

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

COUNTY OF RIVERSIDE

ORDINANCE NO. 709.1

**ORDINANCE OF THE BOARD OF SUPERVISORS OF THE
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA,
AMENDING ORDINANCE NO. 709 AND AUTHORIZING
THE LEVY OF A SPECIAL TAX WITHIN COMMUNITY
FACILITIES DISTRICT NO. 89-4 OF THE COUNTY OF
RIVERSIDE PURSUANT TO THE AMENDED AND
RESTATED RATE AND METHOD OF APPORTIONMENT
OF SPECIAL TAX**

WHEREAS, the Board of Supervisors (the "Board of Supervisors") of the County of Riverside, California (the "County") adopted Resolution No. 91-219 which established Community Facilities District No. 89-4 of the County of Riverside ("CFD No. 89-4") pursuant to the terms and provisions of the Mello-Roos Community Facilities Act of 1982, as amended (the "Act") being Chapter 2.5, Part 1, Division 2, Title 5 of the California Government Code (the "Code"); determined the validity of the proceedings establishing CFD No. 89-4 and called a special election for May 28, 1991 on the propositions of incurring bonded indebtedness, levying a special tax and establishing an appropriations limit for CFD No. 89-4; and,

WHEREAS, on June 4, 1991, the Board of Supervisors, acting *ex-officio* as the Legislative Body of CFD No. 89-4 (the "Legislative Body") adopted Resolution No. 91-307 determining the result of said special election; and,

WHEREAS, the Board of Supervisors adopted Ordinance No. 709 on June 11, 1991, authorizing the levy of a special tax within CFD No. 89-4 pursuant to a Rate and Method of Apportionment of Special Tax that is set forth in Exhibit A to said Ordinance; and,

WHEREAS, on October 5, 2004, Legislative Body adopted Resolution No. CFD 2004-16, a resolution of consideration pursuant to Section 53334 of the Code, commencing proceedings for the consideration of a proposed increase in the amount of the authorized bonded indebtedness of to be incurred by CFD No. 89-4, proposed revisions of the Rate and Method of Apportionment of Special Tax for CFD No. 89-4 to provide new rates of special tax to be levied on parcels of

1 residential property and for a reduction in the rate of special tax to be levied on parcels of
2 commercial or non-residential property, and proposed changes in the public facilities to be
3 financed and the purposes for which bonds of CFD No. 89-4 may be issued (a) to include the
4 design, construction and acquisition of an additional approximately 3,000 lineal feet of sewer
5 main of Eastern Municipal Water District in Jackson Avenue and Murrieta Hot Springs Road, and
6 (b) to authorize CFD No. 89-4 to pay in full all amounts necessary to pay, repay or defease the
7 obligation to pay the outstanding bonds of CFD No. 89-4 which are secured by special taxes that
8 are levied on parcels of taxable property in CFD No. 89-4, as authorized by subdivision (g) of
9 Section 53313.5 of the California Government Code; and,

10 **WHEREAS**, on October 5, 2004, the Legislative Body also adopted Resolution No. CFD
11 2004-17 declaring the necessity for the CFD No. 89-4 to incur a bonded indebtedness in an
12 increased aggregate principal amount of not to exceed \$12,000,000; and,

13 **WHEREAS**, on November 9, 2004, the Legislative Body conducted concurrent public
14 hearings with respect to such matters; and,

15 **WHEREAS**, on November 9, 2004, the Legislative Body adopted Resolution No. CFD
16 2004-25 calling a special election on March 1, 2005, for submitting to the qualified electors of
17 CFD No. 89-4 (i) the proposition regarding increasing the authorized bonded indebtedness of
18 CFD No. 89-4 to \$12,000,000, (ii) the proposition regarding the revisions of the Rate and Method
19 of Apportionment of Special Tax for CFD No. 89-4 to provide new rates of special tax to be
20 levied on parcels of residential property and for a reduction in the rate of special tax to be levied
21 on parcels of non-residential property to pay principal and interest on the bonds of CFD No. 89-
22 4, and (iii) the proposition regarding the proposed changes in the types of public facilities to be
23 financed and the purposes for which the bonds of CFD No. 89-4 may be issued to include
24 additional sewer facilities and to authorize CFD No. 89-4 to pay in full all amounts necessary to
25 pay, repay or defease the obligation to pay the outstanding bonds of CFD No. 89-4 which are
26 secured by special taxes that are levied on parcels of taxable property in CFD No. 89-4; and,

27 **WHEREAS**, on November 9, 2005, the Legislative Body also adopted Resolution No.
28 CFD 2004-26 determining that it was necessary for CFD No. 89-4 to incur a bonded indebtedness

1 in an increased aggregate principal amount not to exceed \$12,000,000 for the purposes of
2 providing public facilities which are necessary to the development of the property therein, and to
3 pay in full all amounts necessary to pay, repay or defease the obligation to pay the outstanding
4 bonds of CFD No. 89-4 which are secured by special taxes that are levied on parcels of taxable
5 property in CFD No. 89-4, calling a special election on March 1, 2005 for submitting to the
6 qualified electors of CFD No. 89-4 the proposition of CFD No. 89-4 incurring such bonded
7 indebtedness, and determining that such election would be consolidated with the special election
8 called by Resolution No. CFD 2004-25; and,

