

REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: October 22, 2020

CAO File No. 0220-05291-0888

Council File No.

Council District: 15

To: The Council
The Mayor

From: Richard H. Llewellyn, Jr., City Administrative Officer



R. Llewellyn, Jr. *S.* for

Reference: Council File 13-1646-S1

Council File 13-1646-S2

Mello-Roos and Assessment Financing Program Application dated October 4, 2018

Subject: **AUTHORIZING RESOLUTIONS AND OTHER ACTIONS NECESSARY TO ESTABLISH COMMUNITY FACILITIES DISTRICT NO. 11, PONTE VISTA (FORMERLY KNOWN AS THE HIGHPARK PROJECT)**

RECOMMENDATION

That the Council, subject to the approval of the Mayor:

1. RECEIVE the attached landowner petitions to institute proceedings pursuant to the Mello-Roos Community Facilities Act of 1982 (Attachment A);
2. ADOPT the attached Resolution of the City of Los Angeles of Intention to Establish Community Facilities District No. 11 (Ponte Vista) (Attachment B);
3. ADOPT the attached Resolution of the City of Los Angeles to Incur Bonded Indebtedness of the proposed Community Facilities District No. 11 (Ponte Vista) (Attachment C);
4. INSTRUCT the City Clerk to publish the Notice of Public Hearing Regarding Establishment of Community Facilities District (Attachment D) and Notice of Public Hearing Regarding Bonded Indebtedness for Community Facilities District (Attachment E) by November 17, 2020 for the Public Hearing to take place on December 1, 2020, at 10:00 a.m. during a regularly scheduled City Council meeting which is no less than 30 days following approval of the Resolution of the City of Los Angeles of Intention to Establish Community Facilities District No. 11 (Ponte Vista);
5. INSTRUCT the City Clerk to set an agenda item for a Public Hearing on the City Council agenda for December 1, 2020;

6. AUTHORIZE the City Administrative Officer to take the necessary actions to amend the existing Deposit and Reimbursement Agreement and/or execute a new Deposit and Reimbursement Agreement with the developer to cover all consultant and City costs associated with the formation of the Community Facilities District; and,

7. AUTHORIZE the Office of the City Administrative Officer to make technical adjustments as necessary to implement the intent of the Mayor and Council actions.

SUMMARY

On June 30, 2020, the City Council considered the Office of the City Administrative Officer's (CAO) report and adopted the two accompanying Resolutions relative to the establishment of Community Facilities District (CFD) No. 10 (Ponte Vista) in San Pedro (CFD 10). The developer for this residential project and applicant for CFD 10 is SoCal San Pedro SPV 1, LLC (SoCal). The first resolution, the Resolution of Intention to Establish CFD 10, acknowledged that the landowners within the proposed CFD petitioned the City for the establishment of a CFD, proposed the formation of the CFD, set forth a public hearing date of August 19, 2020, described the facilities to be constructed and/or acquired with the proceeds of the bonds to be issued by the CFD, and approved the Rate and Method of Apportionment (RMA) of Special Tax to set the tax rates for different categories of property within the CFD. The second resolution, the Resolution to Incur Bonded Indebtedness, set forth the maximum amount of debt that the CFD may issue and also set forth the date for the public hearing on incurring debt.

A notice of public hearing (Notice) was published by the City in the Los Angeles Times on July 27, 2020, as required under the Mello-Roos Community Facilities Act of 1982 (Act). After conferring with Bond Counsel, it was determined that the Notice did not meet the requirements set forth under the Act. In order to meet the requirements of a properly formed CFD, the CAO recommended, in its report dated October 21, 2020, that the City Council abandon all proceedings, including the scheduled public hearing on November 18, 2020, with respect to the proposed formation of CFD 10 by adopting a Resolution of Abandonment (C.F. 13-1646-S2).

Notwithstanding, SoCal wishes to continue its pursuit of the formation of a community facilities district for this residential project. Accordingly, SoCal has submitted new landowner petitions (Attachment A) for this community facilities district, which will proceed under the new name, Community Facilities District No. 11 (Ponte Vista) (CFD 11). As a result, because of the complexities associated with the initial formation process of CFD 10 and recommencing the formation process under new CFD 11, the CAO is requesting the authority to amend and/or draft and execute a new Deposit and Reimbursement Agreement so that the City can continue to pay for consultant costs necessary for the formation process of CFD 11.

The CAO recommends approval of the attached Resolutions to initiate proceedings for the establishment of the CFD and for the incurrence of debt. To initiate such proceedings, the CAO recommends the adoption of the attached Resolution of Intention to Establish Community Facilities District No. 11 (Ponte Vista) and the Resolution to Incur Bonded Indebtedness (Attachments B and C, respectively), acknowledging receipt of the landowner petitions, approving the proposed Rate

and Method of Apportionment of Special Tax, and scheduling the required Public Hearings. Additional Ordinances and Resolutions regarding formation and calling for the election will also need to be approved by Council at a later date. These documents will be transmitted to Council by the CAO. The process to complete and finalize the formation of the CFD, the authorization of bonded indebtedness, and the levy of special taxes will require additional Council actions.

The following documents are required for the recommended actions:

Attachment A – Landowner Petitions to Create a Community Facilities District

Petitions by the landowners to create a community facilities district and provides a waiver with respect to certain procedural matters under the Act.

Attachment B – Resolution of Intention

- (i) acknowledges that the landowners within the proposed CFD 11 have petitioned the City to establish a CFD;
- (ii) proposes the formation of the CFD 11;
- (iii) sets a public hearing for interested persons to express their views on the establishment of the proposed CFD and the proposal to levy a special tax;
- (iv) describes the facilities to be constructed with the proceeds of bonds issued by the CFD; and,
- (v) describes the proposed Rate and Method of Apportionment (RMA) of Special Tax, which sets the tax rates for different categories of property within the proposed CFD; and,

Attachment C – Resolution to Incur Bonded Indebtedness

Sets a maximum proposed amount of debt the CFD may issue and sets a second public hearing regarding the proposed indebtedness that will be held at the same time as the public hearing regarding the City's intention to establish the CFD.

Attachment D and E – Notices of Public Hearing Regarding Establishment and Bonded Indebtedness

Per the Act, the Notice of Public Hearings must be published no later than seven days before the designated public hearing date, but if possible, should be published earlier than that.

FISCAL IMPACT STATEMENT

There is no impact on the City's General Fund as a result of the recommended actions. All consultant costs associated with the formation of the Community Facilities District are paid by the developer via the terms of the Deposit and Reimbursement Agreement.

FINANCIAL POLICIES STATEMENT

Consistent with the City's Financial Policies, all consultant and City costs associated with the formation of the Community Facilities District are paid by the developer via the terms of the Deposit and Reimbursement Agreement.

DEBT IMPACT STATEMENT

This report has no debt impact on the General Fund.

(Statement of Findings Attached)

FINDINGS

1. Mello-Roos Districts

The Mello-Roos Community Facilities Act (the Act) was enacted in 1982 and provides a method for local governments to fund public infrastructure and certain services, particularly for newly developing areas. The Act provides that cities may form “community facilities districts” (CFDs), special financing entities through which local government is empowered to levy special taxes and issue bonds authorized by two-thirds vote of the qualified electors of such a district. Mello-Roos bond proceeds can be used to finance the construction, expansion, rehabilitation, or acquisition of any real or other tangible property with an estimated useful life of five years or more, which will be constructed, owned or operated by a public entity. Mello-Roos bonds are payable solely from special taxes levied on property within the boundaries of the CFD. The City is not obligated to pay the bonds from any funds of the City.

2. Project Description

Ponte Vista is a residential development project located in Council District No. 15, in the community of San Pedro. The CFD portion of the project occupies 50.2 acres of land at the site of the former U.S. Navy Housing complex at 26900 South Western Avenue. The proposed project area is bordered by Western Avenue, Fitness Drive, the U.S. Navy’s Defense Fuel Support Point, and Mary of the Sea High School.

The proposed project involves the demolition of existing structures comprised of 122 duplexes, a single-family home, and other structures, which has already occurred. The redevelopment of the site will include up to 480 residential dwelling units, including single-family detached homes (205), townhomes (275), recreational facilities, parks, and a trail along the perimeter. The roadways within the project will be private streets, with entrances via two gated access points, which will supersede standard street requirements mandated by the Municipal Code and will be privately maintained. The recreation center will be restricted to residents only; the park in the southwest corner of the site and the trail will be accessible to the public.

The details of the maximum permitted dwellings and use of open space are as follows:

Single-family homes (detached and clusters)	205
Townhomes and flats	275
Recreation center and open space	20.09 acres

The recreation center will be located at the southeast portion of the development and will include features such as a swimming pool and deck, recreational building, outdoor courts, fitness area, spa, and outdoor fireplace and barbeque area with dining and lounge seating.

Larger neighborhood parks will serve as community open space and will include typical park features and programming to promote a healthy lifestyle and a sense of community.

The land use, entitlements, and environmental clearance processes culminated in the approval of the Ponte Vista at San Pedro Specific Plan by the Mayor and Council in March of 2014 (C.F. 13-1646).

3. Project Ownership and Application

The initial application for this project was submitted by SFI Bridgeview LLC (Bridgeview) in 2015, under the name Ponte Vista. During the review of the initial application, the City was notified that the proposed project was rebranded as Highpark, with no other changes to the project being proposed. In 2015, pursuant to the City's Mello Roos policy (Policy), the City commenced an evaluation of the formation of a Mello-Roos Community Facilities District (CFD) to finance a portion of the infrastructure costs of the Highpark project. In accordance with the Policy, an Interdepartmental Mello-Roos and Special Assessment Review Committee (Review Committee) was established to assess the CFD application submitted by the Bridgeview, including a review of the project and the developer, and subsequently recommended approval of the application. In 2016, the Council approved the Bridgeview's CFD application and authorized the CAO to proceed with the subsequent steps related to the formation of a CFD for the Highpark Project (C.F. 13-1646-S1).

Pursuant to the Policy, Bridgeview completed the initial stages of the application/approval process comprised of the (i) pre-application, (ii) application, (iii) initial staff evaluation, and (iv) initial Council and Mayor review (collectively, the Initial Evaluation Process). In 2018, Bridgeview sold the project site to SoCal San Pedro SPV 1, LLC (SoCal), and a subsidiary of Harridge Development Group. SoCal submitted an updated CFD application to the City establishing its intent to develop substantially the same project that was originally proposed by the Bridgeview and approved by the Council in 2016. On December 11, 2018, a Buscaino-Englander Motion was adopted (C.F. 13-1646-S2) that waived the Initial Evaluation Process with respect to SoCal, approved their application dated October 4, 2018, and authorized the CAO to take the necessary actions to engage a finance team, hire consultants, and execute a Deposit and Reimbursement Agreement with SoCal, and move forward with the necessary steps leading to the formation of the CFD.

Current Project Name

At the request of SoCal and the community, the name of this project and CFD has been changed back to Ponte Vista, although the name of the project in their application was Highpark. The name of the project is thus Community Facilities District No. 11 (Ponte Vista) (CFD 11).

The Deposit and Reimbursement Agreement was executed on January 1, 2019 and advanced funds in the amount of \$210,000 to the City for City and consultant costs necessary for the CFD Formation process. It is currently anticipated that additional consultant costs will be incurred beyond the \$210,000 that was previously estimated when the Deposit and Reimbursement Agreement was originally drafted. As such, the CAO is requesting the authority to amend and/or execute a new Deposit and Reimbursement Agreement so that the City can continue to pay for consultant costs necessary for the CFD Formation process.

A bond issuance of approximately \$30 million is proposed based on the preliminary bond sizing.

4. Extraordinary Project Benefits

Project features offered by the developer and that are not required as part of the entitlement actions include:

- New single family and multi-family homes to the San Pedro area that reinforce the prevailing community character;
- New housing on unutilized land that will contribute to relieving housing shortages in the area;
- Improved visual character of the site;
- New 2.4-acre public park;
- Public walking path that will circle the entire property and public access to all pocket parks and open spaces;
- Approximately 3,500 new trees;
- Streetscape upgrades to the eastern side and center median of Western Avenue;
- Proposed payment of \$70,000 to the City of Rancho Palos Verdes for streetscape improvements along the western side of Western Avenue;
- Permanent access road from Western Avenue to the Mary Star of the Sea High School;
- Parking along Mary Star Road for public access to parks and perimeter trail;
- Project Labor Agreement with the Building Trades Council of Los Angeles and Orange Counties, committing to using union labor for construction;
- Environmental elements such as water conservation features, rainwater catchment systems, drought-tolerant landscaping and shade trees to promote energy conservation;
- Re-engineered drainage channel to convey the off-site storm water runoff from the culvert at Western Avenue across the southwestern portion of site;
- Community entry features, passive parks, and recreation centers;
- Extension of water provision facilities and Fire Department access to the property, enhancing regional fire protection; and,
- Appropriate crime prevention features incorporated into the property design as determined by the Applicant and LAPD.

5. Infrastructure Facilities

SoCal submitted a list of proposed public facilities to be funded by the CFD special tax levy. These items include storm drain improvements, sewer improvements, electric transmission lines and connections, school facilities, traffic mitigation, street improvements, and landscaping. The total preliminary estimated cost is \$21.35 million. The cost of the proposed facilities will be refined as the project continues development. The final list of proposed facilities will be included in future reports and documents submitted to Mayor and Council as part of the CFD formation process.

6. Property Owner/Developer Description

SoCal San Pedro SPV 1, LLC (SoCal), a Delaware limited liability company, is located at 1875 Century Park East, Suite 1130, Los Angeles, CA 90067. SoCal San Pedro is a subsidiary of

Harridge Development Group. Harridge Development Group has developed various mixed use and single-family residential projects in Los Angeles: 1) The Metropolitan; 2) Silver Lake (joint venture); and 3) Melrose (joint venture).

So far, D.R. Horton and KB Home are two home builders that have been selected for Ponte Vista. Additional home builders may be selected at a later date.

7. Authorizing Resolutions, Other Documents, and Timing

The Authorizing Resolutions and Ordinances recommended for approval in this report for CFD 11 are listed below with a proposed time frame:

October 28, 2020

- A. Adopt Resolution of Intention to Establish CFD 11;
- B. Adopt Resolution of Intention to Incur Bonded Indebtedness of the Proposed CFD 11; and,
- C. Set the date of Public Hearing as December 1, 2020.

The following Authorizing Resolutions and Ordinances will be transmitted to Council at a later date by the CAO:

December 1, 2020

- D. Conduct Public Hearing;
- E. Adopt Ordinance of Formation for proposed CFD 11;
- F. Adopt Ordinance Deeming it Necessary to Incur Bonded Indebtedness;
- G. Adopt Ordinances Calling a Special Election for CFD 11; and,
- H. Adopt Resolution approving various other necessary agreements (tentative).

