

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

262



FROM: EXECUTIVE OFFICE

SUBMITTAL DATE:
July 14, 2006

SUBJECT: Initiation of Proceedings to form Community Facilities District No. 05-1 (Salt Creek Bridges) of the County of Riverside.

RECOMMENDED MOTION: That the Board: (1) adopt Resolution No. 2006-298 of its Intention to Establish Community Facilities District No. 05-1 (Salt Creek Bridges) of the County of Riverside and to Authorize the Levy of a Special Tax; (3) adopt Resolution No. 2006-299 to Incur Bonded Indebtedness; and, (4) set the Public Hearing consistent with the resolutions, for October 3, 2006 at 9:30 or as soon thereafter as the Board may reach the matter.

Continued on Page 2

Debra Cournoyer
Debra Cournoyer, Principal Management Analyst

FORM APPROVED COUNTY COUNSEL
AUG 4 1 2006
Departmental Concurrence
BY _____

AUG 14 2006
BY _____

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

SOURCE OF FUNDS: CFD bond 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

[Handwritten Signature]

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

Prev. Agn. Ref.: _____ **District:** 3 **Agenda Number:** _____

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

3 . 13

BACKGROUND: Salt Creek Bridges is a County initiated request to form a community facilities district to fund a portion of the improvements for Newport Road. The improvements include the bridges, approach roads, flood control facilities at the Leon and Rice crossing of Salt Creek at Newport Road. These are in addition to those funded by CFD No. 03-1(Newport Road). CFD No. 05-1 is funding major transportation, flood control and water and waste water facilities to be owned and operated by the County, Flood Control District and EMWD.

It is the intent of the County that the proposed district will issue bonds to fund the facilities. The proposed CFD No. 05-1 is classified as a Critical Transportation Corridor CFD with at least six other proposed CFDs participating. The underlying CFDs are classified as Participant CFDs and propose financing items consistent with Board Policy B-12 for Participant CFDs.

Salt Creek runs east/west and is generally located in the Menifee / Winchester Valley area, in an unincorporated area of southern Riverside County. The proposed district is irregular in shape and consists of low mountains to rolling hills and level farm land.

It is estimated that \$45 million in Special Tax Bonds will be issued to finance the improvements. Principal and interest payments on the bonds will be made to the bondholders until 2036. The special tax rates are sufficient to support the bonded indebtedness to be incurred by the proposed district and are consistent with Board Policy B-12 regarding overlapping debt limitations for residential development.

There are approximately 3,407 acres within the boundaries of the proposed CFD which have been approved for approximately 8,129 dwelling units. Sufficient funds will be generated by the developed property to pay the annual debt service. The assigned annual special tax for developed property will escalate annually. The initial assigned annual special tax for a single family unit will be approximately \$329. The maximum annual special tax is approximately \$1,595 per acre for undeveloped property.

The value to lien ratio is anticipated to be sufficient to meet the County's 3 to 1 requirement. The proposed project is not requesting any waivers of County policy.

2 **RESOLUTION NO. 2006-298**

3 **RESOLUTION OF THE BOARD OF SUPERVISORS OF**
4 **THE COUNTY OF RIVERSIDE OF INTENTION TO**
5 **ESTABLISH A COMMUNITY FACILITIES DISTRICT AND**
6 **TO AUTHORIZE THE LEVY OF SPECIAL TAXES AND**
7 **SETTING A DATE AND TIME FOR A PUBLIC HEARING**
8 **THEREON**

9 **Community Facilities District No. 05-1 (Salt Creek Bridges)**

10 **WHEREAS**, a community facilities district may be established under the Mello-Roos
11 Community Facilities Act of 1982 (the "Act") in order to finance certain public capital facilities;

12 **WHEREAS**, proceedings for the establishment of a community facilities district under
13 the Act may be instituted by the legislative body of a local agency on its own initiative;

14 **WHEREAS**, the Board of Supervisors (the "Board of Supervisors") of the County of
15 Riverside (the "County") constitutes the legislative body of a local agency for purposes of the
16 Act;

17 **WHEREAS**, the Board of Supervisors desires to institute proceedings to establish a
18 community facilities district (the "Community Facilities District") and to authorize the levy of
19 special taxes therein in order to finance certain public capital facilities;