9 **WHEREAS**, the Legislative Body has received a certificate from the Registrar of Voters
10 of the County of Riverside, who pursuant to the Resolution No. CFD 2004-25 was authorized to
11 conduct the consolidated special elections within and for CFD No. 89-4 and act as the election
12 official for such elections, with respect to the canvass of the ballots returned and the results of the
13 consolidated special elections, certifying that more than two-thirds of the votes cast upon the
14 propositions submitted to the voters in the consolidated special elections were cast in favor of all
15 such propositions; and,

16 **WHEREAS**, on March 22, 2005, the Legislative Body adopted Resolution No. CFD
17 2005-03 declaring that more than two-thirds of the votes voted in the consolidated special
18 elections within CFD No. 89-4 on all such propositions were voted in favor thereof, and such
19 propositions carried; and,

20 **WHEREAS**, by Resolution No. CFD 2005-03, the Legislative Body also determined that
21 the effect of the results of the consolidated special elections within and for CFD No. 89-4 is that
22 the Legislative Body is authorized (i) to have the CFD No. 89-4 incur a bonded indebtedness in
23 an amount not to exceed \$12,000,000 for the purposes of (a) financing the design, construction
24 and acquisition of an additional approximately 3,000 lineal feet of sewer main of Eastern
25 Municipal Water District in Jackson Avenue and Murrieta Hot Springs Road, and (b) paying in
26 full all amounts necessary to pay, repay or defease the obligation to pay the outstanding bonds of
27 CFD No. 89-4 which are secured by special taxes that are levied on parcels of taxable property in
28 CFD No. 89-4, and (ii) after CFD No. 89-4 has incurred such a bonded indebtedness and issued

1 bonds therefore, to annually levy special taxes on taxable property within CFD No. 89-4 in an
2 amount sufficient to pay the principal of and interest on such bonds at the special tax rates and
3 pursuant to the methodology for determining and apportioning such special taxes which are set
4 forth in the Amended and Restated Rate and Method of Apportionment of Special Tax for CFD
5 No. 89-4 which is attached as Exhibit "A" to the Resolution No. CFD 2004-16 adopted by the
6 Legislative Body on October 5, 2004;

7 **NOW THEREFORE**, be it ordained by the Board of Supervisors of the County of
8 Riverside, California, as follows:

9 **Section 1.** The preceding recitals are true and correct.

10 **Section 2.** Section 2 and Exhibit A of Ordinance No. 709.1 are amended by causing
11 said Exhibit A to be deleted therefrom in its entirety and in place and stead thereof to substitute
12 the Exhibit A attached hereto, marked as Exhibit A, and entitled "Amended and Restated Rate
13 and Method of Apportionment of Special Tax for Community Facilities District No. 89-4 of the
14 County of Riverside."

15 **Section 3.** Section 5 is deleted and is amended to read as follows:

16 "All of the collections of the special tax shall be used as provided for in the Act,
17 Resolution No. 91-219 and Resolution No. CFD 2004-16. The special tax shall
18 be levied only as long as needed for its purposes as described in Resolution No.
19 CFD No. 2004-16."

20 **Section 4.** Except as specifically amended by Sections 2 and 3, above, all provisions
21 of Ordinance No. 709, adopted on June 11, 1991, shall remain in full force and effect.

22 **Section 5.** The special taxes when levied and collected shall be used only for the
23 purposes provided for in Resolution No. CFD 2004-16 and the Amended and Restated Rate and
24 Method of Apportionment and shall be levied only so long as needed for such purposes as
25 provided in such resolution and the Amended and Restated Rate and Method of Apportionment.

26 **Section 6.** The Chairman of the Board of Supervisors shall sign this Ordinance and
27 the Clerk of the Board shall attest to the Chairman's signature and then cause the same to be
28 published in the Press-Enterprise, a newspaper of general circulation published and circulated in

1 the County of Riverside.

2 **Section 7.** This Ordinance shall take effect immediately upon its final passage in
3 accordance with the provision of Section 25123(c) of the Code, and the specific authorization for
4 its adoption is Section 53340 of the Government Code.

5 **ADOPTED** this ____ day of March, 2005.

6

7

Chairman of the Board of Supervisors

8 **ATTEST:**

9

10 _____
Clerk to the Board of Supervisors

11

12

13

14

FORM APPROVED
COUNTY COUNSEL

15

MAR 15 2005

16

BY 

17

18

19

20

21

22

23

24

25

26

27

28

CERTIFICATION

I, Nancy Romero, Clerk to the Board of Supervisors of the County of Riverside, certify that the foregoing ordinance was introduced and adopted by the Board of Supervisors at a regular meeting held on the ____ day of March, 2005, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAINED:

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the County of Riverside this ____ day of _____, 2005.