February 3, 2021

- I. Adopt Resolution Declaring Results of the Special Election; and,
- J. Adopt Ordinance Levying Special Taxes within CFD 11.
- K. Adopt Resolution approving various other necessary agreements (tentative)

ATTACHMENT A - Landowner Petitions to Create a Community Facilities District

ATTACHMENT B – Resolution of Intention to Establish a Community Facilities District and to Authorize the Levy of Special Taxes

EXHIBIT A – Facilities to be Purchased and Incidental Expenses

EXHIBIT B – Proposed Rate and Method of Apportionment of Special Tax

ATTACHMENT C – Resolution to Incur Bonded Indebtedness

ATTACHMENT D - Notice of Public Hearing Regarding Establishment of Community Facilities District

ATTACHMENT E - Notice of Public Hearing Regarding Bonded Indebtedness for Community Facilities District

ATTACHMENT A

**PETITION
TO CREATE A
COMMUNITY FACILITIES DISTRICT**

Council
City of Los Angeles
John Ferraro Council Chamber
200 North Spring Street
Los Angeles, California 90012

Members of the Council:

This is a petition to create a community facilities district, and a waiver with respect to certain procedural matters, under the Mello-Roos Community Facilities Act of 1982 (the “Act”), and the undersigned hereby states as follows:

1. Landowner; Property. This Petition is submitted by D.R. Horton VEN, Inc., a California corporation (the “Landowner”), as the owner of the real property described in Exhibit A attached hereto and made a part hereof (the “Property”). All of the Property is proposed to be included within the boundaries of the Community Facilities District (as defined below). The Property consists of approximately 1.49 acres and comprises approximately 4.96% of the area of land proposed to be included within the Community Facilities District and not proposed to be exempt from the special tax.

2. Proceedings Requested. The Landowner hereby requests that the Council (the “City Council”) of the City of Los Angeles (the “City”) institute proceedings pursuant to the Act to establish a community facilities district to be named “City of Los Angeles Community Facilities District No. 11 (Ponte Vista)” (the “Community Facilities District”), to levy special taxes in the Community Facilities District and to authorize special tax bonds for the Community Facilities District in an amount of not to exceed \$30,000,000.

3. Boundaries of Community Facilities District. The boundaries of the territory that is proposed for inclusion in the Community Facilities District are described in Exhibit B attached hereto and made a part hereof.

4. Types of Facilities. The types of facilities to be financed by the Community Facilities District are described in Exhibit C attached hereto and made a part hereof.

5. Elections. The Landowner hereby requests that the special elections to be held under the Act to authorize the special taxes for the Community Facilities District, to authorize the issuance of the bonds for the Community Facilities District and to establish an appropriations limit for the Community Facilities District be consolidated into a single election, that the election be conducted by the City and its officials using mailed or hand-delivered ballots and that such election be held as soon as practicable, subject to the provisions of the Act, the City Charter and other applicable provisions of law.

6. Waiver. To expedite the completion of the proceedings for the Community Facilities District, the Landowner hereby waives all notices of hearings (other than published notices required under the Act) and all notices of election, all applicable waiting periods under the Act for the election, all ballot analysis and arguments for the election and all requirements as to the form of the ballot.

7. Deposit. SoCal San Pedro SPV I, LLC ("SoCal San Pedro") has (a) previously submitted, or caused to be submitted, a check in, or checks totaling, the amount of \$210,000, which constitutes the deposit required by the City to be used to compensate the City Council and the City for all costs incurred in conducting proceedings to create the Community Facilities District, and (b) duly executed and delivered a Deposit and Reimbursement Agreement, dated as of January 1, 2019 (the "Deposit Agreement"), by and between the City and SoCal San Pedro.

8. Representations and Warranties. The Landowner hereby represents and warrants to the City that (a) the Landowner is, as of the date of this Petition, the legal owner of the fee interest in the Property, that no other person or entity is the legal owner of all or any portion of the fee interest in any of the Property, (b) the Landowner has the power and authority to execute and deliver this Petition, and has taken all action necessary to cause this Petition to be executed and delivered on its behalf, and (c) this Petition has been duly and validly executed and delivered on behalf of the Landowner.

9. Mailing Address. The address of the Landowner for receiving notices is: D.R. Horton VEN, Inc., 2280 Wardlow Circle, Suite 100, Corona, California 92880, Attention: Jake Persons.

This Petition is dated as of October 28, 2020.

D.R. HORTON VEN, INC.,
a California Corporation

By: 
Name: Marianne F. Adriatico
Title: Vice President and Division Counsel

EXHIBIT A

DESCRIPTION OF PROPERTY

The Property consists of the real property described as follows:

Lots 1 through 3, 6 through 8, 26 through 31 and 49 through 56 of Tract Map No. 71886-04, in the City of Los Angeles, County of Los Angeles, State of California, as per map recorded in Book 1419, Pages 74 through 81 of Maps in the Office of the County Recorder of said County, on December 26, 2019.

Reference is hereby made to the following Los Angeles County Assessor Parcel Numbers:

7442-039-001 through 7442-039-003

7442-039-006 through 7442-039-008

7442-038-001 through 7442-038-003

7442-038-021 through 7442-038-023

7442-039-012 through 7442-039-019

EXHIBIT B

BOUNDARIES OF COMMUNITY FACILITIES DISTRICT

The boundaries of the territory that is proposed for inclusion in the Community Facilities District are depicted in the attached map. Such territory is identified as the following Los Angeles County Assessor Parcel Numbers:

7442-034-001 through 7442-034-066

7442-035-001 through 7442-035-053

7442-036-001 through 7442-036-021

7442-037-001 through 7442-037-005

7442-037-007

7442-037-011 through 7442-037-014

7442-037-017

7442-037-018 (excluding the portion within Tract Map No. 71886-03, in the City of Los Angeles, County of Los Angeles, State of California, as per map recorded in Book 1422, Pages 86 through 95 of Maps in the Office of the County Recorder of said County, on October 20, 2020)

7442-038-001 through 7442-038-048

7442-039-001 through 7442-039-021

**PROPOSED BOUNDARIES OF
CITY OF LOS ANGELES
COMMUNITY FACILITIES DISTRICT NO. 11
(PONTE VISTA)
COUNTY OF LOS ANGELES
STATE OF CALIFORNIA**

(1) Filed in the office of the City Clerk of the City of Los Angeles this ____ day of _____, 2020.

Holly L. Wolcott
City Clerk, City of Los Angeles

(2) I hereby certify that the within map showing the proposed boundaries of City of Los Angeles Community Facilities District No. 11 (Ponte Vista), County of Los Angeles, State of California, was approved by the Council of the City of Los Angeles at a regular meeting thereof, held on this _____ day of November, 2020, by its Resolution No. _____.

Holly L. Wolcott
City Clerk, City of Los Angeles

(3) Filed this ____ day of _____, 2020, at the hour of ____ o'clock __m, in Book _____ of Maps of Assessment and Community Facilities Districts at Page _____ and as Instrument No. _____ in the office of the County Recorder in the County of Los Angeles, State of California.

Dean C. Logan
Registrar-Recorder/County Clerk,
County of Los Angeles

By _____
Deputy
Fee _____

Exempt recording requested,
per CA Government Code §27383

LEGEND

- Proposed Boundaries of City of Los Angeles Community Facilities District No. 11 (Ponte Vista), Los Angeles County, California
- Assessor Parcel Lines

Reference is hereby made to the Assessor maps of the County of Los Angeles, and Tract Map No. 71886-03, recorded on October 20, 2020 in Book 1422 of Maps at Pages 86 through 95 in the official records of the County of Los Angeles, for a description of the lines and dimensions of the parcels referenced herein.

Assessor Parcels within City of Los Angeles

C.F.D. No. 11 (Ponte Vista):

7442-034-001 through 7442-034-066

7442-035-001 through 7442-035-053

7442-036-001 through 7442-036-021

7442-037-001 through 7442-037-005

7442-037-007

7442-037-011 through 7442-037-014

7442-037-017

7442-037-018 (portion not within Tract 71886-03)

7442-038-001 through 7442-038-048

7442-039-001 through 7442-039-021

Not A Part
Tract No. 71886-03

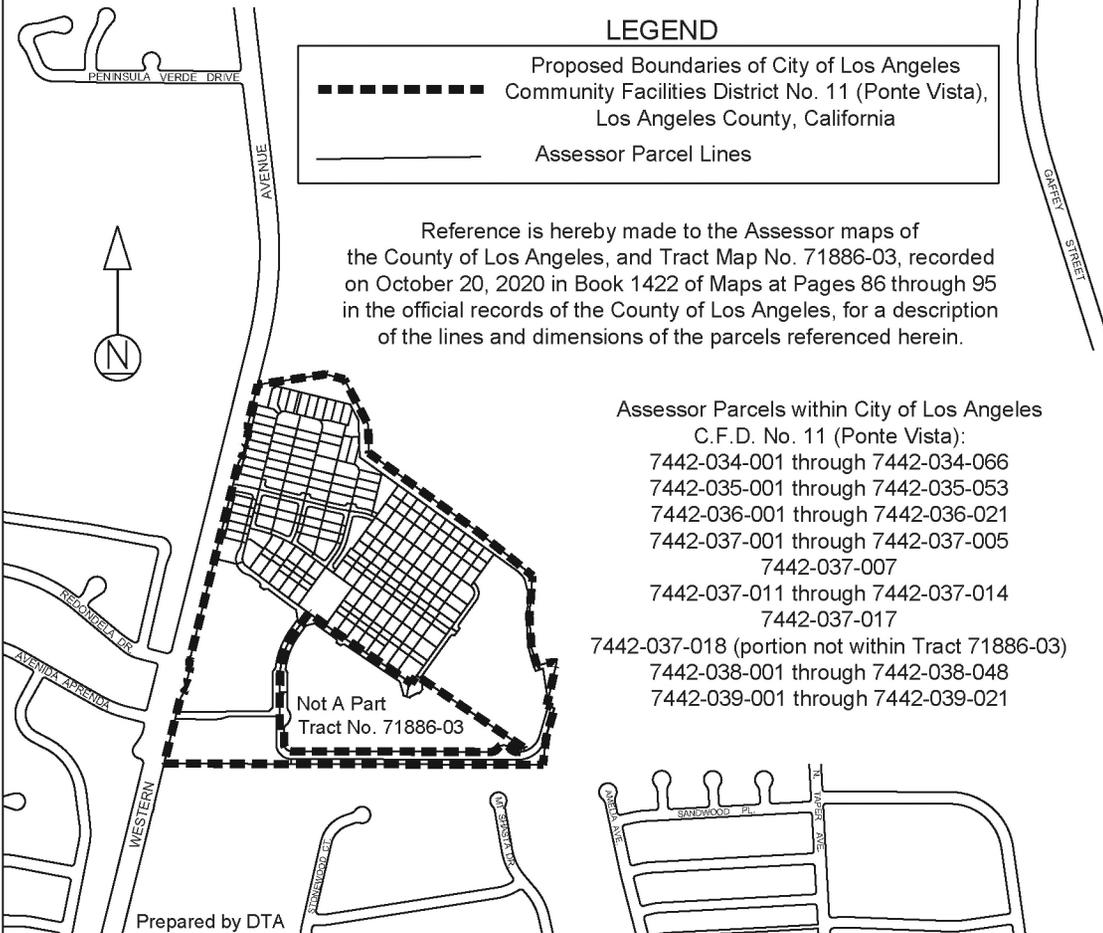


EXHIBIT C

TYPES OF FACILITIES

The types of facilities to be financed by the Community Facilities District are street improvements, including grading, paving, curbs and gutters, sidewalks, street signalization and signage, street lights and landscaping related thereto, storm drain facilities, sewer facilities, electric power facilities, including transmission lines, backbone cable, conduits and transformers, school facilities and land, rights-of-way and easements necessary for any of such facilities.

**PETITION
TO CREATE A
COMMUNITY FACILITIES DISTRICT**

Council
City of Los Angeles
John Ferraro Council Chamber
200 North Spring Street
Los Angeles, California 90012

Members of the Council:

This is a petition to create a community facilities district, and a waiver with respect to certain procedural matters, under the Mello-Roos Community Facilities Act of 1982 (the “Act”), and the undersigned hereby states as follows:

1. Landowner; Property. This Petition is submitted by KB Home Greater Los Angeles Inc., a California corporation (the “Landowner”), as the owner of the real property described in Exhibit A attached hereto and made a part hereof (the “Property”). All of the Property is proposed to be included within the boundaries of the Community Facilities District (as defined below). The Property consists of approximately 3.40 acres and comprises approximately 11.29% of the area of land proposed to be included within the Community Facilities District and not proposed to be exempt from the special tax.

2. Proceedings Requested. The Landowner hereby requests that the Council (the “City Council”) of the City of Los Angeles (the “City”) institute proceedings pursuant to the Act to establish a community facilities district to be named “City of Los Angeles Community Facilities District No. 11 (Ponte Vista)” (the “Community Facilities District”), to levy special taxes in the Community Facilities District and to authorize special tax bonds for the Community Facilities District in an amount of not to exceed \$30,000,000.

3. Boundaries of Community Facilities District. The boundaries of the territory that is proposed for inclusion in the Community Facilities District are described in Exhibit B attached hereto and made a part hereof.

4. Types of Facilities. The types of facilities to be financed by the Community Facilities District are described in Exhibit C attached hereto and made a part hereof.

5. Elections. The Landowner hereby requests that the special elections to be held under the Act to authorize the special taxes for the Community Facilities District, to authorize the issuance of the bonds for the Community Facilities District and to establish an appropriations limit for the Community Facilities District be consolidated into a single election, that the election be conducted by the City and its officials using mailed or hand-delivered ballots and that such election be held as soon as practicable, subject to the provisions of the Act, the City Charter and other applicable provisions of law.

6. Waiver. To expedite the completion of the proceedings for the Community Facilities District, the Landowner hereby waives all notices of hearings (other than published notices required under the Act) and all notices of election, all applicable waiting periods under the Act for the election, all ballot analysis and arguments for the election and all requirements as to the form of the ballot.

7. Deposit. SoCal San Pedro SPV 1, LLC (“SoCal San Pedro”) has (a) previously submitted, or caused to be submitted, a check in, or checks totaling, the amount of \$210,000, which constitutes the deposit required by the City to be used to compensate the City Council and the City for all costs incurred in conducting proceedings to create the Community Facilities District, and (b) duly executed and delivered a Deposit and Reimbursement Agreement, dated as of January 1, 2019 (the “Deposit Agreement”), by and between the City and SoCal San Pedro.