20 **WHEREAS**, Section 53314.9 of the California Government Code (the "Government
21 Code") provides that, at any time either before or after the formation of a community facilities
22 district, the legislative body may accept advances of funds or work in-kind from any source,
23 including, but not limited to, private persons or private entities and may provide, by resolution,
24 for the use of those funds or that work in-kind for any authorized purpose;

25 **WHEREAS**, Section 53314.9 of the Government Code further provides that the
26 legislative body may enter into an agreement, by resolution, with the person or entity advancing
27 the funds or work in-kind, to repay all or a portion of the funds advanced, or to reimburse the
28 person or entity for the value, or cost, whichever is less, of the work in-kind, as determined by the
legislative body, with or without interest, under all the following conditions: (a) the proposal to
repay the funds or the value or cost of the work in-kind, whichever is less, is included in both the

1 resolution of intention to establish a community facilities district adopted pursuant to Section
2 53321 of the Government Code and in the resolution of formation to establish a community
3 facilities district pursuant to Section 53325.1 of the Government Code, (b) any proposed special
4 tax is approved by the qualified electors of the community facilities district pursuant to the Act,
5 and (c) any agreement shall specify that if the qualified electors of the community facilities
6 district do not approve the proposed special tax, the local agency shall return any funds which
7 have not been committed for any authorized purpose by the time of the election to the person or
8 entity advancing the funds, and (d) any work in-kind accepted pursuant to Section 53314.9 of the
9 Government Code shall have been performed or constructed as if the work had been performed or
10 constructed under the direction and supervision, or under the authority of, the local agency;

11 **WHEREAS**, the County and Newport Road Investors, LLC (“Newport Road Investors”)
12 have entered into a Cooperative Agreement Newport Road Water & Sewer Pipeline, dated
13 September 13, 2004 (the “Cooperative Agreement”), that provides for the advancement of funds
14 by or on behalf of Newport Road Investors to be used to pay the costs of construction of certain
15 water and sewer lines (the “Water and Sewer Lines”) and for the reimbursement to Newport Road
16 Investors of such funds advanced, without interest, from the proceeds of any special tax bonds
17 issued by the Community Facilities District;

18 **WHEREAS**, the County desires to include in this Resolution, in accordance with Section
19 53314.9 of the Government Code, the proposal to repay funds pursuant to the Cooperative
20 Agreement;

21 **WHEREAS**, the County, the Riverside County Flood Control and Water Conservation
22 District (the “Flood Control District”) and Pulte Home Corporation (“Pulte”) expect to enter into
23 a Joint Community Facilities Agreement, dated as of June 1, 2006 (the “Flood Control District
24 Agreement”), that provides for the advancement of certain work in-kind by Pulte, for the
25 acceptance of such work in-kind by the Flood Control District, for the use of such work in-kind
26 by the Flood Control District for its authorized purposes and for the reimbursement to Pulte of the
27 value, or cost, whichever is less, of such work in-kind from the proceeds of any special tax bonds
28 issued by the Community Facilities District;

1 **WHEREAS**, the County, Eastern Municipal Water District (the “EMWD”), Pulte and
2 Rancon Winchester Valley 200, LLC (collectively, the “Landowners”) expect to enter into a Joint
3 Community Facilities Agreement, dated as of June 1, 2006 (the “EMWD Agreement”), that
4 provides for the advancement of certain work in-kind by the Landowners, for the acceptance of
5 such work in-kind by EMWD, for the use of such work in-kind by EMWD for its authorized
6 purposes and for the reimbursement to the Landowners of the value, or cost, whichever is less, of
7 such work in-kind from the proceeds of any special tax bonds issued by the Community Facilities
8 District;

9 **WHEREAS**, the County desires to include in this Resolution, in accordance with Section
10 53314.9 of the Government Code, the proposal to repay the value or cost of the work in-kind,
11 whichever is less, pursuant to the Flood Control District Agreement and the proposal to repay the
12 value or cost of the work in-kind, whichever is less, pursuant to the EMWD Agreement;

13 **WHEREAS**, Section 53325.6 of the Government Code provides that land devoted
14 primarily to agricultural, timber or livestock uses and being used for the commercial production
15 of agricultural, timber or livestock products may be included in a community facilities district
16 only if such land is contiguous to other land which is included within the described exterior
17 boundaries of the community facilities district, and only if the legislative body finds that the land
18 will be benefited by any of the types of public facilities and services proposed to be included
19 within the district; and

