

**RESOLUTION NO. 4-06**

**A RESOLUTION OF THE CITY COUNCIL APPROVING AND CONFIRMING THE REPORT ON THE LEVY OF REASSESSMENTS AND THE REFUNDING OF ITS 1915 ACT LIMITED OBLIGATION IMPROVEMENT BONDS**

WHEREAS, the City Council of the City of Richmond (the "City"), by proceedings duly had and taken, duly provided for the issuance of the City of Richmond Improvement District No. 1999-01 (Country Club Vista) Limited Obligation Improvement Bonds (the "Prior Local Obligations"), under and pursuant to the conditions and terms of the Improvement Bond Act of 1915, being Division 10 of the California Streets and Highways Code (the "1915 Act"), in its Improvement District No. 1999-01 (Country Club Vista) (the "Prior Assessment District"); and

WHEREAS, this City Council has determined to establish a reassessment district to be known as the "City of Richmond Reassessment District No. 1999-01 (Country Club Vista)" (the "Reassessment District") and to issue refunding bonds designated the "City of Richmond Limited Obligation Refunding Bonds, Reassessment District No. 1999-01 (Country Club Vista)" (the "Refunding Bonds" or "Local Obligations") upon the security of the unpaid reassessments for the purpose of refunding the unmatured portions of the Prior Local Obligations, all as provided by and pursuant to the conditions and terms of the Refunding Act of 1984 for 1915 Improvement Act Bonds, being Division 11.5 of the California Streets and Highways Code (the "1984 Act"), and to provide for the levy and collection of reassessments as security for the Refunding Bonds; and

WHEREAS, the City Council referred the matter of the refunding of the Prior Local Obligations, the establishment of the proposed reassessment district, and the levy and collection of reassessments as security for the Refunding Bonds to MuniFinancial, as the qualified engineer retained by the City in these proceedings (the "Reassessment Engineer"), and directed said firm to prepare and file with the City Clerk a report in writing containing the matters specified in Section 9523 of the 1984 Act; and

WHEREAS, the Reassessment Engineer has prepared and filed with the City Clerk a report in writing containing the matters required by Section 9523 of the 1984 Act, which report was presented by the City Clerk to this City Council for consideration (the "Report"); and

WHEREAS, the City has determined that the requirements of Section 9525 of the Code cannot be satisfied so as to enable the City to conduct these reassessment proceedings as summary proceedings without notice or hearing and without the assessment ballot procedure prescribed by Section 53753 of the California Government Code ("Section 53753"); and

WHEREAS, the City Council, by resolution heretofore duly adopted on November 15, 2005, preliminarily approved the Report, and fixed 7:00 o'clock P.M. (or as soon thereafter as the matter may be heard) on Tuesday, January 17, 2006, at the regular meeting place of the City Council at the City Council Chambers of the City of Richmond, 1401 Marina Way South, Richmond, California 94804, as the time and place for a public hearing of protests to the refunding, the amount of the reassessments, and any other element of the proposed Reassessment District as described in the Reassessment Report and the Resolution Determining that the Public Convenience and Necessity Require that the City Refund its Outstanding City of Richmond Improvement District No. 1999-01 (Country Club Vista) Limited Obligation Improvement Bonds, Series 2000, adopted by the City Council on November 15, 2005 (the "Resolution of Intention"); and

WHEREAS, as directed by the City Council, notices of the public hearing were given to the property owners within the Reassessment District by mail in the time, form and manner as provided by law, and a Certificate of Mailing Notices of Public Hearing is on file with the City Clerk; and

WHEREAS, said public hearing of protests was duly convened by the City Council at said time and place set for said public hearing of protests on January 17, 2006, and the City Council thereupon proceeded with said public hearing of protests, and duly heard all interested parties desiring to be heard at said public hearing of protests; and

WHEREAS, property owner reassessment ballots were provided to all of the property owners in said Reassessment District, and at the end of the public hearing, the City Council found and determined that property owner ballots cast against the levy of said reassessment did not exceed the property owner ballots cast in favor of the levy of said reassessment; and

WHEREAS, the Report has been considered by this City Council, which is fully advised in the premises;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Richmond, as follows:

Section 1. The foregoing recitals are true and correct, and this City Council so finds and determines.

Section 2. The City Council finds and determines that, even though the unpaid reassessments as shown in the Reassessment Report are higher than the existing unpaid assessments in the Prior Assessment District, it is expected that, due to a decline in interest rates, economic savings shall be achieved in the form of reduced annual installments over the remaining life of the existing assessments in the Prior Assessment District.