Clerk to the Board of Supervisors

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

EXHIBIT "A"

AMENDED AND RESTATED RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX FOR COMMUNITY FACILITIES DISTRICT NO. 89-4 COUNTY OF RIVERSIDE

A Special Tax (all capitalized terms are defined in Section A. Definitions herein), shall be applicable to each Parcel of Taxable Property located within the boundaries of Community Facilities District No. 89-4 of the County. The amount of Special Tax to be levied each Fiscal Year, commencing in Fiscal Year 2005-2006 for a Parcel shall be determined by the Legislative Body of the County of Riverside, acting in its capacity as the legislative body of the CFD by applying the appropriate Special Tax for Developed Property, Undeveloped Property, and Public Property that is not Exempt Property, as set forth in Sections B, C, and D herein. All of the real property within the CFD, unless exempted by law or by the provisions hereof in Section E., shall be taxed for the purposes, to the extent and in the manner herein provided.

A. DEFINITIONS

The terms hereinafter set forth have the following meanings:

"Acre or Acreage" means the acreage of a Parcel as indicated on the most recent Assessor's Parcel Map, or if the land area is not shown on such Assessor's Parcel Map, the land area shown on the applicable Final Map, parcel map, condominium plan, or other similar instrument.

"Act" means the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5, of Part 1 of Division 2 of Title 5 of the California Government Code.

"Administrative Expenses" means all actual or reasonably estimated costs and expenses of the County that are chargeable or allocable to carry out its duties as the administrator of the CFD as allowed by the Act, which shall include without limitation, all costs and expenses arising out of or resulting from the annual levy and collection of the Special Tax, Special Tax appeals, foreclosure, trustee fees, rebate compliance calculation fees, any litigation involving the CFD, continuing disclosure undertakings of the County as imposed by applicable laws and regulations, communication with bondholders and normal administrative expenses.

"Administrator" means the County Executive Officer of the County, or his or her designee.

"Assessor's Parcel Map" means an official map of the Assessor of the County designating parcels by an Assessor's parcel number.

“Assigned Special Tax” means the Special Tax for each Land Use Category of Developed Property, as determined in accordance with Section C.1.a. herein.

“Backup Special Tax” means the Special Tax amount set forth in Section C.1.b. herein.

“Bonds” means any bonds or other debt (as defined in the Act) issued by the CFD and secured by the levy of Special Taxes.

“Building Square Footage” means the total building square footage of a building, measured from the outside wall to outside wall, exclusive of overhangs, porches, patios, carports, or similar spaces attached to the building but generally open on at least two sides. The determination of Building Square Footage shall be made by reference to the building permit issued by the entity having jurisdiction to issue said permit, or if such information is not available, as otherwise determined by the Administrator.

“CFD” means Community Facilities District No. 89-4 of the County established pursuant to the Act.

“County” means the County of Riverside.

“Developed Property” means all Parcels of Taxable Property: (i) that are included in a Final Map that was recorded prior to the January 1st preceding the Fiscal Year in which the Special Tax is being levied, and (ii) that have been issued a building permit prior to the April 1st preceding the Fiscal Year in which the Special Tax is being levied.

“Exempt Property” means any Parcel which is exempt from Special Taxes pursuant to Section E., herein.

“Final Map” means a subdivision of property by recordation of a final map, parcel map, or lot line adjustment, pursuant to the Subdivision Map Act (California Government Code Section 66410 *et seq.*) or recordation of a condominium plan pursuant to California Civil Code 1352 that creates individual Parcels for which building permits may be issued without further subdivision.

“Fiscal Year” means the period starting on July 1 of any calendar year and ending on June 30 of the following calendar year, commencing July 1, 2005.

“Indenture” means the bond indenture, fiscal agent agreement, trust agreement, resolution or other instrument pursuant to which Bonds are issued, as modified, amended and/or supplemented from time to time.

“Land Use Category” means any of the categories listed in Table 1, herein.

“Legislative Body” means the Board of Supervisors of the County acting *ex officio* as the Legislative Body of the CFD.

“Maximum Special Tax” means the maximum Special Tax, determined in accordance with Section C, which can be levied in any Fiscal Year on any Parcel.

“Multifamily Property” means any Parcel of Residential Property that consists of a building or buildings comprised of attached residential units that are under common management and are available for rental, but not purchase, by the general public.

“Non-Residential Property” means all Parcels of Developed Property designated on Exhibit ‘A’ as non-residential property.

“Outstanding Bonds” means all issued Bonds, which will remain outstanding after the first interest and/or principal payment date following the current Fiscal Year, excluding Bonds to be redeemed at a later date with the proceeds of prior prepayment of a Parcel(s) obligations.

“Parcel(s)” means a lot or parcel shown on an Assessor’s Parcel Map within the boundary of the CFD with an assigned parcel number valid at the time the Special Tax is enrolled for the Fiscal Year for which the Special Tax is being levied.

“Public Property” means, for any Fiscal Year, any Parcel within the boundary of the CFD which, as of the January 1 preceding the Fiscal Year for which the Special Tax is being levied, is owned by, dedicated to, or irrevocably offered for dedication to the federal government, the State of California, the County, or any other public agency, provided, however, that any Parcel leased by a public agency to a private entity and subject to taxation under Section 53340.1 of the Act shall be taxed and classified according to its use.