8. Representations and Warranties. The Landowner hereby represents and warrants to the City that (a) the Landowner is, as of the date of this Petition, the legal owner of the fee interest in the Property, that no other person or entity is the legal owner of all or any portion of the fee interest in any of the Property, (b) the Landowner has the power and authority to execute and deliver this Petition, and has taken all action necessary to cause this Petition to be executed and delivered on its behalf, and (c) this Petition has been duly and validly executed and delivered on behalf of the Landowner.

9. Mailing Address. The address of the Landowner for receiving notices is: KB Home Greater Los Angeles Inc., 25152 Springfield Ct., Suite 250, Valencia, California 91355, Attention: Ron Mertz.

This Petition is dated as of October 28, 2020.

**KB HOME GREATER LOS ANGELES
INC., a California Corporation**

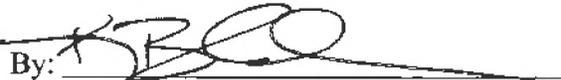
By: 
Name: Keltie B. Cole
Title: President

EXHIBIT A

DESCRIPTION OF PROPERTY

The Property consists of the real property described as follows:

Lots 7 through 12, 31 through 42, 79 through 90 and 112 through 140 of Tract Map No. 71886-01, in the City of Los Angeles, County of Los Angeles, State of California, as per map recorded in Book 1419, Pages 1 through 19 of Maps in the Office of the County Recorder of said County, on December 12, 2019.

Reference is hereby made to the following Los Angeles County Assessor Parcel Numbers:

7442-034-007 through 7442-034-012

7442-034-031 through 7442-034-042

7442-034-055 through 7442-034-066

7442-035-046 through 7442-035-053

7442-036-002 through 7442-036-021

EXHIBIT B

BOUNDARIES OF COMMUNITY FACILITIES DISTRICT

The boundaries of the territory that is proposed for inclusion in the Community Facilities District are depicted in the attached map. Such territory is identified as the following Los Angeles County Assessor Parcel Numbers:

7442-034-001 through 7442-034-066

7442-035-001 through 7442-035-053

7442-036-001 through 7442-036-021

7442-037-001 through 7442-037-005

7442-037-007

7442-037-011 through 7442-037-014

7442-037-017

7442-037-018 (excluding the portion within Tract Map No. 71886-03, in the City of Los Angeles, County of Los Angeles, State of California, as per map recorded in Book 1422, Pages 86 through 95 of Maps in the Office of the County Recorder of said County, on October 20, 2020)

7442-038-001 through 7442-038-048

7442-039-001 through 7442-039-021

**PROPOSED BOUNDARIES OF
CITY OF LOS ANGELES
COMMUNITY FACILITIES DISTRICT NO. 11
(PONTE VISTA)
COUNTY OF LOS ANGELES
STATE OF CALIFORNIA**

(1) Filed in the office of the City Clerk of the City of Los Angeles this ____ day of _____, 2020.

Holly L. Wolcott
City Clerk, City of Los Angeles

(2) I hereby certify that the within map showing the proposed boundaries of City of Los Angeles Community Facilities District No. 11 (Ponte Vista), County of Los Angeles, State of California, was approved by the Council of the City of Los Angeles at a regular meeting thereof, held on this _____ day of November, 2020, by its Resolution No. _____.

Holly L. Wolcott
City Clerk, City of Los Angeles

(3) Filed this ____ day of _____, 2020, at the hour of ____ o'clock __m, in Book _____ of Maps of Assessment and Community Facilities Districts at Page _____ and as Instrument No. _____ in the office of the County Recorder in the County of Los Angeles, State of California.

Dean C. Logan
Registrar-Recorder/County Clerk,
County of Los Angeles

By _____
Deputy
Fee _____

Exempt recording requested,
per CA Government Code §27383

LEGEND

- Proposed Boundaries of City of Los Angeles Community Facilities District No. 11 (Ponte Vista), Los Angeles County, California
- Assessor Parcel Lines

Reference is hereby made to the Assessor maps of the County of Los Angeles, and Tract Map No. 71886-03, recorded on October 20, 2020 in Book 1422 of Maps at Pages 86 through 95 in the official records of the County of Los Angeles, for a description of the lines and dimensions of the parcels referenced herein.

Assessor Parcels within City of Los Angeles

C.F.D. No. 11 (Ponte Vista):

7442-034-001 through 7442-034-066

7442-035-001 through 7442-035-053

7442-036-001 through 7442-036-021

7442-037-001 through 7442-037-005

7442-037-007

7442-037-011 through 7442-037-014

7442-037-017

7442-037-018 (portion not within Tract 71886-03)

7442-038-001 through 7442-038-048

7442-039-001 through 7442-039-021

Not A Part
Tract No. 71886-03

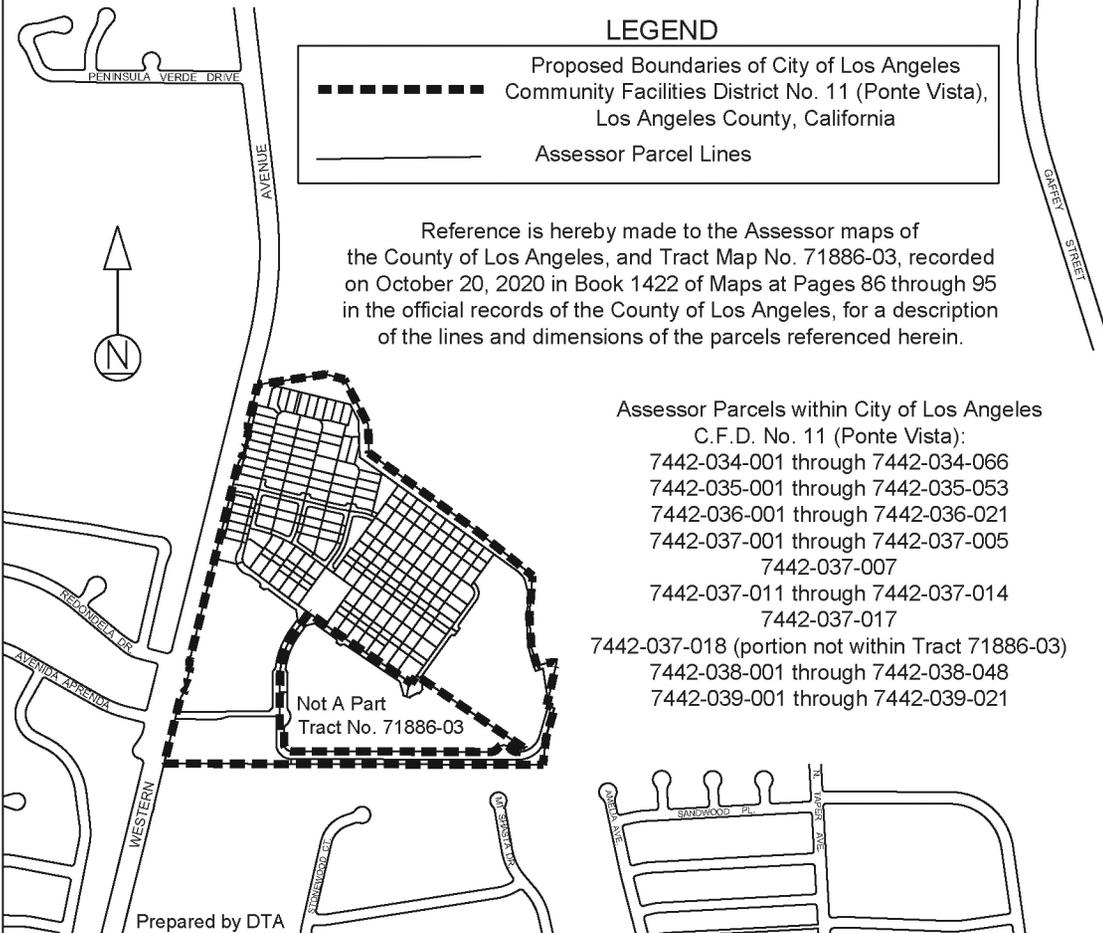


EXHIBIT C

TYPES OF FACILITIES

The types of facilities to be financed by the Community Facilities District are street improvements, including grading, paving, curbs and gutters, sidewalks, street signalization and signage, street lights and landscaping related thereto, storm drain facilities, sewer facilities, electric power facilities, including transmission lines, backbone cable, conduits and transformers, school facilities and land, rights-of-way and easements necessary for any of such facilities.

**PETITION
TO CREATE A
COMMUNITY FACILITIES DISTRICT**

Council
City of Los Angeles
John Ferraro Council Chamber
200 North Spring Street
Los Angeles, California 90012

Members of the Council:

This is a petition to create a community facilities district, and a waiver with respect to certain procedural matters, under the Mello-Roos Community Facilities Act of 1982 (the “Act”), and the undersigned hereby states as follows:

1. Landowner; Property. This Petition is submitted by SoCal San Pedro SPV 1, LLC, a limited liability company organized and existing under and by virtue of the laws of the State of Delaware (the “Landowner”), as the owner of the real property described in Exhibit A attached hereto and made a part hereof (the “Property”). All of the Property is proposed to be included within the boundaries of the Community Facilities District (as defined below). The Property consists of approximately 25.22 acres and comprises approximately 83.75% of the area of land proposed to be included within the Community Facilities District and not proposed to be exempt from the special tax.

2. Proceedings Requested. The Landowner hereby requests that the Council (the “City Council”) of the City of Los Angeles (the “City”) institute proceedings pursuant to the Act to establish a community facilities district to be named “City of Los Angeles Community Facilities District No. 11 (Ponte Vista)” (the “Community Facilities District”), to levy special taxes in the Community Facilities District and to authorize special tax bonds for the Community Facilities District in an amount of not to exceed \$30,000,000.

3. Boundaries of Community Facilities District. The boundaries of the territory that is proposed for inclusion in the Community Facilities District are described in Exhibit B attached hereto and made a part hereof.

4. Types of Facilities. The types of facilities to be financed by the Community Facilities District are described in Exhibit C attached hereto and made a part hereof.

5. Elections. The Landowner hereby requests that the special elections to be held under the Act to authorize the special taxes for the Community Facilities District, to authorize the issuance of the bonds for the Community Facilities District and to establish an appropriations limit for the Community Facilities District be consolidated into a single election, that the election be conducted by the City and its officials using mailed or hand-delivered ballots and that such election be held as soon as practicable, subject to the provisions of the Act, the City Charter and other applicable provisions of law.

6. Waiver. To expedite the completion of the proceedings for the Community Facilities District, the Landowner hereby waives all notices of hearings (other than published notices required under the Act) and all notices of election, all applicable waiting periods under the Act for the election, all ballot analysis and arguments for the election and all requirements as to the form of the ballot.

7. Deposit. The Landowner has (a) previously submitted, or caused to be submitted, a check in, or checks totaling, the amount of \$210,000, which constitutes the deposit required by the City to be used to compensate the City Council and the City for all costs incurred in conducting proceedings to create the Community Facilities District, and (b) duly executed and delivered a Deposit and Reimbursement Agreement, dated as of January 1, 2019 (the "Deposit Agreement"), by and between the City and the Landowner.

8. Representations and Warranties. The Landowner hereby represents and warrants to the City that (a) the Landowner is, as of the date of this Petition, the legal owner of the fee interest in the Property, that no other person or entity is the legal owner of all or any portion of the fee interest in any of the Property, (b) the Landowner has the power and authority to execute and deliver this Petition and the Deposit Agreement, and has taken all action necessary to cause this Petition and the Deposit Agreement to be executed and delivered on its behalf, and (c) this Petition and the Deposit Agreement have been duly and validly executed and delivered on behalf of the Landowner.

9. Mailing Address. The address of the Landowner for receiving notices is: SoCal San Pedro SPV 1, LLC, 1875 Century Park East, Suite 1130, Los Angeles, California 90067, Attention: Bill Myers.

This Petition is dated as of October 28, 2020.

**SOCAL SAN PEDRO SPV 1, LLC,
a Delaware limited liability company**

By: 
Name: Brad Woomer,
Title: Authorized Signatory

EXHIBIT A

DESCRIPTION OF PROPERTY

The Property consists of the real property identified as the following Los Angeles County Assessor Parcel Numbers:

7442-039-004 and 7442-039-005

7442-039-009 through 7442-039-011

7442-038-004 through 7442-038-020

7442-038-024 through 7442-038-047

7442-034-001 through 7442-034-006

7442-034-013 through 7442-034-030

7442-034-043 through 7442-034-054

7442-035-001 through 7442-035-045

7442-037-001 through 7442-037-005

7442-037-007

7442-037-011 through 7442-037-014

7442-037-017

7442-037-018 (excluding the portion within Tract Map No. 71886-03, in the City of Los Angeles, County of Los Angeles, State of California, as per map recorded in Book 1422, Pages 86 through 95 of Maps in the Office of the County Recorder of said County, on October 20, 2020)

EXHIBIT B

BOUNDARIES OF COMMUNITY FACILITIES DISTRICT

The boundaries of the territory that is proposed for inclusion in the Community Facilities District are depicted in the attached map. Such territory is identified as the following Los Angeles County Assessor Parcel Numbers:

7442-034-001 through 7442-034-066

7442-035-001 through 7442-035-053

7442-036-001 through 7442-036-021

7442-037-001 through 7442-037-005

7442-037-007

7442-037-011 through 7442-037-014

7442-037-017

7442-037-018 (excluding the portion within Tract Map No. 71886-03, in the City of Los Angeles, County of Los Angeles, State of California, as per map recorded in Book 1422, Pages 86 through 95 of Maps in the Office of the County Recorder of said County, on October 20, 2020)

7442-038-001 through 7442-038-048

7442-039-001 through 7442-039-021

**PROPOSED BOUNDARIES OF
CITY OF LOS ANGELES
COMMUNITY FACILITIES DISTRICT NO. 11
(PONTE VISTA)
COUNTY OF LOS ANGELES
STATE OF CALIFORNIA**

(1) Filed in the office of the City Clerk of the City of Los Angeles this ____ day of _____, 2020.

Holly L. Wolcott
City Clerk, City of Los Angeles

(2) I hereby certify that the within map showing the proposed boundaries of City of Los Angeles Community Facilities District No. 11 (Ponte Vista), County of Los Angeles, State of California, was approved by the Council of the City of Los Angeles at a regular meeting thereof, held on this _____ day of November, 2020, by its Resolution No. _____.

Holly L. Wolcott
City Clerk, City of Los Angeles

(3) Filed this ____ day of _____, 2020, at the hour of ____ o'clock __m, in Book _____ of Maps of Assessment and Community Facilities Districts at Page _____ and as Instrument No. _____ in the office of the County Recorder in the County of Los Angeles, State of California.

