

**SUBMITTAL TO THE BOARD OF SUPERVISORS,
COMMUNITY FACILITIES DISTRICT'S LEGISLATIVE BODY
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**



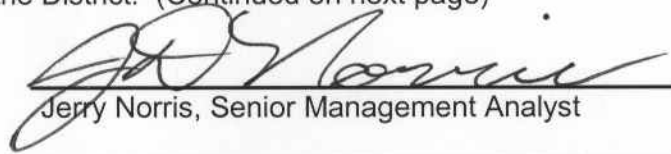
FROM: Executive Office

SUBMITTAL DATE:
November 9, 2004

SUBJECT: Community Facilities District No. 89-4 of the County of Riverside – Public Hearing

RECOMMENDED MOTION: That the Legislative Body, after conducting the public hearing, adopt and approve; (i) Resolution No. CFD 2004-25 Calling a Special Election for Submitting to the Voters of the Community Facilities District the Questions of (a) Whether the Authorized Bonded Indebtedness for the Community Facilities District should be Increased to \$12,000,000, (b) Whether the Rate and Method of Apportionment of Special Tax for the Community Facilities District should be Revised to Provide New Rates of Special Tax to be Levied on Parcels of Residential Property and for a Reduction in the Rate of Special Tax to be Levied on Parcels of Non-Residential Property and (c) Whether the Types of Public Facilities and Purposes for which Bonds of the Community Facilities District may be Issued should be Changed; and (ii) Resolution No. CFD 2004-26 Determining the Necessity for the Community Facilities District to Incur a Bonded Indebtedness in an Aggregate Principal Amount not to Exceed \$12,000,000 and Calling a Special Election for the Community Facilities District on a Proposition for Incurring such Bonded Indebtedness.

BACKGROUND: After acquiring 19.9 undeveloped acres and curing \$2,828,295 in delinquent special taxes, Pony Express Land, Property, & Investment, LLC, a California limited liability company (the "Developer") petitioned that change proceedings (the "Change Proceedings") be initiated by the Community Facilities District No. 89-4 of the County of Riverside (the "District") to amend the Rate and Method of Apportionment of Special Tax (the "RMA") of the District. (Continued on next page)


Jerry Norris, Senior Management Analyst

FINANCIAL DATA	Current F.Y. Total Cost:	\$ 0	In Current Year Budget:	Yes
	Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	No
	Annual Net County Cost:	\$ 0	For Fiscal Year:	2005

SOURCE OF FUNDS: Community Facilities District 89-4	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 

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

Prev. Agn. Ref.: | **District:** 1/3 | **Agenda Number:**

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

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**Community Facilities District No. 89-4 of the County of
Riverside – Public Hearing**

The amendment is requested to accommodate an approved residential development that will provide 144 multi-family residential units by providing new rates of special tax to be levied on such units, and to lower the special tax rate on the commercial property within the District. The approval for the residential project was granted by the City of Murrieta, which has jurisdiction over the land use of the area.

The Developer also requested that the District be restructured to allow it to redeem the outstanding bonds that were issued in 1991 and to provide additional bond proceeds that would pay, in part, for the construction of a 3,000 linear foot sewer line in Jackson Avenue and Murrieta Hot Springs Road.

In response to this request, the Legislative Body, on October 5, 2004 adopted Resolution No. CFD 2004-16 and Resolution No. CFD 2004-17 that initiated the Change Proceeding by noticing by mailed and published notice a public hearing to be held on November 9, 2004 to consider those changes requested by the Developer. The Legislative Body also approved at that time the Second Supplement Agreement to the Joint Financing and Acquisition Agreement among the District, Eastern Municipal Water District, the City of Murrieta, and the Developer.

The Developer has sold the parcels to be developed with multi-family housing to Cameo Homes and the proposed special tax rate for these parcels is \$8,162 per acre under the proposed amended RMA. The assigned special tax rate for developed commercial property will be reduced from \$1.66 per sq. ft. to \$1.36 per sq. ft. under the amended RMA. The Developer has received approval and financing to construct two 20,000 sq. ft. commercial office building and has sold two parcels for restaurant/retail development facing Murrieta Hot Springs Road.

The District has \$3,955,000 in special tax bonds presently outstanding that bear an interest rate of 8.7%. The proposed refunding bonds, which will include new money for the sewer line, are to be in a principal amount of \$4,480,000 and have an estimated interest rate of 6.5%.

The Resolutions set March 1, 2005 for the special election and the Clerk of the Board has received a certificate from the County Registrar of Voters consenting to this election date. The qualified electors for the special election will be the property owners. Each property owner will receive one vote for each acre or portion thereof that it owns. Two thirds of the votes cast at the special election must be in favor of any proposition for it to carry.

The resolutions have been reviewed and approved as to form by Special Counsel for Community Facilities District No. 89-4.