RESOLUTION OF THE GOVERNING BOARD OF THE MOUNTAINS RECREATION AND CONSERVATION AUTHORITY ADOPTING LOCAL GOALS AND POLICIES FOR COMMUNITY FACILITIES DISTRICTS

WHEREAS, the Governing Board of the Mountains Recreation and Conservation Authority (the “MRCA”) hereby adopts this resolution to establish local goals and policies for establishment of community facilities districts as follows:

WHEREAS, under the Mello-Roos Community Facilities Act of 1982, as amended (the "Act"), Chapter 2.5 of Part 1 of Division 2 of Title 5, commencing at Section 53311 of the California Government Code, the MRCA is authorized to establish a community facilities district and to act as the legislative body for such community facilities district; and

WHEREAS, the MRCA intends to consider the formation of one or more community facilities districts pursuant to the Mello-Roos Community Facilities Act of 1982 (Government Code Section 53311 et seq.) ("Act"); and

WHEREAS, Section 53312.7 of the Act requires that prior to establishment of a community facilities district ("CFD") the MRCA must consider and adopt local goals and policies ("Local Goals and Policies") for CFDs; and

WHEREAS, MRCA staff have caused to be prepared a proposed set of Local Goals and Policies for CFDs which have been submitted for consideration and adoption by the Governing Board of the MRCA.

NOW, THEREFORE, BE IT RESOLVED:

1. The Governing Board of the MRCA hereby finds that the Local Goals and Policies, attached hereto and incorporated herein as Exhibit A, comply with Section 53312.7 of the Act.

2. The Governing Board of the MRCA hereby adopts the Local Goals and Policies to enable the MRCA to initiate proceedings to establish one or more CFDs pursuant to the Act.
I HEREBY CERTIFY that the foregoing resolution was adopted at a special meeting of the Governing Board of the Mountains Recreation and Conservation, duly noticed and held according to law, on the 27th day of June, 2012.

________________________________
Executive Officer
EXHIBIT A

Mountains Recreation and Conservation Authority
Local Goals and Policies
Community Facilities Districts

This document sets forth the Local Goals and Policies ("Policies") of the Mountains Recreation and Conservation Authority ("MRCA") concerning the use of the Mello-Roos Community Facilities Act of 1982 (the "Act") (Section 53311 et seq.) with respect to community facilities districts for which debt will not be issued. These Policies have been prepared pursuant to the requirements of Section 53312.7 of the Act. The Policies are intended to meet the minimum requirements of the Act and may be amended or supplemented by resolution of the Board at any time, to the extent permitted by law.

Any Community Facilities District ("CFD") established by the MRCA shall be subject to these Policies. In addition to compliance with these Policies, a CFD established by the MRCA may also be subject to other goals and policies that have been or may be established by the MRCA, which are consistent with these Policies.

Statement Regarding Financing Priorities
The purpose of the MRCA's use of the Act is to finance services and facilities currently owned or managed by the MRCA, and for the acquisition of real property. Use of the Act for financing services and facilities for property currently owned or managed by the MRCA shall take priority over financing acquisition of real property. Use of the Act for financing services and facilities owned by the MRCA shall take priority over financing services and facilities which are managed, but not owned, by the MRCA.

Statement Regarding Credit Quality to be Required for Issuance of Bonds
At this time, it is the policy of the MRCA to utilize the Act pursuant to these Policies solely for financing services and facilities. Therefore, these Policies do not currently contemplate nor authorize the issuance of bonds pursuant to Article 5 of the Act. Prior to authorizing issuance of any bonds pursuant to Article 5 of the Act, these Policies will be revised by the MRCA to include a statement concerning the credit quality to be required of bond issues, including criteria to be used in evaluating the credit quality.

Statement Concerning Prospective Property Purchasers
The MRCA intends that prospective purchasers of any property subject to a CFD established pursuant to the Act will be fully informed about their taxpaying obligations
imposed pursuant to the Act. In furtherance of this policy, the MRCA will take the following steps:

1. It will conduct all proceedings required by the Act in the manner required by the Ralph M. Brown Act (Section 54950 et seq. of the California Government Code);

2. It will cause a map of the boundaries of any proposed CFD to be recorded, pursuant to Section 3111 of the California Streets and Highways Code, in the Office of the Recorder of Los Angeles County within 15 days following the adoption of a resolution of intention to form that CFD pursuant to Section 53321 of the Act;

3. It will publish notice, pursuant to Section 53322 of the Act, prior to holding any public hearing on the establishment of a CFD;

4. It will record a notice of special tax lien, in conformance with the requirements of Government Code section 53328.3, within 15 days of the MRCA’s determination that the requisite number of voters are in favor of the levy of a special tax in connection with a CFD. Such notice will include, among other information:
   a. A description of the rate, method of apportionment, and manner of collection of the authorized special tax;
   b. Information about the conditions under which the obligation to pay the special tax may be prepaid and permanently satisfied and the lien of the special tax canceled;
   c. The name(s) of the owner(s) and the assessor’s tax parcel number(s) of the real property included within this community facilities district and not exempt from the special tax; and
   d. The name, address and telephone number of the CFD Administrator, so they may contact the CFD Administrator to obtain further information concerning the current and estimated future tax liability of owners or purchasers of real property subject to the special tax lien.

5. It will, through the CFD Administrator, furnish a notice to any individual requesting the notice or to any owner of property subject to a special tax levied by the CFD, in the form set forth in Section 53340.2(c) of the Act, within five working days of a request for such notice. The Board may establish a reasonable fee for this service, as permitted by Section 53340.2(b) of the Act and as otherwise permitted by law.
Statement Regarding Equity of Tax Allocation Formulas
Any special tax levied by the MRCA pursuant to the Act will be structured in such a manner as to result in a reasonable and equitable taxing structure. Toward that end, the MRCA will engage a qualified special tax consultant to assist in the development of criteria for evaluating the equity of tax allocation formulas. Any proposed rate and method of apportionment for any special tax proposed in connection with a CFD shall be evaluated in accordance with such criteria.

The maximum annual special tax that may be levied pursuant to these Policies is $40 per parcel. It is desirable to levy amounts sufficient to fund the maintenance, improvement, acquisition, protection and preservation of open space and natural lands owned or managed by the MRCA, subject to the maximum annual special tax set forth in the preceding sentence.

Because any special tax levied pursuant to these Policies will be for the ongoing provision of services and improvements to facilities, any special tax methodology may provide for an annual rate increase to reflect inflation. Such annual inflation adjustment may be tied to the Consumer Price Index for All Urban Consumers for the Los Angeles-Riverside-Orange County Area, or to any other index deemed appropriate by the MRCA.

Statement Regarding Appraisals
At this time, a statement of definitions, standards, and assumptions to be used in appraisals for the issuance of bonds is inapplicable since the Policies do not currently contemplate nor authorize the issuance of bonds. Prior to authorizing issuance of any bonds, these Policies will be revised by the MRCA to include a statement of definitions, standards, and assumptions to be used in appraisals required by Section 53345.8 of the Act.

Amendment
These Policies may be amended from time to time by resolution of the MRCA’s Governing Board, to the extent permitted and as authorized by California law.