

RESOLUTION 2024-0338

Adopted by the Sacramento City Council

November 19, 2024

Authorizing (1) The Issuance of the City of Sacramento Delta Shores Community Facilities District No. 2019-01 (Improvements) Improvement Area No. 1 Special Tax Bonds, Series 2024; (2) the Execution and Delivery of a Master Indenture, a First Supplemental Indenture, a Bond Purchase Contract, an Official Statement, and a Continuing Disclosure Certificate in Connection with the Bonds; and (3) Certain Other Actions in Connection with the Bonds

BACKGROUND

- A. Through a special, mailed-ballot election held on September 25, 2019, in Improvement Area No. 1 of the Delta Shores Community Facilities District No. 2019-01 (Improvements), City of Sacramento, County of Sacramento, State of California (the “**Improvement Area**”), the qualified electors in the Improvement Area duly authorized the issuance of \$8,000,000 principal amount of special-tax bonds under the Mello-Roos Community Facilities Act of 1982 as amended (Government Code sections 53311 through 53368.3; the “**Act**”) for the purpose of financing the acquisition and construction of certain public facilities (the “**Facilities**”).
- B. Through a special, mailed-ballot election held on January 25, 2022, in the Improvement Area, the qualified electors in the Improvement Area increased the authorized principal amount of special-tax bonds that may be issued under the Act for the purpose of financing the acquisition and construction of the Facilities to \$17,000,000.
- C. At the election held on September 25, 2019, the qualified electors in the Improvement Area authorized the levy and collection of a special tax under the Act to be used to pay the interest on, principal of, and redemption premiums (if any) on, the bonds, and, at the election held on January 25, 2022, the rate and method of apportionment of such special tax was amended and restated under the Act.
- D. The Sacramento City Council (the “**City Council**”) has determined to authorize the issuance of the City of Sacramento Delta Shores Community Facilities District No. 2019-01 (Improvements) Improvement Area No. 1 Special Tax Bonds, Series 2024 (the “**Series 2024 Bonds**”) under the Act to finance certain of the Facilities.

- E. The City desires to sell the Series 2024 Bonds to Stifel, Nicolaus & Company, Incorporated (the “**Underwriter**”), and the City Council has determined that a private (i.e., negotiated) sale of the Series 2024 Bonds to the Underwriter under the Act will result in a lower overall cost.
- F. In furtherance of the City’s issuance of the Series 2024 Bonds, forms of the following documents have been filed with the Sacramento City Clerk (the “**Clerk**”) for the City Council’s consideration and approval:
1. A Master Indenture between the City and Zions Bancorporation, National Association, as trustee (the “**Trustee**”), providing for the issuance of special-tax bonds for the Improvement Area in series and specifying the general terms of, and the security for, the bonds (the “**Master Indenture**”).
 2. A First Supplemental Indenture between the City and the Trustee, which supplements the Master Indenture and specifies the terms on which the Series 2024 Bonds are to be issued and secured (the “**First Supplemental Indenture**” and, together with the Master Indenture, the “**Indenture**”).
 3. A Bond Purchase Contract, under the terms of which, among other things, the City agrees to sell the Series 2024 Bonds to the Underwriter and the Underwriter agrees to purchase the Series 2024 Bonds (the “**Bond Purchase Contract**”).
 4. A preliminary form of an Official Statement describing the Series 2024 Bonds (the “**Preliminary Official Statement**”).
 5. A Continuing Disclosure Certificate obligating the City to provide certain ongoing disclosure with respect to the Series 2024 Bonds (the “**Continuing Disclosure Certificate**”).
- G. All acts, conditions, and things required by California law to exist, to have happened, and to have been performed before and in connection with the consummation of the financing authorized by this resolution do exist, have happened, and have been performed in regular and due time, form, and manner as required by law, and the City is now duly authorized and empowered, under each requirement of law, to authorize the execution and delivery of certain documents in order to further implement the financing in the manner and upon the terms provided in this resolution.

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

SECTION 1.

The statements in paragraphs A through G of the Background are true.

SECTION 2.

The City Council hereby authorizes and approves the issuance of the Series 2024 Bonds in accordance with the Indenture in an aggregate principal amount not to exceed \$16,000,000.

SECTION 3.

The City Council hereby determines that the value of the real property within the Improvement Area that will be subject to the levy of a special tax under the Act to pay debt service on the Series 2024 Bonds (based upon appraisal of the real property in the Improvement Area made in a manner consistent with the Act and the City's policies concerning the use of the Act) is at least three times the sum of the following: the principal amount of the Series 2024 Bonds, plus the principal amount of all other bonds outstanding that are secured by a special tax levied under the Act on property within the Improvement Area, plus the principal amount of all other bonds outstanding that are secured by special assessments levied on property within the Improvement Area. Accordingly, the limitations of section 53345.8(a) of the Act have been duly satisfied.

SECTION 4.