Dean C. Logan
Registrar-Recorder/County Clerk,
County of Los Angeles

By _____
Deputy
Fee _____

Exempt recording requested,
per CA Government Code §27383

LEGEND

- Proposed Boundaries of City of Los Angeles Community Facilities District No. 11 (Ponte Vista), Los Angeles County, California
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Reference is hereby made to the Assessor maps of the County of Los Angeles, and Tract Map No. 71886-03, recorded on October 20, 2020 in Book 1422 of Maps at Pages 86 through 95 in the official records of the County of Los Angeles, for a description of the lines and dimensions of the parcels referenced herein.

Assessor Parcels within City of Los Angeles

C.F.D. No. 11 (Ponte Vista):

7442-034-001 through 7442-034-066

7442-035-001 through 7442-035-053

7442-036-001 through 7442-036-021

7442-037-001 through 7442-037-005

7442-037-007

7442-037-011 through 7442-037-014

7442-037-017

7442-037-018 (portion not within Tract 71886-03)

7442-038-001 through 7442-038-048

7442-039-001 through 7442-039-021

Not A Part
Tract No. 71886-03

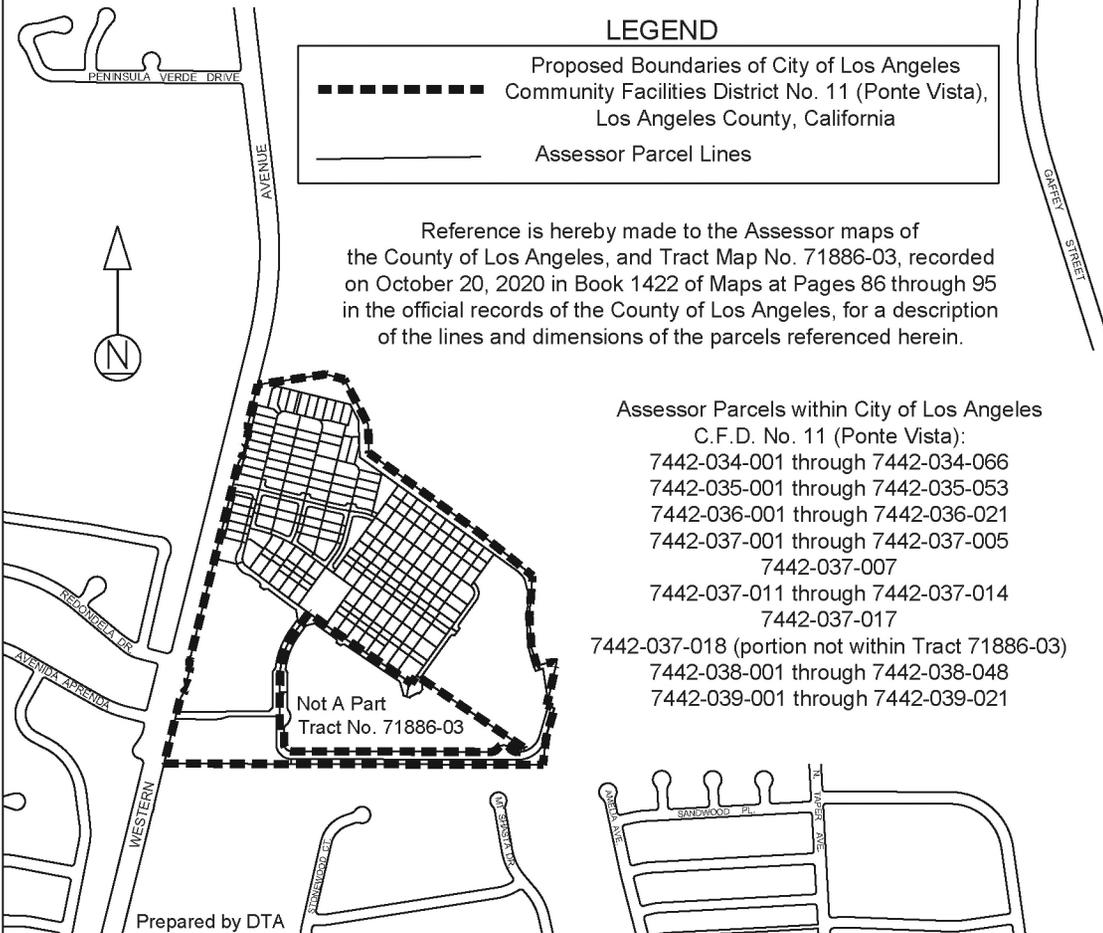


EXHIBIT C

TYPES OF FACILITIES

The types of facilities to be financed by the Community Facilities District are street improvements, including grading, paving, curbs and gutters, sidewalks, street signalization and signage, street lights and landscaping related thereto, storm drain facilities, sewer facilities, electric power facilities, including transmission lines, backbone cable, conduits and transformers, school facilities and land, rights-of-way and easements necessary for any of such facilities.

ATTACHMENT B

RESOLUTION OF THE COUNCIL OF THE CITY OF LOS ANGELES OF INTENTION TO ESTABLISH A COMMUNITY FACILITIES DISTRICT AND TO AUTHORIZE THE LEVY OF SPECIAL TAXES

WHEREAS, the Council (the “City Council”) of the City of Los Angeles (the “City”) has received written petitions (the “Petitions”) from each of SoCal San Pedro SPV 1, LLC (“SoCal San Pedro”), D.R. Horton VEN, Inc. and KB Home Greater Los Angeles Inc. (collectively, the “Landowners”), requesting the institution of proceedings for the establishment of a community facilities district (the “Community Facilities District”), describing the boundaries of the territory that is proposed for inclusion in the Community Facilities District and specifying the types of facilities to be financed by the Community Facilities District;

WHEREAS, the Landowners have represented and warranted to the City Council that the Landowners are the owners of 100% of the area of land proposed to be included within the Community Facilities District and not proposed to be exempt from the special tax;

WHEREAS, under the Mello-Roos Community Facilities Act of 1982 (the “Act”), the City Council is authorized to establish the Community Facilities District;

WHEREAS, the City’s Policies and Procedures for Mello-Roos and Special Assessment Districts require that the applicant for financing under the Act advance funds to cover all City and consultant costs associated with developing such financing;

WHEREAS, Section 53314.9 of the Act provides that, at any time either before or after the formation of a community facilities district, the legislative body may accept advances of funds from any source, including, but not limited to, private persons or private entities and may provide, by resolution, for the use of those funds for any authorized purpose, including, but not limited to, paying any cost incurred by the local agency in creating a community facilities district;

WHEREAS, Section 53314.9 of the Act further provides that the legislative body may enter into an agreement, by resolution, with the person or entity advancing the funds, to repay all or a portion of the funds advanced, as determined by the legislative body, with or without interest, under all the following conditions: (a) the proposal to repay the funds is included in both the resolution of intention to establish a community facilities district adopted pursuant to Section 53321 of the Act and in the resolution of formation to establish a community facilities district pursuant to Section 53325.1 of the Act, (b) any proposed special tax is approved by the qualified electors of the community facilities district pursuant to the Act, and (c) any agreement shall specify that if the qualified electors of the community facilities district do not approve the proposed special tax, the local agency shall return any funds which have not been committed for any authorized purpose by the time of the election to the person or entity advancing the funds;

WHEREAS, the City and SoCal San Pedro have entered into a Deposit and Reimbursement Agreement, dated as of January 1, 2019 (the “Deposit Agreement”), that provides for the advancement of funds by SoCal San Pedro to be used to pay costs incurred in connection with the establishment of the Community Facilities District and the issuance of special tax bonds

thereby, and provides for the reimbursement to SoCal San Pedro of such funds advanced, without interest, from the proceeds of any such bonds issued by the Community Facilities District; and

WHEREAS, the City desires to include in this Resolution, in accordance with Section 53314.9 of the Act, the proposal to repay funds pursuant to the Deposit Agreement;

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF LOS ANGELES, as follows:

Section 1. The foregoing recitals are true and correct.

Section 2. The City Council hereby finds that the Petitions are signed by the owners of the requisite amount of land proposed to be included in the Community Facilities District.

Section 3. The City Council proposes to establish a community facilities district under the terms of the Act. The boundaries of the territory proposed for inclusion in the Community Facilities District are described in the map showing the proposed Community Facilities District (the “Boundary Map”) on file with the City Clerk of the City (the “City Clerk”), which boundaries are hereby preliminarily approved and to which map reference is hereby made for further particulars. The City Clerk is hereby directed to sign the original Boundary Map and record, or cause to be recorded, the Boundary Map with all proper endorsements thereon in the office of the Los Angeles County Recorder within 15 days of the date of adoption of this Resolution, all as required by Section 3111 of the California Streets and Highways Code.

Section 4. The name proposed for the Community Facilities District is “City of Los Angeles Community Facilities District No. 11 (Ponte Vista)”.

Section 5. The public facilities (the “Facilities”) proposed to be financed by the Community Facilities District pursuant to the Act are described under the caption “Facilities” on Exhibit A hereto, which is by this reference incorporated herein. Those Facilities proposed to be purchased as completed public facilities are described under the caption “Facilities to be Purchased” on Exhibit A hereto. The incidental expenses proposed to be incurred are identified under the caption “Incidental Expenses” on Exhibit A hereto. All or any portion of the Facilities may be financed through a financing plan, including, but not limited to, a lease, lease-purchase or installment-purchase arrangement.

Section 6. Except where funds are otherwise available, a special tax sufficient to pay for all Facilities, secured by recordation of a continuing lien against all nonexempt real property in the Community Facilities District, will be annually levied within the Community Facilities District. The rate and method of apportionment of the special tax (the “Rate and Method”), in sufficient detail to allow each landowner within the proposed Community Facilities District to estimate the maximum amount that he or she will have to pay, is described in Exhibit B attached hereto, which is by this reference incorporated herein. The conditions under which the obligation to pay the special tax may be prepaid and permanently satisfied are specified in the Rate and Method. The special tax will be collected in the same manner as ordinary *ad valorem* property taxes or in such other manner as the City Council shall determine, including direct billing of the affected property owners.

Section 7. The tax year after which no further special tax will be levied against any parcel used for private residential purposes is specified in the Rate and Method. Under no circumstances shall the special tax levied in any fiscal year against any parcel used for private residential purposes be increased as a consequence of delinquency or default by the owner or owners of any other parcel or parcels within the Community Facilities District 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. For purposes of this section, a parcel shall be considered “used for private residential purposes” not later than the date on which an occupancy permit for private residential use is issued.

Section 8. Pursuant to Section 53344.1 of the Act, the City Council hereby reserves to itself the right and authority to allow any interested owner of property within the Community Facilities District, subject to the provisions of said Section 53344.1 and to those conditions as it may impose, and any applicable prepayment penalties as prescribed in the bond indenture or comparable instrument or document, to tender to the Community Facilities District treasurer in full payment or part payment of any installment of the special taxes or the interest or penalties thereon which may be due or delinquent, but for which a bill has been received, any bond or other obligation secured thereby, the bond or other obligation to be taken at par and credit to be given for the accrued interest shown thereby computed to the date of tender.

Section 9. The City Council hereby fixes Tuesday, December 1, 2020, at 10:00 a.m., or as soon thereafter as the City Council may reach the matter, at the John Ferraro Council Chamber, Room 340, 200 North Spring Street, Los Angeles, California, as the time and place when and where the City Council will conduct a public hearing on the establishment of the Community Facilities District; provided, that, in the event the December 1, 2020 City Council meeting is held via teleconference and/or videoconference only, the means by which the public may observe such public hearing and offer public comment shall be prescribed in the agenda notice for such City Council meeting.

Section 10. The City Clerk is hereby directed to publish, or cause to be published, a notice of said public hearing one time in a newspaper of general circulation published in the area of the proposed Community Facilities District. The publication of said notice shall be completed at least seven days prior to the date herein fixed for said public hearing. Said notice shall contain the information prescribed by Section 53322 of the Act.

Section 11. The levy of said proposed special tax shall be subject to the approval of the qualified electors of the Community Facilities District at a special election. The proposed voting procedure shall be by mailed or hand-delivered ballots among the landowners in the Community Facilities District, with each owner having one vote for each acre or portion of an acre such owner owns in the Community Facilities District.

Section 12. Each officer of the City who is or will be responsible for providing one or more of the proposed types of Facilities is hereby directed to study, or cause to be studied, the proposed Community Facilities District and, at or before said public hearing, file a report with the City Council containing a brief description of the Facilities by type which will in his or her opinion be required to adequately meet the needs of the Community Facilities District, and his or her estimate of the cost of providing the Facilities. Such officers are hereby also directed to estimate the fair and reasonable cost of the Facilities proposed to be purchased as completed public facilities

and of the incidental expenses proposed to be paid. Such report shall be made a part of the record of said public hearing.

Section 13. SoCal San Pedro has heretofore advanced certain funds, and may advance additional funds, which have been or may be used to pay costs incurred in connection with the establishment of the Community Facilities District and the issuance of special tax bonds thereby. The City Council proposes to repay all or a portion of such funds expended for such purpose, solely from the proceeds of such bonds, pursuant to the Deposit Agreement. The Deposit Agreement is hereby incorporated herein as though set forth in full herein.

Section 14. The officers, employees and agents of the City are hereby authorized and directed to take all actions and do all things which they, or any of them, may deem necessary or desirable to accomplish the purposes of this Resolution and not inconsistent with the provisions hereof.

Section 15. This Resolution shall take effect from and upon its adoption.

EXHIBIT A

FACILITIES, FACILITIES TO BE PURCHASED AND INCIDENTAL EXPENSES

Facilities

The types of facilities to be financed by the Community Facilities District are street improvements, including grading, paving, curbs and gutters, sidewalks, street signalization and signage, street lights and landscaping related thereto, storm drain facilities, sewer facilities, electric power facilities, including transmission lines, backbone cable, conduits and transformers, school facilities and land, rights-of-way and easements necessary for any of such facilities.

Facilities to be Purchased

The types of facilities to be purchased as completed facilities are street improvements, including grading, paving, curbs and gutters, sidewalks, street signalization and signage, street lights and landscaping related thereto, storm drain facilities, sewer facilities, electric power facilities, including transmission lines, backbone cable, conduits and transformers, and land, rights-of-way and easements necessary for any of such facilities.

Incidental Expenses

The incidental expenses proposed to be incurred include the following:

- (a) the cost of planning and designing public facilities to be financed, including the cost of environmental evaluations of those facilities;
- (b) the costs associated with the creation of the Community Facilities District, issuance of bonds, determination of the amount of taxes, collection of taxes, payment of taxes, or costs otherwise incurred in order to carry out the authorized purposes of the Community Facilities District; and
- (c) any other expenses incidental to the construction, completion, and inspection of the authorized work.

