RESOLUTION NO. 2007-057

Adopted by the Sacramento City Council

January 30, 2007

DEEMING IT NECESSARY TO INCUR BONDED INDEBTEDNESS TO FINANCE THE ACQUISITION AND CONSTRUCTION OF CERTAIN PUBLIC FACILITIES, AND THE PAYMENT OF CERTAIN GOVERNMENTAL DEVELOPMENT-IMPACT FEES IN ORDER TO MITIGATE THE IMPACTS OF DEVELOPMENT WITHIN NATOMAS CENTRAL COMMUNITY FACILITIES DISTRICT NO. 2006-02, CITY OF SACRAMENTO, COUNTY OF SACRAMENTO, STATE OF CALIFORNIA

BACKGROUND

A. The City Council (the "Council") of the City of Sacramento (the "City") duly adopted its Resolution No. 2006-729 (the "Resolution of Intention") on October 10, 2006 wherein the Council declared its intention to and proposed to establish a community facilities district within its jurisdictional boundaries under and pursuant to the terms and provisions of the "Mello-Roos Community Facilities Act of 1982," being Chapter 2.5, Part 1, Division 2, Title 5 (beginning with Section 53311) of the Government Code of the State of California (the "Act"), to be known and designated as "Natomas Central Community Facilities District No. 2006-02, City of Sacramento, County of Sacramento, State of California" (the "Community Facilities District"), to finance the acquisition and construction of certain public capital facilities and to finance certain governmental development-impact fees for public capital facilities.

B. The Council also adopted Resolution No. 2006-730 (the "Resolution to Incur Bonded Indebtedness") on October 10, 2006, declaring its intention to incur a bonded indebtedness in the principal amount of not to exceed thirty-five million dollars ($35,000,000) to finance the acquisition and construction of the facilities and to finance the governmental development-impact fees described in the Resolution of Intention.

C. The Resolution to Incur Bonded Indebtedness fixed a time and place for a public protest hearing (the "Public Hearing") to be held by the Council to consider incurring the proposed debt and to consider any other matters set forth in the Resolution to Incur Bonded Indebtedness.

D. Pursuant to the Resolution to Incur Bonded Indebtedness, the Public Hearing was opened by the Council on Tuesday, November 14, 2006, at 2:00 p.m., or as soon thereafter as the Council was able to reach the matter, in the Council Chambers at the Sacramento City Hall at 915 "I" Street, Sacramento, California. The Council then continued the Public Hearing to January 9, 2007 at 2:00 p.m. On January 9, 2007, the Council, after finding that the complexity of the proposed Community

Facilities District and the need for public participation required additional time, continued the Public Hearing to January 30, 2007, at 7:00 p.m. The City Clerk has submitted to the Council her Certificate that proper notices of the continuances were posted by the entrance to the Council Chambers.

E. The Public Hearing was then resumed in the Council Chambers on the date and at the time specified in the posted notice. At the Public Hearing the Council considered the amount and the term of the bonds proposed to be authorized by the Community Facilities District, and all other matters set forth in the Resolution to Incur Bonded Indebtedness; and at the Public Hearing all persons interested, including all taxpayers, property owners and registered voters within the Community Facilities District, were given an opportunity to appear and to be heard on, and they were permitted to present any matters relating to, the necessity for incurring the bonded indebtedness to finance the costs of the acquisition and construction of the facilities and the financing of the governmental development-impact fees described in the Resolution of Intention; and the testimony of all interested persons and all taxpayers, property owners and registered voters for or against the authorization to issue bonds of the Community Facilities District or any other matters set forth in the Resolution to Incur Bonded Indebtedness, was heard and considered.

F. All registered voters residing within the boundaries of the proposed Community Facilities District, if any, and all owners of land within the boundaries of the proposed Community Facilities District that would not be exempt from the proposed levy of a special tax, were allowed to submit written protests against incurring the proposed bonded indebtedness and any aspect of the proposals contained in the Resolution to Incur Bonded Indebtedness, and permitted to withdraw their protests prior to the close of the public Hearing.

G. The Council has adopted on this date its Resolution No. 2007-056 establishing the Community Facilities District (the "Resolution of Formation") which sets forth the special tax to be authorized within the Community Facilities District and the facilities (the "Facilities") and governmental development-impact fees (the "Fees") that may be financed with the proceeds of the special tax collections.

H. The Council is fully advised in this matter.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

Section 1. The above recitals are true and correct, and the Council so finds and determines.

Section 2. The Council accepts the Certificate of the City Clerk re: Posting of Notices of Continuances of Public Hearing, and finds, based thereon, that proper notices of the continued hearing have been given in accordance with the California Government Code, and that the continued Public Hearing was

conducted with proper and legal notice in all respects.

Section 3. The Council finds and determines that at the close of the Public Hearing, written protests, if any, against incurring the proposed bonded indebtedness and any aspect of the proposals contained in the Resolution to Incur Bonded Indebtedness, were submitted by less than 50 percent of the registered voters, or by less than six of the registered voters, if any, residing within the Community Facilities District. Similarly, the Council finds that at the close of the Public Hearing, such written protests, if any, were submitted by the owners of less than one-half of the area of land in the territory proposed to be included in the Community Facilities District and not exempt from the special tax. Thus, the Council finds that it is not precluded, by the Act, from proceeding further in this matter. The Council hereby further orders and determines that all protests against incurring the proposed bonded indebtedness and any aspect of the proposals contained in the Resolution to Incur Bonded Indebtedness that may have been submitted, have been considered and are hereby overruled.

Section 4. The Council hereby declares that the public convenience and necessity require, and it is necessary, that a bonded indebtedness be incurred to finance the acquisition and construction of the Facilities, and the financing of the Fees, described in the Resolution of Formation. The authorization to finance the acquisition and construction of the Facilities and to finance the Fees includes incidental expenses for the Facilities comprising the costs of planning and designing the Facilities, together with the costs of environmental evaluations thereof, and all costs associated with the creation of the Community Facilities District, the issuance of debt (as that term is defined in the Act, "Debt"), the determination of the amount of any special taxes or the collection or payment of any special taxes and costs otherwise incurred in order to carry out the authorized purposes of the Community Facilities District, together with any other expenses incidental to the acquisition and construction of the Facilities. Such costs and expenses are further described in Exhibit C to the Resolution of Formation.

Section 5. The whole of the territory within the Community Facilities District will be benefited by the Debt and will be subject to the special tax to pay for the Debt.

Section 6. The amount of the proposed Debt to be incurred to finance the acquisition and construction of the Facilities and to finance the Fees shall not exceed thirty-five million dollars ($35,000,000), which amount may include all costs and estimated costs incidental to, or connected with, the accomplishment of the purpose for which the Debt is proposed to be incurred, including but not limited to the estimated costs of acquisition of land, rights-of-way, capacity or connection fees, satisfaction of contractual obligations relating to expenses or the advancement of funds for expenses

Adopted by the City of Sacramento City Council on January 30, 2007 by the following vote:

Ayes: Councilmembers, Cohn, Fong, Hammond, McCarty, Pannell, and Mayor Fargo.

Noes: None.

Abstain: None.

Absent: Councilmembers Sheedy, Tretheway and Waters.

Heather Fargo

Mayor, Heather Fargo

Attest:

Shirley Concolino

Shirley Concolino, City Clerk