the Maximum Special Tax Rate described in

Table 1 to satisfy the Annual Special Tax Requirement.

**TABLE 1
MAXIMUM SPECIAL TAX RATES**

Property Type	Rate	Per
Non-Residential Property	\$670.00	Acre
Detached Single Family Residential Property	248.00	Parcel
Attached Single Family Residential Property	79.00	Parcel

Further, notwithstanding the above, under no circumstances will the Special Tax levied against any Assessor’s Parcel of Detached Single Family Residential Property or Attached Single Family Residential Property for which an occupancy permit for private residential use has been issued be increased by more than ten percent as a consequence of delinquency or default by the owner of any other Assessor’s Parcel within the District.

IV. FORMULA FOR PREPAYMENT OF SPECIAL TAX OBLIGATIONS

The Special Tax may not be prepaid, except as provided in the cash collection period as detailed in Section IX below.

V. EXEMPTIONS

Notwithstanding any other provision of this Rate and Method of Apportionment of Special Tax, no Special Taxes shall be levied on Public Property or Association Property, except Taxable Association Property and Taxable Public Property.

VI. INTERPRETATION OF RATE AND METHOD OF APPORTIONMENT

The Council reserves the right to make minor administrative and technical changes to this document which do not materially affect the rate and method of apportioning the Special Tax. In addition, the interpretation and application of any section of this document shall be at the Council’s discretion.

VII. MANNER AND DURATION OF SPECIAL TAX

The Special Tax shall be collected in the same manner and at the same time as ordinary ad valorem property taxes, provided that the City may directly bill the Special Tax, may collect the Special Tax at a different time or in a different manner if needed to meet the financial obligations of the District, and may collect delinquent Special Taxes through foreclosure or other available methods.

A Special Tax may be levied beginning in Fiscal Year 2014/15 and shall be levied and collected within the District to fund the Annual Special Tax Requirement for no more than 15 years and, in any event, no later than Fiscal Year 2033/34, provided that the Finance Director shall cease to levy the Special Tax once all Bonds and Administrative Expenses have been paid in full.

VIII. APPEAL OF SPECIAL TAX LEVY

Any property owner claiming that the amount or application of the Special Tax is not correct may file a written notice of appeal with the District Administrator not later than one calendar year after having paid the Special Tax that

CITY COUNCIL OF THE CITY OF NOVATO
RESOLUTION NO. 4-14
RESOLUTION DETERMINING NECESSITY TO
INCUR BONDED AND OTHER INDEBTEDNESS
CITY OF NOVATO
Community Facilities District No. 2014-1
(Pacheco Valle Area)

is disputed. The District Administrator shall promptly review the appeal and, if necessary, consider written and oral evidence presented by the property owner regarding the amount of the Special Tax, and decide the appeal. If the property owner disagrees with the District Administrator's decision relative to the appeal, the property owner may then file a written appeal with the City Council whose subsequent decision shall be binding. If the decision of the District Administrator (if the appeal is not filed with the City Council) or the City Council (if the appeal is filed with the City Council) requires the Special Tax to be modified or changed in favor of the property owner, no cash refund shall be made for prior years' Special Tax levies, but an adjustment shall be made to the next Special Tax levy(ies). This procedure shall be exclusive and its exhaustion by any property owner shall be a condition precedent to filing any legal action by such owner.

IX. CASH COLLECTION PERIOD

Property owners in the District will have the opportunity to pay their District obligation without penalty or interest during a cash collection period. Within thirty (30) days of the election of the District, the District Administrator will mail a statement to each property owner which will contain the following:

- Assessor's Parcel Number to identify each property
- Amount required to pay the District obligation in full
- Time and place of payment and the effect of failure to pay within such time
- Statement describing the expected amount of District Bonds
- Statement that the Special Tax lien has been recorded and the date of recordation

Property owners will have thirty (30) days from the date of the statement mailing to pay the obligation. After the thirty (30) day period has expired, the Special Tax lien will be released for all Assessor's Parcels which have paid their obligation in full as described in the mailed statement.

RESOLVED, by the City Council (the "City Council") of the City of Novato (the "City"), State of California, that:

WHEREAS, on December 3, 2013, this City Council adopted a resolution entitled "Resolution of Intention to Establish a Community Facilities District" (the "Resolution of Intention") stating its intention to form "City of Novato Community Facilities District No. 2014-1 (Pacheco Valle Area)" (the "CFD"), pursuant to the Mello-Roos Community Facilities Act of 1982, Chapter 2.5 of Part 1 of Division 2 of Title 5, commencing with Section 53311, of the California Government Code (the "Act");

WHEREAS, on December 3, 2013, this City Council also adopted a resolution entitled "Resolution of Intention to Incur Bonded and Other Indebtedness" (the "Resolution of Intention to Incur Indebtedness") stating its intention to incur bonded indebtedness or other debt (as defined in the Act) within the boundaries of the CFD for the purpose of financing the costs of certain facilities specified in the Resolution of Intention;

WHEREAS, the Resolution of Intention to Incur Indebtedness indicated an intention to incur bonded indebtedness or other debt in an amount not to exceed \$700,000, but the City has determined that, because of other available moneys, it is necessary for the City to incur bonded indebtedness or other debt in an amount not to exceed \$600,000.