EXHIBIT B

PROPOSED RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX

**RATE AND METHOD OF APPORTIONMENT FOR
CITY OF LOS ANGELES
COMMUNITY FACILITIES DISTRICT NO. 11
(PONTE VISTA)**

A Special Tax as hereinafter defined shall be levied on Assessor's Parcels in the City of Los Angeles Community Facilities District No. 11 (Ponte Vista) ("CFD No. 11") and collected each Fiscal Year commencing in Fiscal Year 2021-2022, in an amount determined through the application of the appropriate Special Tax for "Developed Property," "Taxable Property Owner Association Property," "Taxable Public Property," and "Undeveloped Property" as described below. All of the Assessor's Parcels in CFD No. 11, unless exempted by law or by the provisions hereof, shall be taxed for the purposes, to the extent and in the manner herein provided.

A. DEFINITIONS

The terms hereinafter set forth have the following meanings:

"Acre" or "Acreage" means the land area of an Assessor's Parcel as shown on an Assessor's Parcel Map, or if the land area is not shown on an Assessor's Parcel Map, the land area shown on the applicable final map, parcel map, condominium plan, or other recorded map.

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

"Administrative Expenses" means, for any Fiscal Year, any actual or reasonably estimated costs directly related to the administration of CFD No. 11 in such Fiscal Year, including (in no particular priority order):

- the costs of computing the Special Taxes and preparing the annual Special Tax collection schedules (whether by the City or a designee thereof or both);
- the costs of collecting the Special Taxes (whether by the County or otherwise);
- the costs of remitting the Special Taxes to the Trustee;
- the costs of the Trustee (including its legal counsel) in the discharge of the duties required of it under the Indenture payable by CFD No. 11 under the Indenture;
- the costs of the City or CFD No. 11 of complying with arbitrage rebate requirements;
- the costs of the City or CFD No. 11 of complying with City, CFD No. 11 or obligated persons disclosure requirements associated with applicable federal and state securities laws and of the Act;
- the costs of the City or CFD No. 11 associated with preparing Special Tax disclosure statements and responding to public inquiries regarding the Special Taxes;
- the costs of the City or CFD No. 11 related to an appeal of the Special Tax;
- the costs of the City or CFD No. 11 associated with the release of funds from an escrow account (to the extent not paid from other sources);

- the costs of calculating the prepayment of Special Taxes (to the extent not paid or provided for pursuant to Section H), and recordings related to such prepayment and satisfaction of Special Taxes;
- reasonable attorney's fees and other costs related to commencing and pursuing to completion any foreclosure of delinquent Special Taxes; and
- an allocable share of the salaries of the City staff directly related to the foregoing.

"Approved Property" means, for each Fiscal Year, all Taxable Property, exclusive of Developed Property, Taxable Property Owner Association Property, and Taxable Public Property, for which a Final Map was recorded prior to January 1 of the previous Fiscal Year.

"Assessor's 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.

"Assigned Special Tax" means the Special Tax for each Land Use Class of Developed Property, as determined in accordance with Section C.1.b. below.

"Backup Special Tax" means the Special Tax applicable to each Assessor's Parcel of Developed Property, as determined in accordance with Section C.1.e. below.

"Bonds" means any bonds or other debt (as defined in Section 53317(d) of the Act), whether in one or more series, issued by CFD No. 11 under the Act.

"CFD Administrator" means the City Administrative Officer or designee thereof responsible for the overall administration of CFD No. 11.

"CFD No. 11" means City of Los Angeles Community Facilities District No. 11 (Ponte Vista).

"City" means the City of Los Angeles.

"City Administrative Officer" means the City Administrative Officer of the City of Los Angeles, or his or her designee, or a City official succeeding to the duties of the City Administrative Officer.

"Condominium Property" means property that includes one or more residential units, whether attached or detached, meeting the statutory definition of a condominium contained in the California Civil Code Section 4285.

"Council" means the Council of the City of Los Angeles, acting as the legislative body of CFD No. 11.

"County" means the County of Los Angeles.

"Developed Property" means, for each Fiscal Year, all Taxable Property, exclusive of Other Taxable Property, for which a building permit for new construction was issued after January 1, 2020 but prior to January 1 of the previous Fiscal Year.

"Exempt Welfare Exemption Property" means, for each Fiscal Year, an Assessor's Parcel that is (a) receiving a welfare exemption under subdivision (g) of Section 214 of the California Revenue and Taxation Code (or any successor statute), as indicated in the County's assessor's roll finalized as of January 1 of the previous Fiscal Year, and (b) exempt from the Special Tax pursuant to Section 53340(c) of the Act.

"Final Map" means (i) a final map, or portion thereof, approved by the County pursuant to the Subdivision Map Act (California Government Code Section 66410 et seq.) that creates individual lots or parcels for which building permits may be issued without further subdivision, or (ii) for Condominium Property, a final map approved by the City and a condominium plan recorded pursuant to California Civil Code Section 4285 creating such individual lots or parcels.

"Fiscal Year" means the period starting July 1 and ending on the following June 30.

"Indenture" means the indenture, trust agreement, fiscal agent agreement, or similar document, regardless of title, pursuant to which Bonds are issued, as modified, amended and/or supplemented from time to time in accordance with its terms.

"Land Use Class" means any of the classes listed in Table 1.

"Maximum Special Tax" means, with respect to an Assessor's Parcel, for any Fiscal Year, the maximum Special Tax, determined in accordance with Section C below, that can be levied in such Fiscal Year on such Assessor's Parcel.

"Non-Residential Property" means all Assessor's Parcels of Developed Property for which a building permit(s) was issued for a non-residential use.

"Other Residential Property" means all Assessor's Parcels of Developed Property for which a building permit has been issued for purposes of constructing one or more residential dwelling units and which is not classified as Condominium Property.

"Other Taxable Property" means Taxable Property Owners Association Property and Taxable Public Property.

"Outstanding Bonds" means all Bonds which are deemed to be outstanding under the Indenture.

"Property Owner Association Property" means, for each Fiscal Year, any property within the boundaries of CFD No. 11 that is owned in fee or by easement, or dedicated to, a property owner association, including any master or sub-association; provided, however,

that, any property previously classified as Developed Property and subsequently owned in fee or by easement, or dedicated to, a property owner association, including any master or sub-association, shall remain classified as Developed Property.

"Proportionately" means, for Developed Property, that the ratio of the actual Special Tax levy to the Assigned Special Tax is equal for all Assessor's Parcels of Developed Property. For Approved Property or Undeveloped Property, "Proportionately" means that the ratio of the actual Special Tax levy per Acre to the Maximum Special Tax per Acre is equal for all Assessor's Parcels of Approved Property or Undeveloped Property. For Taxable Property Owner Association Property, "Proportionately" means that the ratio of the actual Special Tax levy per Acre to the Maximum Special Tax per Acre is equal for all Assessor's Parcels of Taxable Property Owner Association Property. For Taxable Public Property, "Proportionately" means that ratio of the actual Special Tax levy per Acre to the Maximum Special Tax per Acre is equal for all Assessor's Parcels of Taxable Public Property.

"Public Property" means, for each Fiscal Year, any property within the boundaries of CFD No. 11 that is owned by or dedicated to the federal government, the State, the City or any other public agency, provided however that any property leased by a public agency to a private entity and subject to taxation under Section 53340.1 of the Act shall be taxed and classified in accordance with its use.

"Residential Floor Area" means all of the square footage of living area within the perimeter of a residential structure, not including any carport, walkway, garage, overhang, patio, enclosed patio, or similar area. The determination of Residential Floor Area shall be made by reference to the building permit(s) issued for such Assessor's Parcel.

"Special Tax" means the special tax, if any, to be levied in each Fiscal Year on each Assessor's Parcel of Developed Property, Taxable Property Owner Association Property, Taxable Public Property, and Undeveloped Property to fund the Special Tax Requirement.

"Special Tax Requirement" means, for any Fiscal Year, that amount required, after taking into account amounts held in the funds and accounts under the Indenture, to: (i) pay regularly scheduled debt service on all Outstanding Bonds due in the calendar year beginning in said Fiscal Year; (ii) pay periodic costs on the Bonds including but not limited to, credit enhancement fees and rebate payments on the Bonds due in the calendar year beginning in said Fiscal Year; (iii) pay Administrative Expenses; (iv) accumulate Developed Property Special Taxes to pay for debt service on Bonds in subsequent Fiscal Years; (v) pay any amounts required to establish or replenish any reserve funds for Outstanding Bonds; and (vi) pay for reasonably anticipated delinquent Special Taxes based on the delinquency rate for Special Taxes levied in the previous Fiscal Year.

"State" means the State of California.

"Taxable Property" means, for each Fiscal Year, all of the Assessor's Parcels within the boundaries of CFD No. 11 which are not exempt from the Special Tax for such Fiscal Year, pursuant to law or Section E below.

"Taxable Property Owner Association Property" means, for each Fiscal Year, all Assessor's Parcels of Property Owner Association Property that are not exempt from the Special Tax for such Fiscal Year, pursuant to Section E below.

"Taxable Public Property" means, for each Fiscal Year, all Assessor's Parcels of Public Property that are not exempt from the Special Tax for such Fiscal Year, pursuant to Section E below.

"Trustee" means the trustee, fiscal agent, or paying agent under the Indenture.

"Undeveloped Property" means, for each Fiscal Year, all Taxable Property not classified as Approved Property, Developed Property, Taxable Property Owner Association Property, or Taxable Public Property for such Fiscal Year.

B. ASSIGNMENT TO LAND USE CATEGORIES

Each Fiscal Year, all Assessor's Parcels within CFD No. 11 shall be classified as Taxable Property, Public Property, Property Owner Association Property, or Exempt Welfare Exemption Property. All Taxable Property within CFD No. 11 shall then be classified as Approved Property, Developed Property, Taxable Public Property, Taxable Property Owner Association Property, or Undeveloped Property, and shall be subject to Special Taxes determined pursuant to Sections C and D below. Developed Property shall be further classified as Condominium Property, Other Residential Property, and Non-Residential Property. Condominium Property and Other Residential Property shall be assigned to Land Use Classes 1 through 13, and Non-Residential Property shall be assigned to Land Use Class 14.

The Assigned Special Tax for Condominium Property and Other Residential Property shall be based on the Residential Floor Area of the dwelling unit(s) located on the Assessor's Parcel, as specified in Table 1 below. The Assigned Special Tax for Non-Residential Property shall be based on the Acreage of the Assessor's Parcel.

C. MAXIMUM SPECIAL TAX RATE

1. Developed Property

a. Maximum Special Tax

For each Fiscal Year, the Maximum Special Tax for each Assessor's Parcel classified as Developed Property shall be the greater of (i) the amount derived by application of the Assigned Special Tax for such Fiscal Year, or (ii) the amount derived by application of the Backup Special Tax for such Fiscal Year.

b. Assigned Special Tax

The Assigned Special Tax for each Land Use Class is indicated in Table 1 below.

TABLE 1
Assigned Special Taxes for Developed Property
CFD No. 11 (Ponte Vista)

Land Use Class	Description	Residential Floor Area	Assigned Special Tax
1	Condominium Property	≥ 2,000 SF	\$3,291.75 per unit
2	Condominium Property	1,800 – 1,999 SF	\$3,154.20 per unit
3	Condominium Property	1,600 – 1,799 SF	\$2,870.70 per unit
4	Condominium Property	1,400 – 1,599 SF	\$2,503.20 per unit
5	Condominium Property	1,200 – 1,399 SF	\$2,269.05 per unit
6	Condominium Property	< 1,200 SF	\$1,940.40 per unit
7	Other Residential Property	≥ 3,400 SF	\$5,148.15 per unit
8	Other Residential Property	3,100 – 3,399 SF	\$4,942.35 per unit
9	Other Residential Property	2,800 – 3,099 SF	\$4,617.90 per unit
10	Other Residential Property	2,600 – 2,799 SF	\$4,295.55 per unit
11	Other Residential Property	2,300 – 2,599 SF	\$3,972.15 per unit
12	Other Residential Property	2,000 – 2,299 SF	\$3,466.05 per unit
13	Other Residential Property	< 2,000 SF	\$3,276.00 per unit
14	Non-Residential Property	NA	\$93,908 per Acre

* Represents the original Assigned Special Tax rates prior to any reduction pursuant to Section J.

c. Multiple Land Use Classes

In some instances an Assessor's Parcel of Developed Property may contain more than one Land Use Class. The Assigned Special Tax levied on such Assessor's Parcel shall be the sum of the Assigned Special Taxes for all Land Use Classes located on that Assessor's Parcel. The Maximum Special Tax that can be levied on an Assessor's Parcel shall be the sum of the Maximum Special Taxes that can be levied for all Land Use Classes located on that Assessor's Parcel. For an Assessor's Parcel that contains Condominium Property, Other Residential Property, and Non-Residential Property, the Acreage of such Assessor's Parcel shall be allocated to each

type of property based on the amount of Acreage designated for each land use as determined by reference to the site plan (or other applicable map as determined by the CFD Administrator) approved for such Assessor's Parcel. The CFD Administrator's allocation to each type of property shall be final.

d. Backup Special Tax

The Backup Special Tax per Acre for Developed Property shall be \$93,908 per Acre.

For the purpose of calculating the Backup Special Tax, the land area applicable to a dwelling unit of Condominium Property shall be computed from the Acreage of the Assessor's Parcel on which the dwelling unit is located, with the Acreage for such Assessor's Parcel allocated equally among all of the dwelling units located or to be located on such parcel. Once the Backup Special Tax is calculated for an Assessor's Parcel of Condominium Property or Other Residential Property.

2. Approved Property, Undeveloped Property and Other Taxable Property

The Maximum Special Tax for Approved Property, Undeveloped Property, and Other Taxable Property shall be \$93,908 per Acre.

D. METHOD OF APPORTIONMENT OF THE SPECIAL TAX

Commencing with Fiscal Year 2021-2022 and for each following Fiscal Year, the Council shall levy the Special Tax until the amount of Special Taxes levied equals the Special Tax Requirement. The Special Tax shall be levied each Fiscal Year as follows:

First: The Special Tax shall be levied Proportionately on each Assessor's Parcel of Developed Property at up to 100% of the applicable Assigned Special Tax;

Second: If additional monies are needed to satisfy the Special Tax Requirement after the first step has been completed, then the Special Tax shall be levied Proportionately on each Assessor's Parcel of Approved Property at up to 100% of the Maximum Special Tax for Approved Property;

Third: If additional monies are needed to satisfy the Special Tax Requirement after the first two steps have been completed, then the Special Tax shall be levied Proportionately on each Assessor's Parcel of Undeveloped Property at up to 100% of the Maximum Special Tax for Undeveloped Property;

Fourth: If additional monies are needed to satisfy the Special Tax Requirement after the first three steps have been completed, then the levy of the Special Tax on each Assessor's Parcel of Developed Property whose Maximum Special Tax is determined through the

application of the Backup Special Tax shall be increased in equal percentages from the Assigned Special Tax up to the Maximum Special Tax for each such Assessor's Parcel;

Fifth: If additional monies are needed to satisfy the Special Tax Requirement after the first four steps have been completed, then the Special Tax shall be levied Proportionately on each Assessor's Parcel of Taxable Property Owner Association Property at up to the Maximum Special Tax for Other Taxable Property;

Sixth: If additional monies are needed to satisfy the Special Tax Requirement after the first five steps have been completed, then the Special Tax shall be levied Proportionately on each Assessor's Parcel of Taxable Public Property at up to the Maximum Special Tax for Other Taxable Property.