The City Council hereby approves the Master Indenture and authorizes and directs the Sacramento City Treasurer or his designee (the "**Treasurer**") to execute and deliver it to the Trustee on the City's behalf in substantially the form on file with the Clerk, with any changes the Treasurer may require or approve with the concurrence of the Sacramento City Attorney or her designee (the "**City Attorney**"), and with approval to be conclusively evidenced by the execution and delivery of the Master Indenture.

SECTION 5.

The City Council hereby approves the First Supplemental Indenture and its terms and conditions. The date, maturity date or dates, fixed interest rates, interest-payment dates, forms, registration privileges, place or places of payment, denominations, terms of redemption and number of Series 2024 Bonds, and other terms of the Series 2024 Bonds are to be as provided in the First Supplemental Indenture as finally executed and delivered.

- A. The Treasurer is hereby authorized and directed to execute and deliver to the Trustee, on the City's behalf, the First Supplemental Indenture in substantially the form on file with

the Clerk, with any changes the Treasurer may require or approve with the concurrence of the City Attorney, and with approval to be conclusively evidenced by the execution and delivery of the First Supplemental Indenture.

- B. The City Council hereby authorizes and directs the Treasurer to execute and deliver to the Trustee, on the City's behalf, written instructions providing for the delivery of the Series 2024 Bonds to the Underwriter in accordance with the Bond Purchase Contract upon payment by the Underwriter of the purchase price of the Series 2024 Bonds (the "**Instructions**").
- C. The Series 2024 Bonds are to be executed by the manual or facsimile signature of the Mayor of the City and countersigned by the manual or facsimile signature of the Clerk, and each of the Series 2024 Bonds must be in the form set forth in, and otherwise be in accordance with, the Indenture. When the Series 2024 Bonds are so executed, the Treasurer shall deliver them to the Trustee for authentication. The Trustee is then to deliver the Series 2024 Bonds to the Underwriter in accordance with the Instructions.

SECTION 6.

The City Council hereby approves the Bond Purchase Contract and authorizes the Treasurer to execute and deliver it to the Underwriter on the City's behalf in substantially the form on file with the Clerk, with any changes the Treasurer may require or approve with the concurrence of the City Attorney, and with approval to be conclusively evidenced by the execution and delivery of the Bond Purchase Contract, all subject to the following: the true interest cost for the Series 2024 Bonds may not exceed 6.00%, and the Underwriter's compensation may not exceed 1.80% of the principal amount of the Series 2024 Bonds.

SECTION 7.

The City Council hereby approves the Preliminary Official Statement and authorizes the Underwriter to distribute it.

- A. The City Council hereby authorizes and directs the Treasurer to execute and deliver to the Underwriter on the City's behalf a certificate deeming the Preliminary Official Statement, in substantially the form on file with the Clerk and with any changes the Treasurer approves in the interest of the City with the concurrence of the City Attorney, to be final within the meaning of Securities Exchange Commission Rule 15c2-12.
- B. The City Council hereby authorizes and directs the Treasurer to execute and deliver to the Underwriter, on the City's behalf, a final form of the Official Statement describing the Series 2024 Bonds (the "**Final Official Statement**") in substantially the form of the Preliminary Official Statement, with any changes the Treasurer may require or approve

with the concurrence of the City Attorney, and with approval to be conclusively evidenced by the execution and delivery of the Final Official Statement.

- C. The City Council hereby authorizes the Underwriter to distribute the Final Official Statement.

SECTION 8.

The City Council hereby approves the Continuing Disclosure Certificate and authorizes and directs the Treasurer to execute and deliver it to the Underwriter on the City's behalf in substantially the form on file with the Clerk, with any changes the Treasurer may require or approve with the concurrence of the City Attorney, and with approval to be conclusively evidenced by the execution and delivery of the Continuing Disclosure Certificate.

SECTION 9.

The officers of the City, each acting alone, are hereby authorized and directed to do any and all things (including but not limited to the creation of funds required for the proper accounting and management of tax and bond proceeds) and to execute and deliver any and all documents and agreements they consider necessary or advisable to carry out, give effect to, and comply with, the terms and intent of this resolution, the Indenture, the Bond Purchase Contract, the Preliminary Official Statement, the Final Official Statement, the Continuing Disclosure Certificate, and the Series 2024 Bonds. All actions previously taken by those officers with respect to the Series 2024 Bonds are hereby ratified, confirmed, and approved.

SECTION 10.

The City Council hereby approves the execution and delivery of all agreements, documents, certificates and instruments referred to herein with electronic signatures as may be permitted under the California Uniform Electronic Transactions Act and digital signatures as may be permitted under Section 16.5 of the California Government Code using DocuSign.

SECTION 11.

This resolution takes effect when adopted.

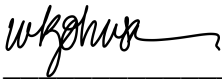
Adopted by the City of Sacramento City Council on November 19, 2024, by the following vote:

Ayes: Members Guerra, Jennings, Kaplan, Maple, Talamantes, Thao, Valenzuela, Vang, and Mayor Steinberg

Noes: None

Abstain: None

Absent: None

Attest:  11/27/2024

Wendy Klock-Johnson, Assistant City Clerk

The presence of an electronic signature certifies that the foregoing is a true and correct copy as approved by the Sacramento City Council.