“Proportionately” means for (i) Developed Property that is Residential Property, that the ratio of the actual Special Tax levy to the Assigned Special Tax is the same for all Parcels of Developed Property that is Residential Property, (ii) Developed Property that is Non-Residential Property, that the ratio of the actual Special Tax levy to the Assigned Special Tax is the same for all Parcels of Developed Property that is Non-Residential Property, (iii) Undeveloped Property, that the ratio of the actual Special Tax levy per Acre to the Maximum Special Tax per Acre is the same for all such Parcels, and (iv) Public Property that is not Exempt pursuant to Section E., the ratio of the actual Special Tax levy per Acre to the maximum Special Tax per Acre is the same for all such Parcels.

“Residential Property” means all Parcels of Developed Property designated on Exhibit ‘A’ as residential property.

“Single Family Property” means any Parcel of Residential Property, other than Multifamily Property, for which a building permit may be issued for attached or detached residential units.

“Special Tax(es)” means the special tax to be levied in any Fiscal Year on each Parcel of Taxable Property.

“Special Tax Requirement” means that amount required in any Fiscal Year to pay: (i) annual debt service on all outstanding Bonds due in the calendar year which commences in such Fiscal Year; (ii) periodic costs on the Bonds, including but not limited to, credit enhancement and rebate payments on the Bonds; (iii) Administrative Expenses; and (iv) an amount equal to any anticipated shortfall due to Special Tax delinquencies in the prior Fiscal Year; and (v) any amount required to establish or replenish any reserve funds for the Bonds, less (vi) a credit for funds available to reduce the annual Special Tax levy as determined pursuant to the Indenture.

“Taxable Property” means all Parcels in the CFD which are not exempt from the Special Tax pursuant to law or Section E., herein.

“Undeveloped Property” means all Taxable Property not classified as Developed Property.

B. ASSIGNMENT TO LAND USE CATEGORY

Each Fiscal Year, commencing with the 2005-2006 Fiscal Year, all Parcels of Taxable Property within the CFD shall be classified as Developed Property, Undeveloped Property or Public Property, and shall be subject to the levy of Special Taxes in accordance with this Rate and Method of Apportionment as determined pursuant to Sections C., D., and E. herein.

Parcels of Developed Property shall further be classified as Residential Property or Non-Residential Property per Exhibit “A”. A Parcel of Residential Property shall further be classified as Single Family Property or Multifamily Property.

C. MAXIMUM SPECIAL TAX RATE

1. Developed Property

Commencing Fiscal Year 2005-2006, and each Fiscal Year thereafter, the Maximum Special Tax for each Parcel of Developed Property shall be the greater of (i) an amount derived by application of the applicable Assigned Special Tax set forth in Table 1 or (ii) the amount derived by application of the Backup Special Tax as provided for in Section C.1.b. herein.

a. Assigned Special Tax

The Assigned Special Tax for each Land Use Category within the CFD is shown in Table 1 below.

TABLE 1

Initial Assigned Special Taxes for Developed Property
Community Facilities District No. 89-4

Land Use Category	Taxable Unit	Assigned Special Tax Per Taxable Unit
1-Residential Property – Single Family Property	Parcel	\$598.00
2-Residential Property – Multifamily Property	Acre	\$8,162.00
3-Non-Residential Property	Building Square Foot	\$1.36

For each Fiscal Year following Fiscal Year 2005-2006, the tax rates stated above for Non-Residential Property shall increase through Fiscal Year 2015-2016 by an amount equal to 2.00% of the tax rates in effect for the prior Fiscal Year.

b. Backup Special Tax

The Backup Special Tax for each Parcel of Residential Property shall be \$8,162 per Acre.

The Backup Special Tax for each Parcel of Non-Residential Property shall be \$22,200 per Acre. For each Fiscal Year following Fiscal Year 2005-2006, the Backup Special Tax rate for Non-Residential Property shall increase through Fiscal Year 2015-2016 by an amount equal to 2.00% of the tax rate in effect for the prior Fiscal Year.

The Backup Special Tax shall be applied to each Parcel of Residential Property or Non-Residential Property based on Acreage.

If Parcels of Taxable Property are created from a condominium plan, the Acreage of those Parcels shall be computed from the Acreage of the Parcel on which the condominium is located, on a pro-rata basis, for purposes of calculating the Backup Special Tax.

2. Undeveloped Property

The Maximum Special Tax for each Parcel of Undeveloped Property shall be the amount determine by multiplying the Acreage of the Parcel by \$27,062 per Acre.

3. Public Property that is not Exempt Property pursuant to the provisions Section E.

The Maximum Special Tax for each Parcel of Public Property that is not Exempt Property pursuant to the provisions of Section E., shall be the amount determined by multiplying the Acreage of the Parcel by \$27,062 per Acre.