Notwithstanding the above, pursuant to Section 53321(d)(3) of the California Government Code, under no circumstances shall the Special Tax levied in any Fiscal Year against any Assessor's Parcel in CFD No. 11 for which an occupancy permit for private residential use has been issued be increased as a consequence of delinquency or default by the owner or owners of any other Assessor's Parcel(s) within CFD No. 11 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. To the extent that the levy of the Special Tax on Assessor's Parcels of residential property is limited by the provision in the previous sentence, the levy of the Special Tax on all of the Assessor's Parcels of non-residential property within CFD No. 11 shall continue to increase in equal percentages at up to 100% of the Maximum Special Tax.

E. EXEMPTIONS

No Special Tax shall be levied on up to a total of 23.6 Acres of Property Owner Association Property and Public Property, except as otherwise provided in Sections 53317.3, 53317.5, and 53340.1 of the Act.

All such property cited above will be allocated on a first-in-time basis separately for Property Owners Association Property and Public Property. If the total number of Acres of land conveyed or dedicated exceeds the amounts stated above, then the Acres exceeding such totals shall be taxed at the applicable rate set forth in Section C above and to the extent set forth in Section D above.

No Special Tax shall be levied on any Assessor's Parcel in any Fiscal Year in which such Assessor's Parcel is classified as Exempt Welfare Exemption Property.

F. REVIEW/APPEAL COMMITTEE

Any landowner, any non-exempt lessee or holder of a possessory interest in property otherwise exempt because it is exempt property of a public agency, and any lessee on a triple net lease may file a written appeal of the Special Tax on its property with the CFD Administrator, provided that the appellant is current in his/her payments of Special Taxes. During the pendency of an appeal, all Special Taxes previously levied must be paid on or

before the payment date established when the levy was made. The appeal must specify the reasons why the appellant claims the Special Tax is in error. The CFD Administrator shall review the appeal, meet with the appellant if the CFD Administrator deems necessary, and advise the appellant of its determination. If the CFD Administrator agrees with the appellant, the CFD Administrator shall make a recommendation to the Council to eliminate or reduce the Special Tax on the appellant's property and/or to provide a refund to appellant. The approval of the Council or its designee must be obtained prior to any such elimination or reduction. If the CFD Administrator disagrees with the appellant and the appellant is dissatisfied with the determination, the appellant then has 30 days in which to appeal to the Council by filing a written notice of appeal with the City Clerk, provided that appellant is current in his/her payments of Special Taxes. The appeal to the Council must specify the reasons for its disagreement with the CFD Administrator's determination. The City Clerk shall schedule the appeal to be heard before the appropriate Council committee and/or the Council.

Interpretations may be made by the Council by ordinance or resolution for purposes of clarifying any vagueness or ambiguity in this Rate and Method of Apportionment.

G. MANNER OF COLLECTION

The Special Tax shall be collected in the same manner and at the same time as ordinary *ad valorem* property taxes; provided, however, that CFD No. 11 may directly bill the Special Tax, may collect Special Taxes at a different time or in a different manner if necessary to meet its financial obligations, and may covenant to foreclose and may actually foreclose on delinquent Assessor's Parcels as permitted by the Act.

H. PREPAYMENT OF SPECIAL TAX

The following definitions apply to this Section H:

"CFD Public Facilities" means either \$21.4 million in 2020 dollars, which shall increase by the Construction Inflation Index on July 1, 2021, and on each July 1 thereafter, or such lower number as (i) shall be determined by the CFD Administrator as sufficient to provide the public facilities to be provided by CFD No. 11, or (ii) shall be determined by the Council concurrently with a covenant that it will not issue any more Bonds to be supported by Special Taxes levied under this Rate and Method of Apportionment.

"Construction Fund" means an account specifically identified in the Indenture to hold funds which are currently available for expenditure to acquire or construct public facilities eligible under the Act and the proceedings for CFD No. 11.

"Construction Inflation Index" means the annual percentage change in the Engineering News-Record Building Cost Index for the City of Los Angeles, measured as of the calendar year which ends in the previous Fiscal Year. In the event this index ceases to be published, the Construction Inflation Index shall be another index as determined by the CFD

Administrator that is reasonably comparable to the Engineering News-Record Building Cost Index for the City of Los Angeles.

"Future Facilities Costs" means the CFD Public Facilities minus (i) public facility costs previously paid from the Construction Fund; (ii) moneys currently on deposit in the Construction Fund; and (iii) moneys currently on deposit in an escrow fund, if any, that are expected to be available to finance public facilities costs.

"Outstanding Bonds" means all Previously Issued Bonds which are deemed to be outstanding under the Indenture after the first interest and/or principal payment date following the current Fiscal Year.

"Previously Issued Bonds" means all Bonds that have been issued by CFD No. 11 prior to the date of prepayment.

1. Prepayment in Full

All Assessor's Parcels of Developed Property and Assessor's Parcels of Approved Property and/or Undeveloped Property for which a building permit has been issued may be prepaid. The Special Tax obligation applicable to such Assessor's Parcel in CFD No. 11 may be fully prepaid and the obligation of the Assessor's Parcel to pay the Special Tax permanently satisfied as described herein; provided that a prepayment may be made only if there are no delinquent Special Taxes with respect to such Assessor's Parcel or any other Assessor's Parcel owned by such owner at the time of prepayment. An owner of an Assessor's Parcel intending to prepay the Special Tax obligation shall provide the CFD Administrator with written notice of intent to prepay. Within 60 days of receipt of such written notice, the CFD Administrator shall notify such owner of the prepayment amount of such Assessor's Parcel. The CFD Administrator shall charge a fee to the owner requesting prepayment for providing this figure. Prepayment must be made not less than 75 days prior to the next occurring date that notice of redemption of Bonds from the proceeds of such prepayment may be given to the Trustee pursuant to the Indenture.

The Prepayment Amount (defined below) shall be calculated as summarized below (capitalized terms as defined below):

	Bond Redemption Amount	
plus	Redemption Premium	
plus	Future Facilities Amount	
plus	Defeasance Amount	
plus	Administrative Fees and Expenses	
less	<u>Reserve Fund Credit</u>	
Total: equals	Prepayment Amount	

As of the proposed date of prepayment, the Prepayment Amount shall be calculated as follows:

Paragraph No.:

1. Confirm that no Special Tax delinquencies apply to such Assessor's Parcel.
2. For Assessor's Parcels of Developed Property compute the Assigned Special Tax and Backup Special Tax applicable for the Assessor's Parcel to be prepaid. For Assessor's Parcels of Approved Property and/or Undeveloped Property (for which a building permit has been issued), compute the Assigned Special Tax and Backup Special Tax for that Assessor's Parcel as though it was already classified as Developed Property, based upon the building permit which has already been issued for that Assessor's Parcel.
3. (a) Divide the Assigned Special Tax computed pursuant to paragraph 2 by the total estimated Assigned Special Taxes for the entire CFD No. 11 based on the Developed Property Special Taxes which could be charged in the current Fiscal Year on all expected development through buildout of CFD No. 11, as determined by the CFD Administrator, as if such development had been completed prior to January 1 of the preceding Fiscal Year, excluding any Assessor's Parcels which have been prepaid, and

(b) Divide the Backup Special Tax computed pursuant to paragraph 2 by the estimated Backup Special Taxes at buildout of CFD No. 11 using the Backup Special Tax amount for the current Fiscal Year as if such development had been completed prior to January 1 of the preceding Fiscal Year, excluding any Assessor's Parcels which have been prepaid.
4. Multiply the larger quotient computed pursuant to paragraph 3(a) or 3(b) by the Outstanding Bonds to compute the amount of Outstanding Bonds to be retired and prepaid (the "Bond Redemption Amount").
5. Multiply the Bond Redemption Amount computed pursuant to paragraph 4 by the applicable redemption premium, if any, on the Outstanding Bonds to be redeemed (the "Redemption Premium").
6. Compute the current Future Facilities Costs.
7. Multiply the larger quotient computed pursuant to paragraph 3(a) or 3(b) by the amount determined pursuant to paragraph 6 to compute the amount of Future Facilities Costs to be prepaid (the "Future Facilities Amount").
8. Compute the amount needed to pay interest on the Bond Redemption Amount from the first Bond interest and/or principal payment date following the current Fiscal Year until the earliest redemption date for the Outstanding Bonds.
9. Determine the Special Taxes levied on the Assessor's Parcel in the current Fiscal Year which have not yet been paid.

10. Compute the minimum amount the CFD Administrator reasonably expects to derive from the reinvestment of the Prepayment Amount less the Future Facilities Amount and the Administrative Fees and Expenses from the date of prepayment until the redemption date for the Outstanding Bonds to be redeemed with the prepayment.
11. Add the amounts computed pursuant to paragraphs 8 and 9 and subtract the amount computed pursuant to paragraph 10 (the "Defeasance Amount").
12. Verify the administrative fees and expenses of CFD No. 11, including the costs of computation of the prepayment, the costs to invest the prepayment proceeds, the costs of redeeming Bonds, and the costs of recording any notices to evidence the prepayment and the redemption (the "Administrative Fees and Expenses").
13. The reserve fund credit (the "Reserve Fund Credit") shall equal the lesser of: (a) the expected reduction in the reserve requirement (as defined in the Indenture), if any, associated with the redemption of Outstanding Bonds as a result of the prepayment, or (b) the amount derived by subtracting the new reserve requirement (as defined in the Indenture) in effect after the redemption of Outstanding Bonds as a result of the prepayment from the balance in the reserve fund on the prepayment date, but in no event shall such amount be less than zero.
14. The Special Tax prepayment is equal to the sum of the amounts computed pursuant to paragraphs 4, 5, 7, 11 and 12, less the amount computed pursuant to paragraph 13 (the "Prepayment Amount").
15. From the Prepayment Amount, the amounts computed pursuant to paragraphs 4, 5, 11, and 13 shall be deposited into the appropriate fund as established under the Indenture and be used to retire Outstanding Bonds or make debt service payments. The amount computed pursuant to paragraph 7 shall be deposited into the Construction Fund. The amount computed pursuant to paragraph 12 shall be retained by CFD No. 11.

The Prepayment Amount may be sufficient to redeem other than a \$5,000 increment of Bonds. In such cases, the increment above \$5,000 or integral multiple thereof shall be retained in the appropriate fund established under the Indenture to be used with the next prepayment of Bonds or to make debt service payments.

As a result of the payment of the current Fiscal Year's Special Tax levy as determined under paragraph 9 (above), the CFD Administrator shall remove the current Fiscal Year's Special Tax levy for such Assessor's Parcel from the County tax rolls. With respect to any Assessor's Parcel that is prepaid, the Council shall cause a suitable notice to be recorded in compliance with the Act, to indicate the prepayment of Special Taxes and the release of the Special Tax lien on such Assessor's Parcel, and the obligation of such Assessor's Parcel to pay the Special Tax shall cease.

2. Prepayment in Part

The Maximum Special Tax on an Assessor's Parcel of Developed Property or an Assessor's Parcel of Approved Property and/or Undeveloped Property for which a building permit has been issued may be partially prepaid. The amount of the prepayment shall be calculated as in Section H.1; except that a partial prepayment shall be calculated according to the following formula:

$$PP = (P_E - A) \times F + A$$

These terms have the following meaning:

PP = the partial prepayment

P_E = the Prepayment Amount calculated according to Section H.1

F = the percent by which the owner of the Assessor's Parcel(s) is partially prepaying the Maximum Annual Special Tax.

A = the Administration Fees and Expenses from Section H.1

The owner of an Assessor's Parcel who desires to partially prepay the Maximum Special Tax shall notify the CFD Administrator of such owner's intent to partially prepay the Maximum Special Tax and the percentage by which the Maximum Special Tax shall be prepaid. The CFD Administrator shall provide the owner with a statement of the amount required for the partial prepayment of the Maximum Special Tax for an Assessor's Parcel within 30 days of the request and will charge a fee to the owner requesting prepayment for providing this figure.

With respect to any Assessor's Parcel that is partially prepaid, the City shall (i) distribute the funds remitted to it according to Paragraph 15 of Section H.1. and (ii) indicate in the records of CFD No. 11 that there has been a partial prepayment of the Maximum Special Tax and that a portion of the Maximum Special Tax equal to the outstanding percentage (1.00 - F) of the remaining Maximum Special Tax shall continue to be authorized to be levied on such Assessor's Parcel pursuant to Section D.

Notwithstanding the foregoing, no full or partial Special Tax prepayment shall be allowed unless the amount of Assigned Special Taxes that may be levied on Taxable Property within CFD No. 11 both prior to and after the proposed prepayment, less expected Administrative Expenses, is at least 1.1 times the maximum annual debt service on all Outstanding Bonds.

I. TERM OF SPECIAL TAX

The Special Tax shall be levied each Fiscal Year for the period necessary to fully satisfy the Special Tax Requirement for each Fiscal Year until no Bonds are outstanding, but in no event shall it be levied after Fiscal Year 2059-60.

J. SPECIAL TAX REDUCTION

"Contractual Encumbrances" means (a) a voluntary contractual assessment established and levied on an individual Assessor's Parcel pursuant to Chapter 29 of Part 3 of Division 7 of the California Streets and Highways Code (commencing with Section 5898.10 et seq., as amended from time to time), (b) a special tax established and levied on an individual Assessor's Parcel pursuant to Section 53328.1 of the California Government Code and related provisions of the Act, as amended from time to time, and (c) any other governmental fee, charge, tax or assessment established and levied on an individual Assessor's Parcel on the County tax roll pursuant to a contractual agreement or other voluntary consent by the owner thereof.

"Independent Price Point Consultant" means any consultant or firm of such consultants selected by CFD No. 11 that (a) has substantial experience in performing price point studies for residential units within community facilities districts or otherwise estimating or confirming pricing for residential units in community facilities districts, (b) is well versed in analyzing economic and real estate data that relates to the pricing of residential units in community facilities districts, (c) is in fact independent and not under the control of CFD No. 11 or the City, (d) does not have any substantial interest, direct or indirect, with or in (i) CFD No. 11, (ii) the City, (iii) any owner of real property in CFD No. 11, or (iv) any real property in CFD No. 11, and (e) is not connected with CFD No. 11 or the City as an officer or employee thereof, but who may be regularly retained to make reports to CFD No. 11 or the City.

