

656

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



FROM: County Executive Office

SUBMITTAL DATE:
August 16, 2005

SUBJECT: Infrastructure Funding and Acquisition Agreement for Community Facilities District No. 04-2 (Lake Hills Crest) of the County of Riverside

RECOMMENDED MOTION: That the Board of Supervisors ratify the execution and delivery of the Infrastructure Funding and Acquisition Agreement by and among Community Facilities District No. 04-2 (Lake Hills Crest) of the County of Riverside, County of Riverside, Riverside LHC, LTD., a Florida limited partnership, LHC Riverside Associates LLC, a California limited liability company, Lake Hills- Riverside, L.P., a California limited partnership, Lake Hills LLC, a Delaware limited liability company, and Brehm Communities, a California corporation.

BACKGROUND: On September 14, 2004, the Board of Supervisors approved Resolution No. 04-427 stating its intent to establish Community Facilities District No. 04-2 (Lake Hills Crest) ("CFD No. 04-2"). Section 4 of this Resolution states in pertinent part that the "Facilities," which include roads and related drainage systems to be owned, operated and maintained by the County, may be acquired from one or more of the property owners within CFD No. 04-2 as completed public improvements. Section 4 also provides that all or a portion of the Facilities may be purchased with

(Continued on Page 2)

Debra Cournoyer, Senior Management Analyst

FINANCIAL DATA	Current F.Y. Total Cost:	\$ N/A	In Current Year Budget:	No
	Current F.Y. Net County Cost:	\$ N/A	Budget Adjustment:	No
	Annual Net County Cost:	\$ N/A	For Fiscal Year:	05/06

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

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

Prev. Agn. Ref.: 6/28/05 8.1

District: 1

Agenda Number:

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

3.8

CFD No. 04-2 funds as completed public facilities pursuant to Sections 53324.9 and 53323.5 of the Mello-Roos Community Facilities Act of 1982 (the "Act") and/or constructed with funds of CFD 04-2 pursuant to Section 53316.2 of the Act.

By Resolution No. 2005-03, adopted on January 11, 2005, by the Board of Supervisors Community Facilities District No. 04-2 (Lake Hills Crest) ("CFD No. 04-2") was established. Section 10 of said Resolution authorizes CFD No. 04-2 to enter into "...an acquisition agreement...for the Acquisition of the Facilities.." The term "Facilities" includes street and related drainage improvements to be owned, maintained and operated by the County

The Board of Supervisors, acting as the Legislative Body of CFD No. 04-2, approved and adopted Resolution No. CFD 2005-06 on June 28, 2005 which among other things authorized the sale and issuance of special tax bonds (the "Bonds") by CFD No. 04-2 and approved the Infrastructure Funding and Acquisition Agreement (the "Agreement") and authorized the Chairman to execute said Agreement. Section 12 of this Resolution also authorizes the Chairman and the officers and staff of the County and the District responsible for the fiscal affairs of CFD No. 04-2 to execute all documents needed to complete the sale and issuance of the Bonds.

The Agreement should also have been presented to the County for approval on the same date, but was inadvertently overlooked. The wording of Section 4 of Resolution 04-427 and the wording of the directives contained in Section 10 of Resolution No. 2005-03 and Section 12 of Resolution No. CFD 2005-06 provide implicit authority for the execution and delivery of the Agreement. By this action the Board will expressly ratify the Chairman's execution of the Agreement.

The Bond Purchase Agreement has been signed and \$25,820,000 of special tax bonds have been sold and are to be delivered on Thursday, August 18, 2005. As a condition of closing, the Bond Purchase Agreement requires that a fully executed copy of the Agreement be delivered. The Clerk of the Board of Supervisors, at the request of the Executive Office, as the Administrator for CFD No. 04-2, has caused the Agreement to be executed on the part of the County. This Form 11 is requesting that you ratify the actions taken by staff in causing the Agreement to be executed thereby allowing for the Bonds to be delivered on August 18th.

No expenditure of bond proceeds to pay for the construction and acquisition of the County facilities are scheduled to occur until after the Board's ratification of the Agreement.

All representations, warranties and opinions that were delivered by the County, CFD No. 04-2, and staff have been modified to reflect the need for this action by the Board of Supervisors regarding the Agreement.

This agreement has been approved as to form by County Counsel.