D. METHOD OF APPORTIONMENT OF THE SPECIAL TAX

Commencing with Fiscal Year 2005-2006, and for each following Fiscal Year, the Legislative Body shall determine the Special Tax Requirement and shall levy the Special Tax until the amount of Special Taxes equals the Special Tax Requirement. The Special Tax shall be levied each Fiscal Year as follows:

First: The Special Tax shall be levied Proportionately on each Parcel of Developed Property classified as Residential Property at up to 100% of the applicable Assigned Special Tax to satisfy the Special Tax Requirement;

Second: If additional monies are needed to satisfy the Special Tax Requirement after the first step has been completed, the Special Tax shall be levied Proportionately on each Parcel of Developed Property classified as Non-Residential Property at up to 100% of the Assigned Special Tax for Developed Property classified as Non-Residential Property;

Third: If additional monies are needed to satisfy the Special Tax Requirement after the first two steps have been completed, the Special Tax shall be levied Proportionately on each Parcel of Undeveloped Property at up to 100% of the Maximum Special Tax for Undeveloped Property;

Fourth: If additional monies are needed to satisfy the Special Tax Requirement after the first three steps have been completed, the Special Tax to be levied on all Parcels of Developed Property classified as Non-Residential Property whose Maximum Special Tax is derived by the application of the Backup Special Tax shall be increased in equal percentages from the Assigned Special Tax up to the Maximum Special Tax for all such Parcels, as needed;

Fifth: If additional monies are needed to satisfy the Special Tax Requirement after the first four steps have been completed, the Special Tax to be levied on all Parcels of Developed Property classified as Residential Property whose Maximum Special Tax is derived by the application of the Backup Special Tax shall be increased in equal percentages from the Assigned Special Tax up to the Maximum Special Tax for all such Parcels, as needed;

Sixth: If additional monies are needed to satisfy the Special Tax Requirement after the first five steps have been completed, the Special Tax shall be levied Proportionately on each Parcel of Public Property that is not Exempt Property

pursuant to the provisions of Section E. at up to 100% of the Maximum Special Tax.

Notwithstanding the above, under no circumstances will the Special Taxes levied against any Parcel of Single Family Property be increased by more than ten percent (10%) per Fiscal year as a consequence of delinquency or default by the owner of any other Parcel within the CFD.

E. EXEMPTIONS

The Legislative Body shall not levy Special Taxes on up to 2.67 Acres of Public Property. Exempt Property status will be assigned by the Administrator in the chronological order in which property becomes Public Property.

After the limit of 2.67 Acres has been reached, any additional Public Property shall be subject to the levy of the Special Tax as provided for in the sixth step in Section D., to the extent permitted under the Act and applicable law.

F. MANNER OF COLLECTION

The Special Tax shall be collected in the same manner and at the same time as ordinary *Ad valorem* property taxes and shall be subject to the same penalties, the same procedure, sale and lien priority in the case of delinquency; provided, however, that the County may directly bill the Special Tax, may collect Special Taxes at a different time or in a different manner if necessary to meet its financial obligations, and may covenant to foreclose and may actually foreclose on Parcels having delinquent Special Taxes as permitted by the Act.

G. APPEALS

Any owner of a Parcel claiming that the amount or application of the Special Tax levied on the Parcel is not correct and requesting a refund may file a written notice of appeal with the Administrator after the Special Tax in dispute has been paid but, not later than 12 months after the mailing of the property tax bill on which the Special Tax appears. The Administrator shall promptly review the appeal, and if necessary, meet with the property owner, consider written and oral evidence regarding the amount of the Special Tax, convene the CFD special tax review board and decide the appeal. This procedure shall be exclusive and its exhaustion by any property owner shall be a condition precedent to any legal action by such owner.

H. PREPAYMENT OF SPECIAL TAX

1. Prepayment in Full:

The Maximum Special Tax obligation may only be prepaid and permanently satisfied for a Parcel of Public Property, Developed Property, or Undeveloped Property for which a building permit has been issued. The Maximum Special Tax obligation

applicable to a Parcel may be fully prepaid and the obligation of the Parcel to pay the Special Tax permanently satisfied as described herein; provided that a prepayment may be made only if there are no delinquent Special Taxes with respect to such Parcel at the time of prepayment. An owner of a Parcel intending to prepay the Maximum Special Tax obligation for the Parcel shall provide the Administrator with written notice of intent to prepay and within 10 business days of receipt of such notice, the Administrator shall notify such owner of the amount of the non-refundable deposit determined to cover the costs to be incurred by the CFD in calculating the Prepayment Amount (as defined below) for the Parcel. Within 15 business days of receipt of such nonrefundable deposit, the Administrator shall notify such owner of the Prepayment Amount for the Parcel.

The Prepayment Amount shall equal the sum of the amounts as identified below (capitalized terms are defined below):

	Bond Redemption Amount
plus	Redemption Premium
plus	Defeasance Amount
plus	Administrative Fees and Expenses
less	Reserve Fund Credit
Total: equals	Prepayment Amount

The Prepayment Amount shall be determined as of the proposed prepayment date, as follows:

1. Confirm that no Special Tax delinquencies apply to such Parcel.
2. For a Parcel of Developed Property or Public Property, compute the Maximum Special Tax obligation and the Assigned Special Tax obligation for the Parcel. For Parcels of Undeveloped Property, compute the Maximum Special Tax obligation and the Assigned Special Tax obligation for the Parcel as though it was already designated as Developed Property, based upon the building permit, which has been issued for the Parcel.
3. (a) Divide the Maximum Special Tax obligation derived pursuant to paragraph 2 by the total projected Maximum Special Tax at buildout of \$414,844.56 less the Maximum Special Tax obligation for any Parcels which have prepaid;

 (b) Divide the Assigned Special Tax obligation derived pursuant to paragraph 2 by the total projected Assigned Special Tax at buildout of \$381,110.96 less the Maximum Special Tax obligation for any Parcels which have prepaid.
4. Multiply the larger quotient derived pursuant to paragraph 3(a) or 3(b) by the principal amount of the Outstanding Bonds to determine the amount of

Outstanding Bonds to be redeemed with the Prepayment Amount (the "*Bond Redemption Amount*").