"Plan Type" means a discrete residential plan type (generally consisting of residential dwelling units that share a common product type (e.g., single family, multi-family, senior) and that have nearly identical amounts of living area) that is constructed or expected to be constructed within CFD No. 11 as identified in the Price Point Study.

"Price Point" means, with respect to the residential dwelling units in each Plan Type, as of any date, the minimum base price of such residential dwelling units, estimated as of such date, including any incentives and concessions, but excluding potential appreciation or premiums, options or upgrades, based upon their actual or expected characteristics, such as living area and lot size.

"Price Point Study" means a price point study or a letter updating a previous price point study, which (a) has been prepared by an Independent Price Point Consultant, (b) sets forth the Plan Types constructed or expected to be constructed within CFD No. 11, (c) sets forth the estimated number of constructed and expected residential dwelling units for each Plan Type, (d) sets forth such Independent Price Point Consultant's estimate of the Price Point for each Plan Type and (e) uses a date for establishing such Price Points that is no earlier than 60 days prior to the date the Price Point Study is delivered to the CFD Administrator pursuant to Section D herein.

"Total Effective Tax Rate" means, for a Plan Type, the quotient of (a) the Total Tax and Assessment Obligation for such Plan Type divided by (b) the Price Point for such Plan Type, converted to a percentage.

"Total Tax and Assessment Obligation" means, with respect to a Plan Type, for the

Fiscal Year in which the calculation is being performed, the quotient of (a) the sum of the Assigned Special Tax and estimated ad valorem property taxes, special assessments, special taxes for any overlapping community facilities districts, and any other governmental taxes, fees and charges included on the County tax roll (excluding any Contractual Encumbrances) levied or imposed on all residential dwelling units of such Plan Type in such Fiscal Year or that would have been levied or imposed on all such residential dwelling units had such residential dwelling units been completed, sold and subject to such levies and impositions in such Fiscal Year divided by (b) the number of residential dwelling units in such Plan Type. The Total Tax and Assessment Obligation for each Plan Type shall be calculated based on the applicable Residential Floor Area, Price Point, and number of constructed and expected residential dwelling units for such Plan Type as identified in the Price Point Study.

Prior to the issuance of the first series of Bonds, the following steps shall be taken:

Step No.:

1. At least 30 days prior to the expected issuance date of the first series of Bonds, CFD No. 11 shall cause a Price Point Study to be delivered to the CFD Administrator.
2. As soon as practicable after receipt of the Price Point Study, the CFD Administrator shall calculate the Total Effective Tax Rate for each Plan Type.
3. Separately, for each Land Use Class, the CFD Administrator shall determine whether or not the Total Effective Tax Rate for all Plan Types in a Land Use Class is less than or equal to 2.00%.
 - a. If the Total Effective Tax Rate for all Plan Types in a Land Use Class is less than or equal to 2.00%, then there shall be no change in the Assigned Special Tax for such Land Use Class.
 - b. If the Total Effective Tax Rate for any Plan Type in a Land Use Class is greater than 2.00%, the CFD Administrator shall calculate a revised Assigned Special Tax for such Land Use Class, which revised Assigned Special Tax shall be the highest amount (rounded to the nearest whole dollar) that will not cause the Total Effective Tax Rate for any Plan Type in such Land Use Class to exceed 2.00%.
 - c. If the revised Assigned Special Tax amounts result in a situation in which the Assigned Special Tax for a particular Land Use Class of Condominium Property or Other Residential Property would be less than the Assigned Special Tax for the numerical Land Use Class of Condominium Property or Other Residential Property directly above it (e.g., the Assigned Special Tax for Land Use Class 1 is less than the Assigned Special Tax for Land Use Class 2), then the Assigned Special Tax for the lower numbered Land Use Class shall be revised to be equal to the Assigned Special Tax for the higher numbered Land

Use Class (e.g., the Assigned Special Tax for Land Use Class 1 shall be revised to be equal to the Assigned Special Tax for Land Use Class 2.)

4. If the Assigned Special Tax for any Land Use Class is revised pursuant to step 3.b. or 3.c. above, the CFD Administrator shall calculate a revised Backup Special Tax for all property within CFD No. 11. The revised Backup Special Tax shall be an amount (rounded to the nearest whole dollar) equal to the Backup Special Tax as set forth in Section C.1.(c), reduced by a percentage equal to the weighted average percentage reduction in the Assigned Special Taxes for all Land Use Classes of Residential Property resulting from the calculations in steps 3.a. through 3.c. above. The weighted average percentage shall be calculated by taking the sum of the products of the number of units constructed or expected to be constructed in each Land Use Class multiplied by the percentage change in the Assigned Special Tax (pursuant to step 3.b. or 3.c. above) for each Land Use Class (or 0 for Land Use Classes that are not changing). This amount shall then be divided by the total number of units constructed or expected to be constructed within CFD No. 11 and converted to a percentage.
5. If the Assigned Special Tax for any Land Use Class is revised pursuant to step 3.b. or 3.c. above, the CFD Administrator shall prepare and execute a Certificate of Reduction in Special Taxes substantially in the form of Exhibit B hereto and shall deliver such Certificate of Reduction in Special Taxes to CFD No. 11. The Certificate of Reduction in Special Taxes shall be completed for all Land Use Classes and shall set forth, as applicable, either (i) the reduced Assigned Special Tax for a Land Use Class as calculated pursuant to step 3.b. or 3.c. above, or (ii) the Assigned Special Tax as identified in Table 1 in Section C for a Land Use Class that was not revised as determined pursuant to step 3.a.; as well as either (i) the revised Backup Special Tax as calculated pursuant to step 4, or (ii) the Backup Special Tax as identified in Section C.1.(c) that was not revised as determined pursuant to step 4.
6. If the first series of Bonds is issued within 90 days of the date of receipt of the Price Point Study by the CFD Administrator, CFD No. 11 shall execute the acknowledgement on such Certificate of Reduction in Special Taxes, dated as of the date of such issuance, and, upon the issuance of such first series of Bonds, the Assigned Special Tax for each Land Use Class and the Backup Special Tax shall, *ipso facto*, be, for all purposes, as set forth in such Certificate of Reduction in Special Taxes. If the first series of Bonds is not issued within 90 days of the date of receipt of the Price Point Study by the CFD Administrator, such Certificate of Reduction in Special Taxes shall not be acknowledged by CFD No. 11 and shall, as of such date, be void and of no further force and effect. In such case, if subsequently, a first series of Bonds is expected to be issued, at least 30 days prior to the expected issuance date of such first series of Bonds, the CFD Administrator shall cause a new Price Point Study to be delivered to the CFD Administrator and, following such delivery, steps 2 through 5 of this section shall be performed based on such new Price Point Study.

7. As soon as practicable after the execution by CFD No. 11 of the acknowledgement on the Certificate of Reduction in Special Taxes, CFD No. 11 shall cause to be recorded in the records of the County Recorder an Amended Notice of Special Tax Lien for CFD No. 11 reflecting the Assigned Special Taxes and the Backup Special Tax set forth in such Certificate of Reduction in Special Taxes.
8. If the Assigned Special Tax is not required to be changed for any Land Use Class based on the calculations performed under step 3 above, there shall be no reduction in the Maximum Special Tax, and no Certificate of Reduction in Special Taxes shall be required. However, the CFD Administrator shall prepare and deliver to CFD No. 11 a Certificate of No Reduction in Special Taxes substantially in the form of Exhibit B hereto dated as of the date of the issuance of the first series of Bonds that states that the calculations required pursuant to this Section J have been made and that no changes to the Maximum Special Tax are necessary.
9. CFD No. 11 and the CFD Administrator shall take no further actions under this Section J upon the earlier to occur of the following: (i) the execution of the acknowledgement by CFD No. 11 on a Certificate of Reduction in Special Taxes pursuant to step 6; or (ii) the delivery by the CFD Administrator of a Certificate of No Reduction in Special Taxes pursuant to step 8.

EXHIBIT A

CERTIFICATE OF REDUCTION IN SPECIAL TAXES

City of Los Angeles CFD No. 11

1. Pursuant to Section J of the Rate and Method of Apportionment, the Assigned Special Tax and Backup Special Tax for Developed Property for [certain or all] Land Use Classes within CFD No. 11 has been reduced.
2. The calculations made pursuant to Section J were based upon a Price Point Study that was received by the CFD Administrator on _____.
3. Table 1A below show the new Assigned Special Tax for each Land Use Class after such reduction.

Table 1A
Assigned Special Taxes for Developed Property

Land Use Class	Description	Residential Floor Area	New Assigned Special Tax
1	Condominium Property	≥ 2,000 SF	\$ ____ per unit
2	Condominium Property	1,800 – 1,999 SF	\$ ____ per unit
3	Condominium Property	1,600 – 1,799 SF	\$ ____ per unit
4	Condominium Property	1,400 – 1,599 SF	\$ ____ per unit
5	Condominium Property	1,200 – 1,399 SF	\$ ____ per unit
6	Condominium Property	< 1,200 SF	\$ ____ per unit
7	Other Residential Property	≥ 3,400 SF	\$ ____ per unit
8	Other Residential Property	3,100 – 3,399 SF	\$ ____ per unit
9	Other Residential Property	2,800 – 3,099 SF	\$ ____ per unit
10	Other Residential Property	2,600 – 2,799 SF	\$ ____ per unit
11	Other Residential Property	2,300 – 2,599 SF	\$ ____ per unit
12	Other Residential Property	2,000 – 2,299 SF	\$ ____ per unit
13	Other Residential Property	< 2,000 SF	\$ ____ per unit
14	Non-Residential Property	NA	\$ ____ per Acre

Certificate of Reduction in Special Taxes

Page 2

4. The Backup Special Tax for each Assessor's Parcel of Developed Property shall equal \$ _____ per Acre after such reduction.
5. Upon execution of this certificate by the CFD Administrator, the CFD Administrator shall cause an amended notice of Special Tax lien for CFD No. 11 to be recorded reflecting the Assigned Special Tax, and Backup Special Tax set forth herein.

Submitted

CFD ADMINISTRATOR

By: _____ Date: _____

By execution hereof, the undersigned acknowledges, on behalf of CFD No. 11, receipt of this certificate and modification of the Rate and Method of Apportionment as set forth in this certificate.

CITY OF LOS ANGELES CFD NO. 11

By: _____

Date as of: _____
[prior to date of issuance of Bonds]

EXHIBIT B

CERTIFICATE OF NO REDUCTION IN SPECIAL TAXES

**City of Los Angeles
CFD No. 11**

1. All calculations, as prepared by the CFD Administrator, required pursuant to Section J of the Rate and Method of Apportionment have been made based upon a Price Point Study that was received by the CFD Administrator on _____.
2. Total Effective Tax Rate for all Plan Types in all Land Use Classes is less than or equal to 2.00%.
3. The Maximum Special Tax for Developed Property within CFD No. 11, including the Assigned Special Taxes set forth in Section C.1.(b) and the Backup Special Tax set forth in Section C.1.(c) of the Rate and Method of Apportionment, shall remain in effect and not be reduced.

Submitted

CFD ADMINISTRATOR

By: _____

Date as of: _____

[prior to date of issuance of Bonds]

ATTACHMENT C

RESOLUTION OF THE COUNCIL OF THE CITY OF LOS ANGELES TO INCUR BONDED INDEBTEDNESS OF THE PROPOSED CITY OF LOS ANGELES COMMUNITY FACILITIES DISTRICT NO. 11 (PONTE VISTA)

WHEREAS, the Council (the “City Council”) of the City of Los Angeles (the “City”) has this date adopted its Resolution entitled “Resolution of the Council of the City of Los Angeles of Intention to Establish a Community Facilities District and to Authorize the Levy of Special Taxes,” stating its intention to establish the City of Los Angeles Community Facilities District No. 11 (Ponte Vista) (the “Community Facilities District”) pursuant to the Mello-Roos Community Facilities Act of 1982 (the “Act”) for the purpose of financing certain public facilities (the “Facilities”), as further provided in said Resolution; and

WHEREAS, in order to finance the Facilities it is necessary to incur bonded indebtedness in the amount of up to \$30,000,000;

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF LOS ANGELES, as follows:

Section 1. The foregoing recitals are true and correct.

Section 2. The City Council hereby declares that in order to finance the Facilities, it is necessary to incur bonded indebtedness.

Section 3. The purpose for which the proposed debt is to be incurred is to provide the funds necessary to pay the costs of the Facilities, including all costs and estimated costs incidental to, or connected with, the accomplishment of said purpose and of the financing thereof, as permitted by Section 53345.3 of the Act.

Section 4. The maximum amount of the proposed debt is \$30,000,000.

Section 5. The City Council hereby fixes Tuesday, December 1, 2020, at 10:00 a.m., or as soon thereafter as the City Council may reach the matter, at the John Ferraro Council Chamber, Room 340, 200 North Spring Street, Los Angeles, California, as the time and place when and where the City Council will conduct a public hearing on the proposed debt authorization; provided, that, in the event the December 1, 2020 City Council meeting is held via teleconference and/or videoconference only, the means by which the public may observe such public hearing and offer public comment shall be prescribed in the agenda notice for such City Council meeting.

Section 6. The City Clerk of the City is hereby directed to publish, or cause to be published, a notice of said public hearing one time in a newspaper of general circulation published in the area of the proposed Community Facilities District. The publication of said notice shall be completed at least seven days prior to the date herein fixed for said public hearing. Said notice shall contain the information prescribed by Section 53346 of the Act.

Section 7. The officers, employees and agents of the City are hereby authorized and directed to take all actions and do all things which they, or any of them, may deem necessary or

desirable to accomplish the purposes of this Resolution and not inconsistent with the provisions hereof.

Section 8. This Resolution shall take effect from and upon its adoption.

