RESOLUTION TO AMEND THE ORANGE COUNTY PUBLIC FINANCE PROGRAM POLICY STATEMENT AND APPLICANT INFORMATION PACKAGE

May 18 , 2004

WHEREAS, the Board of Supervisors ("Board") of the County of Orange ("County") may establish a community facilities district ("CFD") pursuant to Sections 53311 et seq, of the Government Code; and

WHEREAS, the Board also may establish an assessment district, as authorized by the Streets and Highways Code under Sections 5000 et seq. and Sections 10000 et seq. (CFDs and assessment districts together are referred to as "Districts" in the plural or "District" in the singular); and

WHEREAS, in order to finance the costs of certain needed public facilities, the Board may levy a special tax on property within a CFD or a special assessment on property within an assessment district; and

WHEREAS, the Board is required by Section 53312.7 of the Government Code to adopt local goals and policies which include, among other criteria, a statement concerning the desirable and maximum amounts of special tax to be levied against a parcel in a CFD; and

WHEREAS, on April 19, 1994, the Board adopted Resolution No. 94-458, which approved the "Orange County Public Finance Program Policy Statement and Applicant Information Package," which was amended, in part, by Resolution No. 00-353 of the Board adopted on September 12, 2000 (as amended, the "Policy Statement"); and

WHEREAS, to assure that the maximum effective tax rate on a parcel of property intended for residential use is not overly burdensome, the Policy Statement requires that, prior to the issuance of bonds, the Total Tax Burden (as defined in the Policy Statement) on a parcel of residential property must not exceed two percent of the estimated market value of the residential property on the first date that the residential property is to be occupied ("2% Test"); and

WHEREAS, the Board wishes to amend the language in the Policy Statement to state how the Total Tax Burden for custom lot parcels will be calculated for purposes of measuring compliance with the 2% Test;

NOW, THEREFORE, BE IT RESOLVED, THIS BOARD HEREBY AMENDS THE POLICY STATEMENT AS FOLLOWS:

SECTION 1. Each of the above recitals is true and correct.

SECTION 2. Paragraph 5 of the Policy Statement, as amended by Resolution No. 00-353, is further amended by adding the following sentence at the end of the first paragraph therein:

Resolution No. 04-126 Amend Orange County Public Finance Program Policy Statement and Applicant Information Package "In the case of the sale of a custom lot by the developer to another party, the Total Tax Burden should not exceed two percent (2%) of the estimated market value of the custom lot as improved, assuming the construction of the minimum square footage of living area that is permitted to be constructed on such custom lot."

SECTION 3. Except as expressly amended in Section 2 above, the Policy Statement remains in full force and effect.

The foregoing was passed and adopted by the following vote of the Orange County Board of Supervisors, on May 18, 2004, to wit:

AYES:

Supervisors:

THOMAS W. WILSON, JAMES W. SILVA, BILL CAMPBELL

CHRIS NORBY

NOES:

Supervisor(s):

EXCUSED:

Supervisor(s):

ABSTAINED: Supervisor(s):

CHARLES V. SMITH

CHAIRMAN

STATE OF CALIFORNIA

COUNTY OF ORANGE

I, DARLENE J. BLOOM, Clerk of the Board of Orange County, California, hereby certify that a copy of this document has been delivered to the Chairman of the Board and that the above and foregoing Resolution was duly and regularly adopted by the Orange County Board of Supervisors.

IN WITNESS WHEREOF, I have hereto set my hand and seal.

DARLENÈ J. BLOOM

Clerk of the Board

County of Orange, State of California

Resolution No:

04-126

Agenda Date:

05/18/2004

Item No:

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I certify that the foregoing is a true and correct copy of the Resolution adopted by the Board of Supervisors, Orange County, State of California

DARLENE J. BLOOM, Clerk of the Board of Supervisors

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