

**SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**



585

FROM: Executive Office

SUBMITTAL DATE:
September 30, 2003

SUBJECT: Approval in Principle for the Addition of Two Alternative Community Facilities District Financing Options to the County's Land Secured Financing Policy

RECOMMENDED MOTION: That the Board approve in principle the addition of two alternative Community Facilities District (CFD) financing options and direct the Executive Office to return in 60 days with applicable policies and procedures.

BACKGROUND: The two proposed financing options are (1) the Developer Fee Reimbursement Program (DFR) and (2) the Critical Transportation Corridor/Improvement Program (CTCIP).

Developer Fee Reimbursement Program (DFR)

Riverside County is projected to add some 300,000 housing units over the next 25 years. To address infrastructure needs, the County and participating cities adopted the Transportation Uniform Mitigation Fee (TUMF). Land owners and the Building Industry Association reaction to the new fee motivated the search for financing alternatives. The program is designed to benefit the land owner by allowing

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Bhonda King

FINANCIAL DATA

Current F.Y. Total Cost:	\$ n/a	In Current Year Budget:
Current F.Y. Net County Cost:	\$ n/a	Budget Adjustment:
Annual Net County Cost:	\$ n/a	For Fiscal Year:

SOURCE OF FUNDS:

Positions To Be Deleted Per A-30	<input type="checkbox"/>
Requires 4/5 Vote	<input type="checkbox"/>

C.E.O. RECOMMENDATION: APPROVE.

County Executive Office Signature

[Handwritten Signature]

- Dep't Recomm.: Consent Policy
- Per Exec. Ofc.: Consent Policy

Prev. Agn. Ref.:

District:

Agenda Number:

3.4

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Departmental Concurrence

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for a low-cost long-term financing for the reimbursement of TUMF and other development fees and to benefit the County by encouraging developers to pay the development fees sooner.

While this program is similar to the Statewide Community Infrastructure Program (SCIP), its major benefit is that all financed fees remain with the County and under local control.

Critical Transportation Corridor/Improvement Program (CTCIP)

TUMF, as well as other development impact fees, will provide for infrastructure funding on a pay-as-you-go basis creating a situation where housing and infrastructure occur simultaneously. In most developments, this does not create major problems. However, during the public discussion of the Riverside County Integrated Plan, Highway 79 Policy Area was identified as an area where both infrastructure and development may be stalled without upfront infrastructure financing. Other critical areas within the County could benefit from this option.

This program is designed to provide incentives for multiple land owners to participate in a low-cost long-term financing for upfront funding of critical transportation corridors and/or improvements. Construction of TUMF/DIF facilities would result in a credit for participating land owners on their future development.

This "Incentive CFD" is envisioned to have less stringent policy requirements than the current land secured financing policies (for example; a 3 to 1 value to lien, escalating debt service and modified LOC requirements). To augment the "Incentive CFD", individual land owners would be offered the opportunity for CFD financing on conditioned infrastructure with the same policy requirements and also, participation in the DFR.

Recommendations

The Executive Office, in conjunction with the Treasurer Tax Collector, has been evaluating the above financing options for some time now. It is the belief that the implementation of these options would still provide the protection for the County and the new districts while assisting with the long term infrastructure needs of the community. Staff recommends the approval in principle of these options and will return with a full report and final policy recommendations in 60 days.