

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

923



FROM: EXECUTIVE OFFICE

SUBMITTAL DATE:
August 12, 2004

SUBJECT: Initiation of Proceedings to form Community Facilities District No. 04-2 (Lake Hills Crest) of the County of Riverside.

RECOMMENDED MOTION: That the Board approve and adopt: (i) Resolution No. 2004-427 to Establish Community Facilities District No. 04-2 (Lake Hills Crest) of the County of Riverside, to Authorize the Levy of a Special Tax to Pay the Cost of Acquiring or Constructing Certain Facilities and Expenses of the District and to Pay Debt Service on Bonded Indebtedness; (ii) Resolution No. 2004-428 to Incur Bonded Indebtedness in an Amount not to Exceed \$32,500,000 within Proposed Community Facilities District No. 04-2 (Lake Hills Crest) of the County of Riverside, and (iii) a Bond Counsel Agreement with Stradling Yocca Carlson & Rauth.

BACKGROUND: The County has been in negotiations with the land owners for a number of years to create a community facilities district which would complete certain public facilities to allow the

Continued on Page 2

Debra Cournoyer
Debra Cournoyer, Senior Management Analyst

APPROVED AS TO FORM,
OFFICE OF THE COUNTY CLERK,
AUGUST 13, 2004

Shirley J. ... DEPUTY CLERK

FINANCIAL DATA	Current F.Y. Total Cost:	\$	In Current Year Budget:
	Current F.Y. Net County Cost:	\$	Budget Adjustment:
	Annual Net County Cost:	\$	For Fiscal Year:

SOURCE OF FUNDS: CFD Bond Proceeds	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 *[Signature]*

- Policy
- Consent
- Dept's Recomm.:
- Policy
- Consent
- Per Exec. Ofc.:

Prev. Agn. Ref.: | **District:** 1 | **Agenda Number:**

**ATTACHMENTS FILED
WITH THE CLERK OF THE BOARD**

3.3

improvement of territory within Community Facilities District No. 84-2 (Lake Hills Crest) (the "CFD"). These negotiations were initially formalized with the Board's adoption of an Inducement and Reimbursement Agreement that is dated July 2, 1998.

There are a number of issues with regard to the land use approvals, plan designs for the public facilities, and structuring of the financing that have postponed moving further on the project until now. Tract Map Nos. 28815 and 28816 (the "Tract Maps"), which include all territory within the proposed CFD, have been approved and are presently scheduled to record in October, 2004. A grading permit has been issued and the mass grading of the site has commenced.

The proposed improvements to be financed by the CFD include water improvements, including water reservoir and pump station that will complete a water and sewer system, that are to owned and maintained by Western Municipal Water District, certain storm drainage facilities to be owned and maintained by Riverside County Flood Control and Water Conservation District, and street and appurtenant drainage improvements to be owned and maintained by the County. The present estimated cost of the facilities is between \$25 and \$30 Million.

Approved Tract Maps provide for 512 single-family residential units. The proposed special tax rates are sufficient to support the proposed bonded indebtedness to be incurred by the CFD and are consistent with County policies regarding overlapping debt limitations for residential development.

If the CFD is established, no bonds will be authorized to be sold and issued without compliance with current County policies with regard to value to lien, etc. for a CFD.

Beginning with our negotiations in 1998, the firm of Stradling Yocca Carlson and Rauth has been advising the County in the position of Bond Counsel. The Bond Counsel Agreement reflects this firm's time incurred to date and the fee that will be earned as the formation proceedings move forward to, hopefully, the sale and issuance of bonds.