WHEREAS, this City Council has held a noticed public hearing as required by the Act about the determination to proceed with the formation of the CFD, the provision of certain public facilities by the CFD and the amended and restated rate and method of apportionment of the special tax to be levied within the CFD to pay the principal and interest on the proposed bonded indebtedness or other debt in the CFD and the administrative costs of the City relative to the CFD (which amends and restates the proposed rate and method of apportionment attached as Exhibit B to the Resolution of Intention);

WHEREAS, subsequent to the public hearing, this City Council adopted a resolution entitled "Resolution of Formation of Community Facilities District" (the "Resolution of Formation");

WHEREAS, this City Council has also held a noticed public hearing as required by the Act relative to the matters material to the questions set forth in the Resolution of Intention to Incur Indebtedness; and

WHEREAS, no written protests with respect to the matters material to the questions set forth in the Resolution of Intention to Incur Indebtedness have been filed with the City Clerk.

NOW, THEREFORE, BE IT RESOLVED as follows:

1. **Recitals.** The foregoing recitals are true and correct.
2. **Necessity.** This City Council deems it necessary to incur bonded indebtedness or other debt in the maximum

CITY COUNCIL OF THE CITY OF NOVATO
RESOLUTION NO. 5-14
RESOLUTION CALLING SPECIAL ELECTION
CITY OF NOVATO
Community Facilities District No. 2014-1
(Pacheco Valle Area)

aggregate principal amount of \$600,000 within the boundaries of the CFD for the purpose of financing the costs of all or a portion of the facilities defined in the Resolution of Formation (the "Facilities"), including, but not limited to, the costs of issuing and selling bonds or other debt to finance all or a portion of the Facilities and the costs of the City in establishing and administering the CFD.

3. **Entire CFD Liable.** The whole of the CFD shall pay for the bonded indebtedness or other debt through the levy of the special tax. The tax is to be apportioned in accordance with the formula set forth in Exhibit "B" to the Resolution of Formation.

4. **Bonds or Other Debt.** Bonds or other debt in the maximum amount of \$600,000 are hereby authorized subject to voter approval. The bonds or other debt may be issued in one or more series and mature and bear interest at such rate or rates, payable semiannually or in such other manner, all as this City Council or its designee shall determine, at the time or times of sale of such bonds or other debt; provided, however, that the interest rate or rates shall not to exceed the maximum interest rate permitted by applicable law at the time of sale of the bonds or other debt, and the bonds or other debt or any series thereof shall have a maximum term of not to exceed forty years.

5. **Election.** The proposition of incurring the bonded indebtedness or other debt herein authorized shall be submitted to the qualified electors of the CFD and shall be consolidated with elections on the proposition of levying special taxes within the CFD and the establishment of an appropriations limit for the CFD pursuant to Section 53353.5 of the Act. The time, place and further particulars and conditions of such election shall be as specified by separate resolution of this City Council.

6. **Effective Date.** This Resolution shall take effect upon its adoption.

* * * * *
I HEREBY CERTIFY that the foregoing resolution was duly and regularly adopted by the City Council of the City of Novato, Marin County, California, at a meeting thereof, held on the 7th day of January, 2014, by the following vote, to wit:

AYES: Councilmembers Athas, Kellner, Lucan, Eklund
NOES: Councilmembers None
ABSTAIN: Councilmembers None
ABSENT: Councilmembers None
RECUSE: Councilmembers MacLeamy

s/SHERI HARTZ
City Clerk

WHEREAS, this City Council has adopted a resolution entitled "Resolution of Formation of Community Facilities District" (the "Resolution of Formation"), ordering the formation of the "City of Novato Community Facilities District No. 2014-1 (Pacheco Valle Area)" (the "CFD"), authorizing the levy of a special tax on property within the CFD and preliminarily establishing an appropriations limit for the CFD, all pursuant to the Mello-Roos Community Facilities Act of 1982, Chapter 2.5 of Part 1 of Division 2 of Title 5, commencing with Section 53311, of the California Government Code (the "Act"); and

WHEREAS, this City Council has also adopted a resolution entitled "Resolution Determining the Necessity to Incur Bonded and Other Indebtedness" (the "Resolution Determining Necessity"), determining the necessity to incur bonded indebtedness and other debt (as defined in the Act) in the maximum aggregate principal amount of \$600,000 upon the security of the special tax to be levied within the CFD pursuant to the Act; and

WHEREAS, pursuant to the provisions of the Resolution of Formation and the Resolution Determining Necessity, the propositions of the levy of the special tax, the establishment of the appropriations limit and the incurring of the bonded indebtedness or other debt (as defined in the Act) shall be submitted to the qualified electors of the CFD as required by the provisions of the Act.