ATTACHMENT D

**NOTICE OF PUBLIC HEARING
REGARDING ESTABLISHMENT OF
COMMUNITY FACILITIES DISTRICT**

**CITY OF LOS ANGELES
COMMUNITY FACILITIES DISTRICT NO. 11
(PONTE VISTA)**

Notice is hereby given that on October 28, 2020, the Council (the “City Council”) of the City of Los Angeles (the “City”) adopted a Resolution entitled “Resolution of the Council of the City of Los Angeles of Intention to Establish a Community Facilities District and to Authorize the Levy of Special Taxes” (the “Resolution”). Pursuant to Section 53322 of the Mello-Roos Community Facilities Act of 1982, the City Council hereby gives notice as follows:

A. The text of the Resolution is as follows:

WHEREAS, the Council (the “City Council”) of the City of Los Angeles (the “City”) has received written petitions (the “Petitions”) from each of SoCal San Pedro SPV 1, LLC (“SoCal San Pedro”), D.R. Horton VEN, Inc. and KB Home Greater Los Angeles Inc. (collectively, the “Landowners”), requesting the institution of proceedings for the establishment of a community facilities district (the “Community Facilities District”), describing the boundaries of the territory that is proposed for inclusion in the Community Facilities District and specifying the types of facilities to be financed by the Community Facilities District;

WHEREAS, the Landowners have represented and warranted to the City Council that the Landowners are the owners of 100% of the area of land proposed to be included within the Community Facilities District and not proposed to be exempt from the special tax;

WHEREAS, under the Mello-Roos Community Facilities Act of 1982 (the “Act”), the City Council is authorized to establish the Community Facilities District;

WHEREAS, the City’s Policies and Procedures for Mello-Roos and Special Assessment Districts require that the applicant for financing under the Act advance funds to cover all City and consultant costs associated with developing such financing;

WHEREAS, Section 53314.9 of the Act provides that, at any time either before or after the formation of a community facilities district, the legislative body may accept advances of funds from any source, including, but not limited to, private persons or private entities and may provide, by resolution, for the use of those funds for any authorized purpose, including, but not limited to, paying any cost incurred by the local agency in creating a community facilities district;

WHEREAS, Section 53314.9 of the Act further provides that the legislative body may enter into an agreement, by resolution, with the person or entity advancing the funds, to repay all or a portion of the funds advanced, as determined by the legislative body, with or without interest, under all the following conditions: (a) the proposal to repay the funds is included in both the resolution of intention to establish a community facilities district adopted pursuant to Section 53321 of the Act and in the resolution of formation to establish a community facilities district pursuant to Section 53325.1 of the Act, (b) any proposed special tax is approved by the qualified electors of the community facilities district pursuant to the Act, and (c) any agreement shall specify that if the qualified electors of the community facilities district do not approve the proposed special tax, the local agency shall return any funds which have not been committed for any authorized purpose by the time of the election to the person or entity advancing the funds;

WHEREAS, the City and SoCal San Pedro have entered into a Deposit and Reimbursement Agreement, dated as of January 1, 2019 (the “Deposit Agreement”), that provides for the advancement of funds by SoCal San Pedro to be used to pay costs incurred in connection with the establishment of the Community Facilities District and the issuance of special tax bonds thereby, and provides for the reimbursement to SoCal San Pedro of such funds advanced, without interest, from the proceeds of any such bonds issued by the Community Facilities District; and

WHEREAS, the City desires to include in this Resolution, in accordance with Section 53314.9 of the Act, the proposal to repay funds pursuant to the Deposit Agreement;

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF LOS ANGELES, as follows:

Section 1. The foregoing recitals are true and correct.

Section 2. The City Council hereby finds that the Petitions are signed by the owners of the requisite amount of land proposed to be included in the Community Facilities District.

Section 3. The City Council proposes to establish a community facilities district under the terms of the Act. The boundaries of the territory proposed for inclusion in the Community Facilities District are described in the map showing the proposed Community Facilities District (the “Boundary Map”) on file with the City Clerk of the City (the “City Clerk”), which boundaries are hereby preliminarily approved and to which map reference is hereby made for further particulars. The City Clerk is hereby directed to sign the original Boundary Map and record, or cause to be recorded, the Boundary Map with all proper endorsements thereon in the office of the Los Angeles County Recorder within 15 days of the date of adoption of this Resolution, all as required by Section 3111 of the California Streets and Highways Code.

Section 4. The name proposed for the Community Facilities District is “City of Los Angeles Community Facilities District No. 11 (Ponte Vista)”.

Section 5. The public facilities (the “Facilities”) proposed to be financed by the Community Facilities District pursuant to the Act are described under the caption “Facilities” on Exhibit A hereto, which is by this reference incorporated herein. Those Facilities proposed to be purchased as completed public facilities are described under the caption “Facilities to be Purchased” on Exhibit A hereto. The incidental expenses proposed to be incurred are identified under the caption “Incidental Expenses” on Exhibit A hereto. All or any portion of the Facilities may be financed through a financing plan, including, but not limited to, a lease, lease-purchase or installment-purchase arrangement.

Section 6. Except where funds are otherwise available, a special tax sufficient to pay for all Facilities, secured by recordation of a continuing lien against all nonexempt real property in the Community Facilities District, will be annually levied within the Community Facilities District. The rate and method of apportionment of the special tax (the “Rate and Method”), in sufficient detail to allow each landowner within the proposed Community Facilities District to estimate the maximum amount that he or she will have to pay, is described in Exhibit B attached hereto, which is by this reference incorporated herein. The conditions under which the obligation to pay the special tax may be prepaid and permanently satisfied are specified in the Rate and Method. The special tax will be collected in the same manner as ordinary *ad valorem* property taxes or in such other manner as the City Council shall determine, including direct billing of the affected property owners.

Section 7. The tax year after which no further special tax will be levied against any parcel used for private residential purposes is specified in the Rate and Method. Under no circumstances shall the special tax levied in any fiscal year against any parcel used for private residential purposes be increased as a consequence of delinquency or default by the owner or owners of any other parcel or parcels within the Community Facilities District 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. For purposes of this section, a parcel shall be considered “used for private residential purposes” not later than the date on which an occupancy permit for private residential use is issued.

Section 8. Pursuant to Section 53344.1 of the Act, the City Council hereby reserves to itself the right and authority to allow any interested owner of property within the Community Facilities District, subject to the provisions of said Section 53344.1 and to those conditions as it may impose, and any applicable prepayment penalties as prescribed in the bond indenture or comparable instrument or document, to tender to the Community Facilities District treasurer in full payment or part payment of any installment of the special taxes or the interest or penalties thereon which may be due or delinquent, but for which a bill has been received, any bond or other obligation secured thereby, the bond or other obligation to be taken

at par and credit to be given for the accrued interest shown thereby computed to the date of tender.

Section 9. The City Council hereby fixes Tuesday, December 1, 2020, at 10:00 a.m., or as soon thereafter as the City Council may reach the matter, at the John Ferraro Council Chamber, Room 340, 200 North Spring Street, Los Angeles, California, as the time and place when and where the City Council will conduct a public hearing on the establishment of the Community Facilities District; provided, that, in the event the December 1, 2020 City Council meeting is held via teleconference and/or videoconference only, the means by which the public may observe such public hearing and offer public comment shall be prescribed in the agenda notice for such City Council meeting.

Section 10. The City Clerk is hereby directed to publish, or cause to be published, a notice of said public hearing one time in a newspaper of general circulation published in the area of the proposed Community Facilities District. The publication of said notice shall be completed at least seven days prior to the date herein fixed for said public hearing. Said notice shall contain the information prescribed by Section 53322 of the Act.

Section 11. The levy of said proposed special tax shall be subject to the approval of the qualified electors of the Community Facilities District at a special election. The proposed voting procedure shall be by mailed or hand-delivered ballots among the landowners in the Community Facilities District, with each owner having one vote for each acre or portion of an acre such owner owns in the Community Facilities District.

Section 12. Each officer of the City who is or will be responsible for providing one or more of the proposed types of Facilities is hereby directed to study, or cause to be studied, the proposed Community Facilities District and, at or before said public hearing, file a report with the City Council containing a brief description of the Facilities by type which will in his or her opinion be required to adequately meet the needs of the Community Facilities District, and his or her estimate of the cost of providing the Facilities. Such officers are hereby also directed to estimate the fair and reasonable cost of the Facilities proposed to be purchased as completed public facilities and of the incidental expenses proposed to be paid. Such report shall be made a part of the record of said public hearing.

Section 13. SoCal San Pedro has heretofore advanced certain funds, and may advance additional funds, which have been or may be used to pay costs incurred in connection with the establishment of the Community Facilities District and the issuance of special tax bonds thereby. The City Council proposes to repay all or a portion of such funds expended for such purpose, solely from the proceeds of such bonds, pursuant to the Deposit Agreement. The Deposit Agreement is hereby incorporated herein as though set forth in full herein.

Section 14. The officers, employees and agents of the City are hereby authorized and directed to take all actions and do all things which they, or any of them, may deem necessary or desirable to accomplish the purposes of this Resolution and not inconsistent with the provisions hereof.

Section 15. This Resolution shall take effect from and upon its adoption.

B. The map of the Community Facilities District and the exhibits to the Resolution which describe the Facilities proposed to be financed by the Community Facilities District and the Rate and Method are on file in the office of the City Clerk and are hereby referred to for detail.

C. The time and place of the hearing on the establishment of the Community Facilities District are Tuesday, December 1, 2020, at 10:00 a.m., or as soon thereafter as the City Council may reach the matter, at the John Ferraro Council Chamber, Room 340, 200 North Spring Street, Los Angeles, California; provided, that, in the event the December 1, 2020 City Council meeting is held via teleconference and/or videoconference only, the means by which the public may observe such public hearing and offer public comment shall be prescribed in the agenda notice for such City Council meeting.

D. At the hearing, the testimony of all interested persons or taxpayers for or against the establishment of the Community Facilities District, the extent of the Community Facilities District or the furnishing of specified types of public facilities will be heard. At the hearing, protests against the establishment of the Community Facilities District, the extent of the Community Facilities District or the furnishing of specified types of public facilities within the Community Facilities District may be made orally or in writing by any interested persons, as provided in Section 53323 of the Act. If 50 percent or more of the registered voters, or six registered voters, whichever is more, residing within the territory proposed to be included in the Community Facilities District, or the owners of one-half or more of the area of land in the territory proposed to be included in the Community Facilities District and not exempt from the special tax, file written protests against the establishment of the Community Facilities District, and the protests are not withdrawn so as to reduce the value of the protests to less than a majority, no further proceedings to create the Community Facilities District or to authorize the special tax may be taken for a period of one year from the date of the decision of the City Council. If the majority protests of the registered voters or of the landowners are only against the furnishing of a specified type or types of facilities within the Community Facilities District, or against levying a specified special tax, those types of facilities or the specified special tax will be eliminated from the resolution of formation.

E. The proposed voting procedure for the Community Facilities District is mailed or hand-delivered ballot among the landowners in the Community Facilities District, with each owner having one vote for each acre or portion of an acre such owner owns in the Community Facilities District.

Please refer any questions to Natalie Brill, City of Los Angeles, City Administrative Officer, 200 North Main Street, Room 1500, Los Angeles, California 90012, telephone (213) 473-7500.

Dated: _____, 2020

/s/ Holly L. Wolcott
City Clerk of the City of Los Angeles

ATTACHMENT E

**NOTICE OF PUBLIC HEARING
REGARDING BONDED INDEBTEDNESS
FOR COMMUNITY FACILITIES DISTRICT**

**CITY OF LOS ANGELES
COMMUNITY FACILITIES DISTRICT NO. 11
(PONTE VISTA)**

Notice is hereby given that on October 28, 2020, the Council (the “City Council”) of the City of Los Angeles (the “City”) adopted a Resolution entitled “Resolution of the Council of the City of Los Angeles to Incur Bonded Indebtedness of the Proposed City of Los Angeles Community Facilities District No. 11 (Ponte Vista)” (the “Resolution”). Pursuant to Section 53346 of the Mello-Roos Community Facilities Act of 1982, the City Council hereby gives notice as follows:

A. The text of the Resolution is as follows:

WHEREAS, the Council (the “City Council”) of the City of Los Angeles (the “City”) has this date adopted its Resolution entitled “Resolution of the Council of the City of Los Angeles of Intention to Establish a Community Facilities District and to Authorize the Levy of Special Taxes,” stating its intention to establish the City of Los Angeles Community Facilities District No. 11 (Ponte Vista) (the “Community Facilities District”) pursuant to the Mello-Roos Community Facilities Act of 1982 (the “Act”) for the purpose of financing certain public facilities (the “Facilities”), as further provided in said Resolution; and

WHEREAS, in order to finance the Facilities it is necessary to incur bonded indebtedness in the amount of up to \$30,000,000;

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF LOS ANGELES, as follows:

Section 1. The foregoing recitals are true and correct.

Section 2. The City Council hereby declares that in order to finance the Facilities, it is necessary to incur bonded indebtedness.

Section 3. The purpose for which the proposed debt is to be incurred is to provide the funds necessary to pay the costs of the Facilities, including all costs and estimated costs incidental to, or connected with, the accomplishment of said purpose and of the financing thereof, as permitted by Section 53345.3 of the Act.

Section 4. The maximum amount of the proposed debt is \$30,000,000.

Section 5. The City Council hereby fixes Tuesday, December 1, 2020, at 10:00 a.m., or as soon thereafter as the City Council may reach the matter, at the John Ferraro Council Chamber, Room 340, 200 North Spring Street, Los Angeles, California, as the time and place when and where the City Council will conduct a public hearing on the proposed debt authorization; provided, that, in the event the

December 1, 2020 City Council meeting is held via teleconference and/or videoconference only, the means by which the public may observe such public hearing and offer public comment shall be prescribed in the agenda notice for such City Council meeting.

Section 6. The City Clerk of the City is hereby directed to publish, or cause to be published, a notice of said public hearing one time in a newspaper of general circulation published in the area of the proposed Community Facilities District. The publication of said notice shall be completed at least seven days prior to the date herein fixed for said public hearing. Said notice shall contain the information prescribed by Section 53346 of the Act.

Section 7. The officers, employees and agents of the City are hereby authorized and directed to take all actions and do all things which they, or any of them, may deem necessary or desirable to accomplish the purposes of this Resolution and not inconsistent with the provisions hereof.

Section 8. This Resolution shall take effect from and upon its adoption.

B. The time and place of the hearing on the proposal to issue debt of the Community Facilities District are Tuesday, December 1, 2020, at 10:00 a.m., or as soon thereafter as the City Council may reach the matter, at the John Ferraro Council Chamber, Room 340, 200 North Spring Street, Los Angeles, California; provided, that, in the event the December 1, 2020 City Council meeting is held via teleconference and/or videoconference only, the means by which the public may observe such public hearing and offer public comment shall be prescribed in the agenda notice for such City Council meeting.

C. At the hearing, the testimony of all interested persons, including all persons owning property in the area of the Community Facilities District, for and against the proposed Community Facilities District debt issuance will be heard.

Please refer any questions to Natalie Brill, City of Los Angeles, City Administrative Officer, 200 North Main Street, Room 1500, Los Angeles, California 90012, telephone (213) 473-7500.

Dated: _____, 2020

/s/ Holly L. Wolcott
City Clerk of the City of Los Angeles