5. Multiply the Bond Redemption Amount by the applicable redemption premium, if any, on the Outstanding Bonds to be redeemed (the "*Redemption Premium*").
6. Determine the amount needed to pay interest on the Bond Redemption Amount from the first bond interest and/or principal payment date following the current Fiscal Year until the earliest redemption date for the Outstanding Bonds on which Bonds can be redeemed from Special Tax prepayments.
7. Determine the Special Taxes levied on the Parcel in the current Fiscal Year which have not yet been paid.
8. Determine the amount the Administrator reasonably expects to derive from the investment of the Bond Redemption Amount from the date of prepayment until the redemption date for the Outstanding Bonds to be redeemed with the Prepayment Amount.
9. Add the amounts derived pursuant to paragraphs 6 and 7 and subtract the amount derived pursuant to paragraph 8 (the "*Defeasance Amount*").
10. Verify the administrative fees and expenses, including the cost of computing the Prepayment Amount, the cost to invest the Prepayment Amount, the cost of redeeming the Outstanding Bonds, and the cost of recording notices to evidence the prepayment of the Maximum Special Tax obligation for the Parcel and the redemption of Outstanding Bonds (the "*Administrative Fees and Expenses*").
11. The reserve fund credit (the "*Reserve Fund Credit*") shall equal the lesser of:
(a) the expected reduction in the reserve requirement (as defined in the Indenture), if any, associated with the redemption of Outstanding Bonds as a result of the prepayment, or (b) the amount derived by subtracting the new reserve requirement (as defined in the Indenture) in effect after the redemption of Outstanding Bonds as a result of the prepayment from the balance in the reserve fund on the prepayment date, but in no event shall such amount be less than zero.
12. The Prepayment Amount is equal to the sum of the Bond Redemption Amount, the Redemption Premium, the Defeasance Amount and the Administrative Fees and Expenses, less the Reserve Fund Credit.
13. From the Prepayment Amount, the Bond Redemption Amount, the Redemption Premium, and the Defeasance Amount shall be deposited into the appropriate fund as established under the Indenture and be used to redeem

Outstanding Bonds or make debt service payments. The Administrative Fees and Expenses shall be retained by the CFD.

The Prepayment Amount may be sufficient to redeem other than a \$5,000 increment of Bonds. In such event, the increment above \$5,000 or an integral multiple thereof will be retained in the appropriate fund established under the Indenture to be used with the next redemption from other Maximum Special Tax obligation prepayments of Outstanding Bonds or to make debt service payments.

As a result of the payment of the current Fiscal Year's Special Tax levy as determined pursuant to paragraph 7 above, the Administrator shall remove the current Fiscal Year's Special Tax levy for the prepaying Parcel from the County tax roll. With respect to any Parcel for which the Maximum Special Tax obligation is prepaid, the Legislative Body shall cause a suitable notice to be recorded in compliance with the Act, to indicate the prepayment of the Maximum Special Tax obligation and the release of the Special Tax lien for the Parcel, and the obligation of the Parcel to pay the Special Tax shall cease.

Notwithstanding the foregoing, no Special Tax prepayment shall be allowed unless the amount of Maximum Special Taxes that may be levied on all Parcels of Taxable Property after the proposed prepayment will be at least 1.1 times maximum annual debt service on the Bonds that will remain outstanding after the prepayment plus estimated annual Administrative Expenses.

2. Prepayment in Part

The Maximum Special Tax obligation on a Parcel of Developed Property may be partially prepaid in increments of \$5,000. For purposes of calculating the partial prepayment amount, the provisions of Section H.1 shall be modified as provided by the following formula:

$$PP = ((P_E - A) \times F) + A$$

These terms have the following meaning:

PP = Partial Prepayment

P_E = the Prepayment Amount calculated according to Section H.1

F = the percent by which the owner of the Parcel(s) is partially prepaying the Maximum Special Tax obligation.

A = the Administrative Fees and Expenses determined pursuant to Section H.1

The owner of a Parcel who desires to partially prepay the Maximum Special Tax obligation for the Parcel shall notify the Administrator of (i) such owner's intent to partially prepay the Maximum Special Tax obligation, (ii) the percentage by which the Maximum Special Tax obligation shall be prepaid, and (iii) the company or agency that will be acting as the escrow agent, if any. Within 10