20 **WHEREAS**, certain of the land within the proposed Community Facilities District may
21 be devoted primarily to agricultural or livestock uses and may be being used for the commercial
22 production of agricultural or livestock products, and the Board of Supervisors desires to make
23 such finding with respect to such land;

24 **NOW, THEREFORE, THE BOARD OF SUPERVISORS OF THE COUNTY OF**
25 **RIVERSIDE**, in regular session assembled on August 29, 2006, does hereby resolve, find,
26 determine and order as follows:

27 **Section 1.** The Board of Supervisors proposes to establish a community facilities district
28 under the terms of the Act. The boundaries of the territory proposed for inclusion in the

1 Community Facilities District are described in the map showing the proposed Community
2 Facilities District (the "Boundary Map") on file with the Clerk to the Board of Supervisors (the
3 "Clerk"), which boundaries are hereby preliminarily approved and to which map reference is
4 hereby made for further particulars. The Clerk is hereby directed to sign the original Boundary
5 Map and record, or cause to be recorded, the Boundary Map with all proper endorsements thereon
6 in the office of the Riverside County Recorder within 15 days of the date of adoption of this
7 Resolution, all as required by Section 3111 of the California Streets and Highways Code.

8 **Section 2.** The name proposed for the Community Facilities District is "Community
9 Facilities District No. 05-1 (Salt Creek Bridges) of the County of Riverside."

10 **Section 3.** The public facilities (the "Facilities") proposed to be financed by the
11 Community Facilities District pursuant to the Act are described under the caption "Facilities" on
12 Exhibit A hereto, which is by this reference incorporated herein. The incidental expenses
13 proposed to be incurred are identified under the caption "Incidental Expenses" on Exhibit A
14 hereto. All or any portion of the Facilities may be financed through a financing plan, including,
15 but not limited to, a lease, lease-purchase or installment-purchase arrangement.

16 **Section 4.** Except where funds are otherwise available, a special tax sufficient to pay for
17 all Facilities, secured by recordation of a continuing lien against all nonexempt real property in
18 the Community Facilities District, will be annually levied within the Community Facilities
19 District. The rate and method of apportionment of the special tax (the "Rate and Method"), in
20 sufficient detail to allow each landowner within the proposed Community Facilities District to
21 estimate the maximum amount that he or she will have to pay, is described in Exhibit B attached
22 hereto, which is by this reference incorporated herein. The conditions under which the obligation
23 to pay the special tax may be prepaid and permanently satisfied are specified in the Rate and
24 Method. The special tax will be collected in the same manner as ordinary *ad valorem* property
25 taxes or in such other manner as the Board of Supervisors shall determine, including direct billing
26 of the affected property owners.

27 The tax year after which no further special tax will be levied against any parcel used for
28 private residential purposes is specified in the Rate and Method. Under no circumstances shall

1 the special tax levied against any parcel used for private residential purposes be increased as a
2 consequence of delinquency or default by the owner of any other parcel or parcels within the
3 Community Facilities District by more than 10%. For purposes of this paragraph, a parcel shall
4 be considered "used for private residential purposes" not later than the date on which an
5 occupancy permit for private residential use is issued.

6 **Section 5.** Pursuant to Section 53344.1 of the Government Code, the Board of
7 Supervisors hereby reserves to itself the right and authority to allow any interested owner of
8 property within the Community Facilities District, subject to the provisions of said Section
9 53344.1 and to those conditions as it may impose, and any applicable prepayment penalties as
10 prescribed in the bond indenture or comparable instrument or document, to tender to the
11 Community Facilities District treasurer in full payment or part payment of any installment of the
12 special taxes levied pursuant to the Rate and Method or the interest or penalties thereon which
13 may be due or delinquent, but for which a bill has been received, any bond or other obligation
14 secured thereby, the bond or other obligation to be taken at par and credit to be given for the
15 accrued interest shown thereby computed to the date of tender.

16 **Section 6.** The Board of Supervisors hereby fixes Tuesday, October 3, 2006, at 9:30 a.m.,
17 or as soon thereafter as the Board of Supervisors may reach the matter, at the Board of
18 Supervisors Chambers, 4080 Lemon Street, 1st Floor, Riverside, California, as the time and place
19 when and where the Board of Supervisors will conduct a public hearing on the establishment of
20 the Community Facilities District.

