

705C-2

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



**FROM:** County Executive Office

**SUBMITTAL DATE:**  
December 21, 2004

**SUBJECT:** Resolution CFD No. 2005-01 Deeming it Necessary to Incur Bonded Indebtedness and Calling for a Special Election.

**RECOMMENDED MOTION:** That the Legislative Body of Community Facilities District No. 04-2 (Lake Hills Crest) of the County of Riverside conduct the public hearing and at its conclusion adopt Resolution No. CFD 2005-01 Deeming it Necessary to Incur Bonded Indebtedness and Calling for a Special Election.

**BACKGROUND:** On September 14, 2004, the Board of Supervisors (the "Board") of the County of Riverside, California (the "County") adopted Resolution No. 2004-428 (the "Resolution to Incur Bonded Indebtedness") pursuant to the terms of the Mello-Roos Community Facilities Act of 1982, as amended (the "Act"), calling for a public hearing to be held on October 19, 2004, to consider the proposal of Community Facilities District No. 04-2 (Lake Hills Crest) of the County of Riverside (the "CFD") incurring bonded indebtedness in an amount not to exceed \$32,500,000 to finance the construction or acquisition of certain identified public improvements. At the time of the notice for the public hearing on October 19, 2004, the public hearing was opened and continued to November 23, 1994 and again to December 14, 2004, consistent with certain provision of the Act and was subsequently further postponed to January 11, 2005.

(Continued on Page 2)

Departmental Concurrence

*Debra Cournoyer*

Debra Cournoyer, Senior Management Analyst

FORM APPROVED  
COUNTY COUNSEL

DEC 23 2004

<b>FINANCIAL DATA</b>	Current F.Y. Total Cost:	\$ 0	In Current Year Budget:	N/A
	Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	No
	Annual Net County Cost:	\$ 0	For Fiscal Year:	04/05

<b>SOURCE OF FUNDS:</b> 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

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

Prev. Agn. Ref.: 9/14/04 3.3 12/14/04 8.2 | District: 1 | Agenda Number:

8.1

The Board of Supervisors of the County of Riverside is requested to conduct the public hearing on January 11, 2005, pursuant to the Act, and after closing the public hearing adopt Resolution No. 2005-03, establishing the District and calling an election for January 11, 2005.

The adoption of Resolution No. CFD 2005-01 at the conclusion of the public hearing, in conjunction with the Board's adoption of Resolution No. 2005-03, is consistent with applicable provisions of the Act and determines the need for the CFD to incur bonded indebtedness in an aggregate principal amount not to exceed \$32,500,000 and calls a special election for January 11, 2005 to consider the proposition of whether the CFD should incur bonded indebtedness in an aggregate principal amount not to exceed \$32,500,000.

The Registrar of Voters for the County of Riverside has filed with the Clerk of the Board of Supervisors a certificate that states that there have been fewer than 12 registered voters residing on the property within the boundaries of the CFD for the 90 days preceding the date of the public hearing. By the terms of the Act, this determination means that the qualified electors at the election are the owners of property within the boundaries of the CFD with each land owner receiving one vote for each acre of land or portion thereof that it owns.

Each of the property owners have filed with the Clerk of the Board of Supervisors a "Waiver of Certain Election Procedures with Respect to the Landowner Election for Community Facilities District No. 04-2 (Lake Hills Crest) of the County of Riverside" which allows for the Board, pursuant to the Act, to set the date of the election to be January 11, 2005. Resolution No. 2005-03 designates the County Executive Officer, or his designee, to be the official that is to conduct the election.

It is also requested that the Legislative Body continue its meeting to the afternoon of January 11, 2005 to consider the results of the election it has called.

2  
3 **RESOLUTION NO. CFD 2005-01**

4 **RESOLUTION OF THE LEGISLATIVE BODY OF**  
5 **COMMUNITY FACILITIES DISTRICT NO. 04-2 (LAKE HILLS CREST)**  
6 **OF THE COUNTY OF RIVERSIDE DETERMINING THE NECESSITY**  
7 **TO INCUR BONDED INDEBTEDNESS IN AN AMOUNT NOT TO EXCEED**  
8 **\$32,500,000 WITHIN COMMUNITY FACILITIES DISTRICT NO. 04-2**  
9 **AND CALLING AN ELECTION THEREIN**

10 WHEREAS, on September 14, 2004, the Board of Supervisors of the County of Riverside (the  
11 "Board of Supervisors") adopted Resolution No. 04-427 stating its intention to form Community  
12 Facilities District No. 04-2 (Lake Hills Crest) of the County of Riverside ("Community Facilities  
13 District No. 04-2" or the "District") pursuant to the Mello-Roos Community Facilities Act of 1982, as  
14 amended (the "Act"); and

15 WHEREAS, on September 14, 2004, the Board of Supervisors also adopted Resolution No.  
16 04-428 stating its intention to incur bonded indebtedness in the amount of up to \$32,500,000 within  
17 proposed Community Facilities District No. 04-2 to finance (1) the purchase, construction, modification,  
18 expansion, improvement or rehabilitation of public facilities identified in Attachment "B" to Resolution  
19 No. 04-427 and incorporated herein by this reference (the "Facilities"), and (2) the incidental expenses  
20 to be incurred in financing the Facilities and forming and administering the District, as identified in  
21 Attachment "B" to Resolution No. 04-427 (the "Incidental Expenses"); and