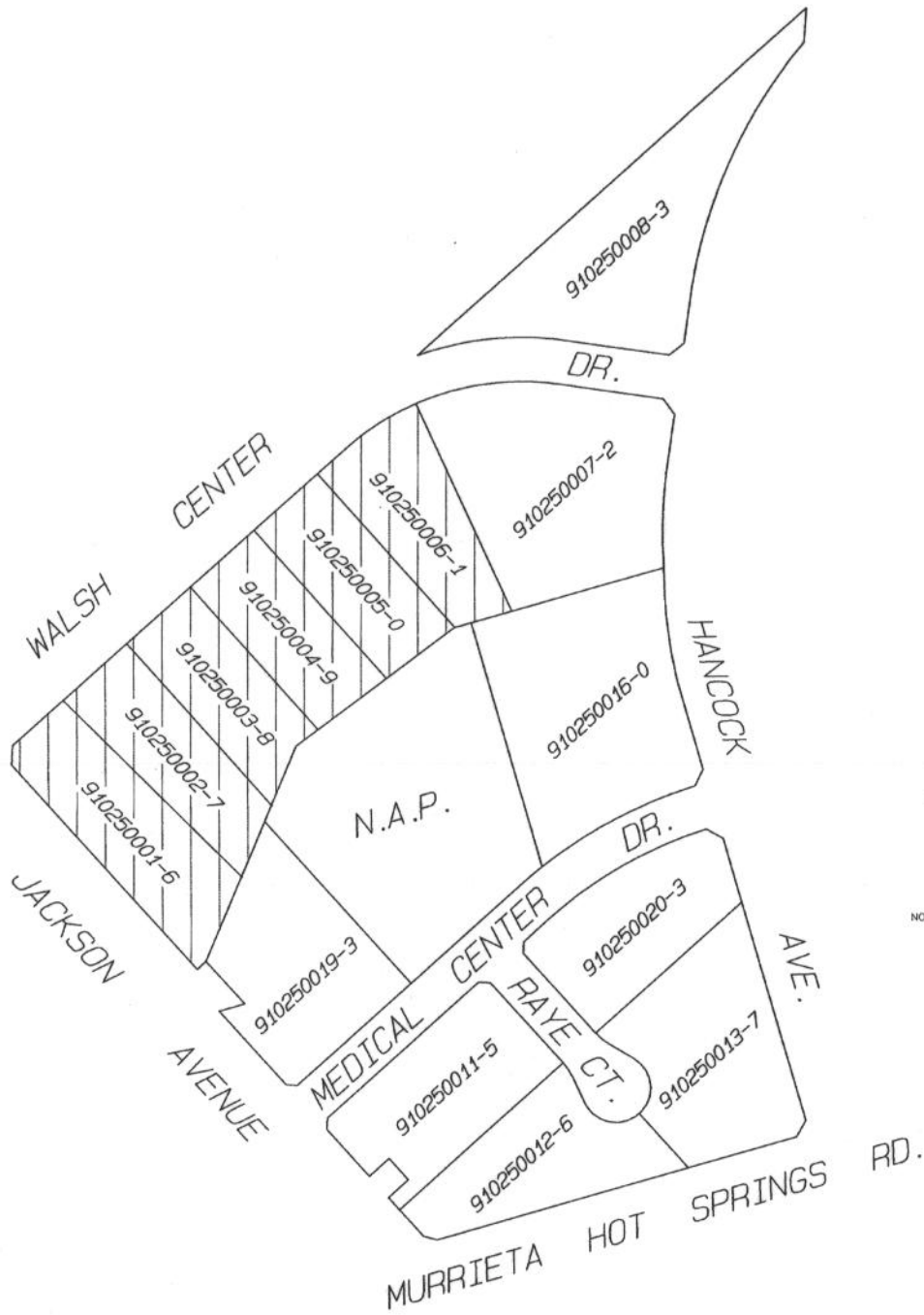
business days of receipt of such notice, the Administrator shall notify such owner of the amount of the non-refundable deposit determined to cover the cost to be incurred by the CFD in calculating the proper amount of a Partial Prepayment. Within 15 business days of receipt of such non-refundable deposit, the Administrator shall notify such owner of the amount of the Partial Prepayment for the Parcel. A Partial Prepayment must be made not less than 60 business days prior to any redemption date for the Outstanding Bonds to be redeemed with the proceeds of the Partial Prepayment.

With respect to any Parcel for which the Maximum Special Tax obligation is partially prepaid, the Administrator shall (i) distribute the Partial Prepayment as provided in Paragraph 13 of Section H.1, and (ii) indicate in the records of the CFD that there has been a Partial Prepayment for the Parcel and that a portion of the Maximum Special Tax obligation equal to the remaining percentage (1.00 - F) of the Maximum Special Tax obligation will continue, and that the Special Tax shall continue to be levied on the Parcel pursuant to Section D.

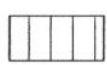
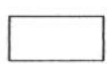
I. TERM OF THE SPECIAL TAX

Special Taxes shall be levied for the period necessary to satisfy the Special Tax Requirement, but in no event shall it be levied after Fiscal Year 2043-2044 or the stated maturity of the Bonds, whichever is sooner.

EXHIBIT 'A'



NOT TO SCALE

-  RESIDENTIAL
-  NON-RESIDENTIAL

532



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

FROM: Executive Office

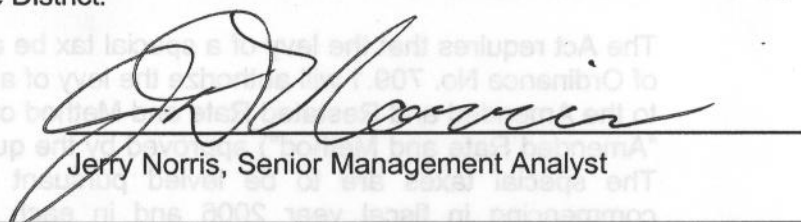
SUBMITTAL DATE:
March 22, 2005

SUBJECT: Ordinance No. 709.1 Amending Ordinance No. 709 of the County Of Riverside Authorizing the Levy of a Special Tax within Community Facilities District No. 89-4 of the County Of Riverside Pursuant to the Amended and Restated Rate and Method of Apportionment of Special Tax.