Section 3. The City has received information from the bond underwriter to the effect that the savings resulting from the issuance of the Refunding Bonds are likely to exceed an amount which will produce a \$75 reduction per year in the installments of the reassessments levied on each single family lot within the Reassessment District beginning with the installments for Fiscal Year 2006-07. In the event that due to changes in market conditions after the adoption of this resolution, such minimum savings cannot be achieved, the City shall not issue the Refunding Bonds and this resolution shall be null and void.

Section 4. The City intends to provide for the issuance of the Refunding Bonds to refund the Prior Local Obligations pursuant to the 1984 Act and further intends to provide for the levy of reassessments under the 1984 Act to supersede and supplant the existing assessments in the Prior Assessment District on property now within the Reassessment District, as provided in the 1984 Act; provided, that the installments of the existing assessments levied in the Prior Assessment District for fiscal year 2005-06 shall be collected and applied to pay (a) a portion of the interest payable on March 2, 2006, of the Prior Local Obligations and (b) debt service on the Refunding Bonds payable on September 2, 2008; and provided further that the lien of the existing assessments will be continued in full force and effect to secure payment of any installments of the existing assessments which currently are delinquent or, as of April 10, 2006, may become delinquent.

Section 5. This City Council hereby finds and determines that the number of years to maturity of the Refunding Bonds is not more than the number of years to the last maturity of the Prior Local Obligations.

Section 6. The Refunding Bonds shall bear interest at a rate not to exceed the maximum rate permitted by law and that the last installment of said bonds shall mature on September 2 in the year specified by the Reassessment Report.

Section 7. The City proposes to proceed under the alternative procedure authorized in Part 11.1 of the Improvement Bond Act of 1915 (Sections 8500 and following of the Code) relative to collecting reassessments and advance retirement of the Refunding Bonds.

Section 8. The City will not obligate itself to advance available funds from the City treasury to cure any deficiency which may occur in the bond redemption fund.

Section 9. The Annual Administrative Costs Assessment and the fees, if any, provided for in the original Engineer's Report for the Prior Assessment District and in Sections 8682 and 8682.1 of the Code, may be added annually to each reassessment installment to cover certain expenses of administration of the Reassessment District and payment of the Refunding Bonds.

Section 10. Any unpaid reassessment installment that becomes delinquent shall be subject to the same proportionate penalties and interest as are the general taxes on real

property in the City.

Section 11. The Reassessment Report is hereby approved and confirmed by this City Council, and the reassessments contained therein are hereby confirmed and levied by this City Council, as finally adjusted pursuant to this Section 10, and upon making the necessary recordings and filings as required by the 1984 Act, the reassessments shall become a lien upon the various parcels of land reassessed in such Assessment District for which the Prior Local Obligations were issued. The final amount of the reassessments and the installments thereof shall be determined by the City Treasurer upon sale of the Refunding Bonds.

Section 12. The City Clerk is hereby directed to (1) record the reassessments referred to in Section 10 hereof and the related reassessment diagram in the office of the City Engineer, as the Superintendent of Streets of the City of Richmond pursuant to the 1915 Act, (2) to record the reassessment diagram and notice thereof as required by Division 4.5 of the California Streets and Highways Code, and (3) to file copies of this resolution with the County Auditor of the County of Contra Costa (the "County") to facilitate collection of installments on account of unpaid reassessments on the secured property tax roll of the County.

Section 13. Pursuant to the notice of these proceedings mailed to property owners within the Reassessment District, the assessment levied in the original proceedings for the Prior Assessment District may be prepaid in an amount specified in such notice on or prior to January 31, 2006. Thereafter, the reassessment levied for the Reassessment District may be prepaid as provided in the 1915 Act.

Section 14. This resolution shall take effect immediately.

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I hereby certify that the foregoing resolution was passed and adopted by the City Council of the City of Richmond, California at a regular meeting held on the 17th day of January, 2006, by the following vote:

AYES:	Councilmember Bates, Butt, Griffin, Marquez, McLaughlin, Rogers, Thurmond, Viramontes, and Mayor Anderson
NOES:	None
ABSTENTIONS:	None
ABSENT:	None

DIANE HOLMES  
Clerk of the City of Richmond

(SEAL)

APPROVED:

IRMA L. ANDERSON  
Mayor

APPROVED AS TO FORM:

JOHN EASTMAN  
City Attorney

State of California	}
County of Contra Costa	: ss.
City of Richmond	}

I certify that the foregoing is a true copy of Resolution No. 4-06, finally and passed and adopted by the Council of the City of Richmond at a regular meeting held on, January 17, 2006, and published in accordance with law.