22 WHEREAS, notice was published as required by law relative to the intention of the Board of  
23 Supervisors to form proposed Community Facilities District No. 04-2 and to incur bonded indebtedness  
24 in the amount of up to \$32,500,000 within the boundaries of the proposed Community Facilities District  
25 No. 04-2; and

26 WHEREAS, on January 11, 2005, this Board of Supervisors conducted noticed public hearings  
27 to determine whether it should proceed with the formation of Community Facilities District No. 04-2,  
28 issue bonds to pay for the Facilities and Incidental Expenses and authorize the rate and method of  
apportionment of a special tax to be levied within Community Facilities District No. 04-2 for the  
purposes described in Resolution No. 04-427; and

1           WHEREAS, at said hearings all persons desiring to be heard on all matters pertaining to the  
2 formation of Community Facilities District No. 04-2, the levy of a special tax and the issuance of bonds  
3 to pay for the cost of the proposed Facilities and Incidental Expenses were heard and full and fair  
4 hearings were held; and

5           WHEREAS, the Board of Supervisors subsequent to such hearings adopted Resolution No.  
6 2005-03 establishing Community Facilities District No. 04-2 (the "Resolution of Formation"); and

7           WHEREAS, the Board of Supervisors acting as the Legislative Body of Community Facilities  
8 District No. 04-2 (the "Legislative Body") desires to make the necessary findings to incur bonded  
9 indebtedness within the District, to declare the purpose for said debt, and to authorize the submittal of  
10 certain propositions to the voters of the District, being the landowners within the proposed District, all as  
11 authorized and required by law.

12           NOW, THEREFORE, THE LEGISLATIVE BODY OF COMMUNITY FACILITIES,  
13 DISTRICT NO. 04-2 (LAKE HILLS CREST) OF THE COUNTY OF RIVERSIDE HEREBY FINDS,  
14 DETERMINES, RESOLVES, AND ORDERS AS FOLLOWS:

15           SECTION 1. The above recitals are true and correct.

16           SECTION 2. It is necessary to incur bonded indebtedness in a maximum aggregate principal  
17 amount not to exceed \$32,500,000 within Community Facilities District No. 04-2.

18           SECTION 3. The indebtedness is to be incurred for the purpose of financing the costs of  
19 purchasing, constructing, modifying, expanding, improving, or rehabilitating the Facilities, as described  
20 in the Resolution of Formation, financing the Incidental Expenses, and carrying out the powers and  
21 purposes of Community Facilities District No. 04-2, including, but not limited to, financing the costs of  
22 selling the bonds, establishing and replenishing bond reserve funds and paying remarketing, credit  
23 enhancement and liquidity facility fees and other expenses of the type authorized by Section 53345.3 of  
24 the Act.

25           SECTION 4. The whole of the property within Community Facilities District No. 04-2, other  
26 than property exempted from the special tax pursuant to the provisions of the rate and method of  
27 apportionment attached to Resolution No. 04-427 as Attachment "C," shall pay for the bonded  
28 indebtedness pursuant to the levy of the special tax authorized by the Resolution of Formation.

1 SECTION 5. The maximum term of the bonds to be issued shall in no event exceed the earlier  
2 of Fiscal Year 2035-2036 or the stated maturity of the Bonds (as defined in Attachment "C" to  
3 Resolution No. 04-427).

4 SECTION 6. The bonds shall bear interest at the rate or rates not to exceed the maximum  
5 interest rate permitted by law, payable annually or semiannually, or in part annually and in part  
6 semiannually, except the first interest payment may be for a period of less than six months, with the  
7 actual rate or rates and times of payment to be determined at the time or times of sale thereof.

8 SECTION 7. The bonds may bear a variable or fixed interest rate, provided that such variable  
9 rate or fixed rate shall not exceed the maximum rate permitted by Section 53531 of the Act, or any other  
10 applicable provision of law limiting the maximum interest rate on the bonds.

11 SECTION 8. Pursuant to Section 53351 of the Act, a special election is hereby called for  
12 Community Facilities District No. 04-2 on the proposition of incurring the bonded indebtedness. The  
13 proposition relative to incurring bonded indebtedness in the maximum aggregate principal amount of  
14 \$32,500,000 shall be in the form of Proposition A set forth in Attachment "A." Additionally, a special  
15 election is called on the proposition of levying a special tax within the District as described in the  
16 Resolution of Formation, which proposition shall be in the form of Proposition B set forth in Attachment  
17 "A," and on the proposition of establishing an appropriations limit for the District, which proposition  
18 shall be in the form of Proposition C set forth in Attachment "A."

19 SECTION 9. The date of the special election for Community Facilities District No. 04-2 on the  
20 propositions of incurring the bonded indebtedness, authorizing the levy of the special tax and setting an  
21 appropriations limit shall be January 11, 2005, or such later date as is consented to by the County  
22 Executive Officer of the County of Riverside or his designee. The unanimous written consent of each  
23 qualified elector within the District to such election date has been obtained and is on file with the  
24 County Executive Officer. The polls shall be open for said election between the hours of 9:30 a.m. and  
25 5:00 p.m. The election shall be conducted by the County Executive Officer or his designee. Except as  
26 otherwise provided by the Act, the election shall be conducted in accordance with the provisions of law  
27 regulating elections of the County of Riverside insofar as such provisions are determined by the County  
28 Executive Officer or his designee to be applicable. The County Executive Officer or his designee is