RECOMMENDED MOTION: That the Board of Supervisors of the County of Riverside, introduce Ordinance No. 709.1 amending Ordinance No. 709 and Authorizing the Levy of a Special Tax within Community Facilities District No. 89-4 of the County Of Riverside pursuant to the Amended and Restated Rate and Method of Apportionment of Special Tax, and then adopt Ordinance No. 709.1 at the next succeeding Board meeting, which in this case will be March 29, 2005.

BACKGROUND: On October 5, 2004, the Legislative Body (the "Legislative Body") of Community Facilities District No. 89-4 of the County of Riverside (the "District") pursuant to the provision of the Mello-Roos Community Facilities Act of 1982, as amended (the "Act") adopted Resolution No. CFD 2004-16 (the "Resolution of Consideration") calling for a public hearing to be held on November 9, 2004, to consider among other issues amending the rate and method of apportionment of special tax for the District, to provide a tax rate for residential uses and to lower the rate for commercial and non-residential uses and to allow the District and to change the types of public facilities to be financed and the purposes for which the bonds of the District may be issued, including the authorization to pay in full all amounts necessary to pay, repay or defease the obligation to pay the bonds outstanding of the District.

(Continued on Page 2)


Jerry Norris, Senior Management Analyst

FORM APPROVED
COUNTY COUNSEL


MAR 15 2005

Departmental Concurrence

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"/>

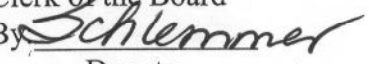
C.E.O. RECOMMENDATION: **APPROVE**

County Executive Office Signature 

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Stone, seconded by Supervisor Wilson and duly carried by unanimous vote, IT WAS ORDERED that the above ordinance is approved as introduced with waiver of the reading.

Ayes: Buster, Tavaglione, Stone, Wilson and Ashley
Nays: None
Absent: None
Date: March 22, 2005
xc: E.O., LOB(1)

Nancy Romero
Clerk of the Board
By 
Deputy

Prev. Agn. Ref.: 012 | **District:** 3 | **Agenda Number:**

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

3.2

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

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

The Legislative Body also adopted Resolution No. CFD 2004-17 (the "Resolution to Incur Bonded Indebtedness"), calling for a public hearing to be held on November 9, 2004, to consider an increase the authorization to issue debt in an amount not to exceed \$12,000,000.

The Legislative Body held the noticed public hearing on November 9, 2004, and subsequent to the hearing Resolution Nos. CFD 2004-25 and CFD 2004-26 calling a consolidated special election submitting to the qualified electors of the District the following propositions (i) whether the authorized bonded indebtedness for the District should be increased to \$12,000,000, (ii) whether the rate and method of apportionment of special tax for the District should be revised to provide rates to be levied on parcels developed for residential purposes and for a reduction in the rates to be levied on parcels of developed for commercial or non-residential purposes, and (iii) whether the types of public facilities and purposes for which bonds of the District may be issued should be changed (collectively, the "Propositions").

Pursuant to the terms of the Resolutions Calling Election and the provisions of the Act, the special election was held on March 1, 2005, and the Propositions were approved by more than two-thirds (2/3) of the votes cast at the election.

The Act requires that the levy of a special tax be adopted by an ordinance, the adoption of Ordinance No. 709.1 will authorize the levy of a special tax within the District pursuant to the Amended and Restated Rate and Method of Apportionment of Special Taxes (the "Amended Rate and Method") approved by the qualified electors at the special election. The special taxes are to be levied pursuant to the Amended Rate and Method commencing in fiscal year 2006 and in each fiscal year thereafter for the period necessary to satisfy the special tax requirement as defined in the amended Rate and Method.

Therefore we ask that Ordinance be introduced and at the Board's next meeting the Chairman of the Board of Supervisors be authorized to sign this Ordinance and that the Clerk of the Board of Supervisors attest to the Chairman's signature and then cause the same to be published within fifteen (15) days after its passage at least once in The Press-Enterprise, a newspaper of general circulation published and circulated in the area of the District.

County Executive Office Signature

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Stone, seconded by Supervisor Wilson and duly carried by unanimous vote, IT WAS ORDERED that the above ordinance is approved as introduced with

wavert of the reading

Ayer: Buster Javayans, Stone, Wilson and Ashley

Ayer: None

Absent: None

Date: March 22 2005

By: E.O. Voght

Next Business
Clerk of the Board
B. Williams
Deputy

Prev. Agn. Ref.: [] | District: 3 | Agenda Number: []

ATTACHMENTS FILED
WITH THE CLERK OF THE BOARD

Life Exec. Dir. []
Dist. Services []
County []
City []

MAY 12 2005
COUNTY CLERK'S OFFICE