NOW, THEREFORE, IT IS ORDERED as follows:

1. Issues Submitted. Pursuant to Sections 53326, 53351 and 53325.7 of the Act, the issues of the (i) levy of the special tax, (ii) incurring of bonded indebtedness or other debt and (iii) establishment of the appropriations limit shall be submitted to the qualified electors (as defined below) of the CFD at an election called therefore as provided below.

2. Voter Approval. Pursuant to the provisions of the Act, the propositions described above in paragraph 1 shall be submitted to the voters of the CFD at an election called therefore as hereinafter provided. The ballot measures to be voted upon by the voters shall be the following:

BALLOT MEASURE: To finance acquisition of property at the entrance to Pacheco Valle by Marin County Open Space District for permanent open space and no other purpose, shall City of Novato incur indebtedness not exceeding \$600,000 for City of Novato Community Facilities District No. 2014-1 (Pacheco Valle Area) and levy a special tax annually on each parcel within the District, as described in Resolution No. 3-14 (see ballot pamphlet), for no more than 15 years and in any

event no later than fiscal year 2033-34, subject to appropriation limit?

YES: _____
NO: _____

3. Electors Determined. This City Council hereby finds that more than 12 persons have been registered to vote within the CFD for each of the 90 days preceding the close of the hearing heretofore conducted and concluded by this City Council for the purposes of these formation proceedings. Accordingly, and pursuant to the Act, this City Council finds that for purposes of these proceedings the qualified electors are the registered voters within the CFD and that the vote shall be by said registered voters.

4. Election; Consolidation. This City Council hereby calls a special election to consider the issues described in Section 2 above, which election shall be held on April 8, 2014 (the "Election Day"), during which the polls shall be open between the hours of 7:00 a.m. and 8:00 p.m., inclusive. The official of the County responsible for the conduct of elections is hereby designated as the official to conduct said election (the "Election Official"). The Board of Supervisors of the County and the Election Official are hereby requested to provide such services as may be necessary to properly and lawfully hold and conduct the special election pursuant to the provisions hereof and applicable provisions of the California Elections Code, including coordination with all appropriate election officials in the County, and the consolidation of said special election with other elections being held on the Election Day.

5. Actions Authorized. Pursuant to section 53326 of the Act, and within three (3) business days of the adoption of the Resolution of Formation, but in no event later than the date specified by the Election Official for receipt, the City Clerk shall cause to be provided to the Election Official a certified copy of the Resolution of Formation, the Resolution of Necessity, and of this Resolution Calling Special Election, together with a certified copy of the map of the boundaries of the CFD, as filed in the Office of the Recorder of the County. The City Clerk of the District is hereby authorized and directed to enter into an agreement with the Election Official for the services of such official and to provide for the reimbursement by the District of the costs of the Election Official in conducting the election. The City Clerk and all the Councilmembers and officers of the City and their designees are hereby authorized and directed to execute and deliver any documents and to perform all acts necessary to place the measure on the ballot including making any revisions, correction or alternations to the language of the ballot measure to comply with requirements of law and Election Official and to ensure that the applicable requirements of the Elections Code are met, including, but not limited to the preparation and provision to the voters of all documents and instructions required by and specified in the Elections Code.

6. Accountability. Under Section 50075.1 of the Government Code, the following accountability provisions shall apply to the special taxes: (a) the Facilities and the incidental costs thereof, all as defined in the Resolution of Formation, shall constitute the specific single purpose; (b) the proceeds shall be applied only to the specific purposes

identified in (a) above; (c) there shall be created special account(s) or funds(s) into which the proceeds shall be deposited; and (d) there shall be caused to be prepared an annual report if required by Section 50075.3 of the Government Code.

7. Effective. This resolution shall take effect upon its adoption.

* * * * *
I HEREBY CERTIFY that the foregoing resolution was duly and regularly adopted by the City Council of the City of Novato, Marin County, California, at a meeting thereof, held on the 7th day of January, 2014, by the following vote, to wit:

AYES: Councilmembers Athas, Kellner, Lucan, Eklund
NOES: Councilmembers None
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s/SHERI HARTZ
City Clerk