21 **Section 7.** The Clerk is hereby directed to publish, or cause to be published, a notice of
22 said public hearing, as prepared and approved by bond counsel, one time in *The Press-Enterprise*,
23 a newspaper of general circulation published in the area of the Community Facilities District.
24 The publication of said notice shall be completed at least seven days prior to the date herein fixed
25 for said hearing. Said notice shall contain the information prescribed by Section 53322 of the
26 Government Code.

27 The Clerk is hereby further directed to give notice of said public hearing, as prepared and
28 approved by bond counsel, by first-class mail to each registered voter and to each landowner

1 within the Community Facilities District. Said notice shall be mailed at least 15 days prior to the
2 date of said hearing and shall contain the same information as is required to be contained in the
3 notice published pursuant to Section 53322 of the Government Code.

4 **Section 8.** The levy of said proposed special tax shall be subject to the approval of the
5 qualified electors of the Community Facilities District at a special election. The proposed voting
6 procedure shall be by mailed or hand-delivered ballot among the landowners in the Community
7 Facilities District, with each owner having one vote for each acre or portion of an acre such
8 owner owns in the Community Facilities District.

9 **Section 9.** Each officer of the County who is or will be responsible for providing one or
10 more of the proposed types of Facilities is hereby directed to study, or cause to be studied, the
11 proposed Community Facilities District and, at or before said public hearing, file a report with the
12 Board of Supervisors containing a brief description of the public facilities by type which will in
13 his or her opinion be required to adequately meet the needs of the Community Facilities District,
14 and his or her estimate of the cost of providing the Facilities. Such officers are hereby also
15 directed to estimate the fair and reasonable cost of the incidental expenses proposed to be paid.
16 Such report shall be made a part of the record of said public hearing.

17 **Section 10.** In the opinion of the Board of Supervisors, the public interest will not be
18 served by allowing the property owners within the proposed Community Facilities District to
19 enter into a contract in accordance with subdivision (a) of Section 53329.5 of the Government
20 Code and, accordingly, the Board of Supervisors hereby provides that such property owners may
21 not enter into a contract in accordance with said subdivision.

22 **Section 11.** Newport Road Investors has heretofore advanced certain funds, and may
23 advance additional funds, to the County, which have been or may be used to pay costs of
24 construction of the Water and Sewer Lines. The Board of Supervisors proposes to repay all or a
25 portion of such funds expended for such purpose, from the proceeds of special tax bonds issued
26 by the Community Facilities District, pursuant to the Cooperative Agreement.

27 **Section 12.** Pulte has heretofore advanced certain work in-kind, and may advance
28 additional work in-kind, to the Flood Control District. The Board of Supervisors proposes to

1 repay the value or cost of such work in-kind, whichever is less, from the proceeds of special tax
2 bonds issued by the Community Facilities District, pursuant to the Flood Control District
3 Agreement.

4 **Section 13.** The Landowners have heretofore advanced certain work in-kind, and may
5 advance additional work in-kind, to EMWD. The Board of Supervisors proposes to repay the
6 value or cost of such work in-kind, whichever is less, from the proceeds of special tax bonds
7 issued by the Community Facilities District, pursuant to the EMWD Agreement.

8 **Section 14.** The Board of Supervisors hereby finds that any land in the proposed
9 Community Facilities District devoted primarily to agricultural or livestock uses and being used
10 for the commercial production of agricultural or livestock products will be benefited by the
11 Facilities.

12 **Section 15.** The officers of the County are, and each of them is, hereby authorized and
13 directed to do any and all things, and to execute and deliver any and all documents which said
14 officers may deem necessary or advisable in order to accomplish the purposes of this Resolution
15 and not inconsistent with the provisions hereof.

16 **ADOPTED, SIGNED AND APPROVED** this 29th day of August, 2006, by the Board
17 of Supervisors of the County of Riverside.

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19 _____
20 Chairman of the Board of Supervisors

21 ATTEST:
22 Nancy Romero
23 Clerk to the Board of Supervisors

24 By: _____
25 Deputy

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FORM APPROVED
COUNTY COUNSEL

AUG 14 2006
BY Nancy Romero

2 RESOLUTION NO. 2006-299

3 RESOLUTION OF THE BOARD OF SUPERVISORS OF
4 THE COUNTY OF RIVERSIDE TO INCUR BONDED
5 INDEBTEDNESS OF THE PROPOSED COMMUNITY
6 FACILITIES DISTRICT NO. 05-1 (SALT CREEK BRIDGES)
7 OF THE COUNTY OF RIVERSIDE AND SETTING A DATE
8 AND TIME FOR A PUBLIC HEARING THEREON

9 **Community Facilities District No. 05-1 (Salt Creek Bridges)**

10 WHEREAS, the Board of Supervisors (the "Board of Supervisors") of the County of
11 Riverside (the "County") has this date adopted its Resolution entitled "Resolution of the Board of
12 Supervisors of the County of Riverside of Intention to Establish a Community Facilities District
13 and to Authorize the Levy of Special Taxes and Setting a Date and Time for a Public Hearing
14 Thereon," stating its intention to establish Community Facilities District No. 05-1 (Salt Creek
15 Bridges) of the County of Riverside (the "Community Facilities District") pursuant to the Mello-
16 Roos Community Facilities Act of 1982 for the purpose of financing certain public facilities (the
17 "Facilities"), as further provided in said Resolution; and

18 WHEREAS, in order to finance the Facilities it is necessary to incur bonded indebtedness
19 in the amount of up to \$45,000,000;

20 NOW, THEREFORE, THE BOARD OF SUPERVISORS OF THE COUNTY OF
21 RIVERSIDE, in regular session assembled on August 29, 2006, does hereby resolve, find,
22 determine and order as follows:

23 **Section 1.** The Board of Supervisors hereby declares that in order to finance the
24 Facilities, it is necessary to incur bonded indebtedness.

25 **Section 2.** The purpose for which the proposed debt is to be incurred is to provide the
26 funds necessary to pay the costs of the Facilities, including construction costs and all costs
27 incidental to, or connected with, the accomplishment of said purpose and of the financing thereof,
28 as permitted by Section 53345.3 of the California Government Code.

Section 3. The maximum amount of the proposed debt is \$45,000,000.

1 **Section 4.** The Board of Supervisors hereby fixes Tuesday, October 3, 2006, at
2 9:30 a.m., or as soon thereafter as the Board of Supervisors may reach the matter, at the Board of
3 Supervisors Chambers, 4080 Lemon Street, 1st Floor, Riverside, California, as the time and place
4 when and where the Board of Supervisors will conduct a public hearing on the proposed debt
5 issue.

6 **Section 5.** The Clerk to the Board of Supervisors is hereby directed to publish, or
7 cause to be published, a notice of said public hearing, as prepared and approved by bond counsel,
8 one time in *The Press-Enterprise*, a newspaper of general circulation published in the area of the
9 Community Facilities District. The publication of said notice shall be completed at least seven
10 days prior to the date herein fixed for said hearing. Said notice shall contain the information
11 prescribed by Section 53346 of the California Government Code.

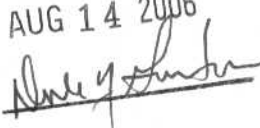
12 **Section 6.** The officers of the County are, and each of them is, hereby authorized and
13 directed to do any and all things, and to execute and deliver any and all documents which said
14 officers may deem necessary or advisable in order to accomplish the purposes of this Resolution
15 and not inconsistent with the provisions hereof.

16 **ADOPTED, SIGNED AND APPROVED** this 29th day of August, 2006, by the Board
17 of Supervisors of the County of Riverside.

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19 _____
Chairman of the Board of Supervisors

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21 ATTEST:
Nancy Romero
22 Clerk to the Board of Supervisors

23 By: _____
24 Deputy

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FORM APPROVED
COUNTY COUNSEL
AUG 14 2006
BY 

1 STATE OF CALIFORNIA)
2 COUNTY OF RIVERSIDE)

ss.

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I, Nancy Romero, Clerk to the Board of Supervisors of the County of Riverside, California, do hereby certify that the foregoing Resolution No. 2006-299 was duly adopted by the Board of Supervisors of said County at a meeting of said Board held on the 29th day of August, 2006, and that it was so adopted by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

_____, Deputy
Clerk to the Board of Supervisors of the
County of Riverside

1 STATE OF CALIFORNIA)
2 COUNTY OF RIVERSIDE)

ss.

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I, Nancy Romero, Clerk to the Board of Supervisors of the County of Riverside, California, do hereby certify that the above and foregoing is a full, true and correct copy of Resolution No. 2006-299 of the Board of Supervisors of said County, and that the same has not been amended or repealed.

Dated: _____

_____, Deputy
Clerk to the Board of Supervisors of the
County of Riverside