

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

356



**SUBMITTAL DATE:**  
January 29, 2006

**FROM:** Executive Office

**SUBJECT:** Southwest Communities Financing Authority

**RECOMMENDED MOTION:** That the Board (1) approve the attached amended Joint Powers Agreement, and (2) declare its intent to make available the Credit Enhancement Fee collected from member cities, upon retirement of all JPA indebtedness related to financing of the construction of the animal shelter facility, for animal service programs within the JPA boundaries.

**BACKGROUND:** On November 30, 2004, item #3.1, the Board approved a Joint Powers Agreement between the County and the cities of Lake Elsinore, Canyon Lake, Murrieta and Temecula, forming the Southwest Communities Financing Authority (SCFA), for the purpose of constructing an animal shelter in the southwest portion of the county.

(CONTINUED)

ATTACHMENTS FILED WITH THE CLERK OF THE BOARD

Departmental Concurrence

Dean Deines  
Deputy County Executive Officer

<b>FINANCIAL DATA</b>	Current F.Y. Total Cost:	\$ N/A	In Current Year Budget:	N/A
	Current F.Y. Net County Cost:	\$ N/A	Budget Adjustment:	N/A
	Annual Net County Cost:	\$ N/A	For Fiscal Year:	N/A

<b>SOURCE OF FUNDS:</b> N/A	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

Consent

Consent

FORM APPROVED  
COUNTY COUNSEL

JAN 31 2007

BY

RECEIVED RIVERSIDE COUNTY  
JAN 31 2007 8:59 AM

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On January 18, 2007 the SCFA Board of Directors met and approved an amendment to the existing JPA Agreement. The amendment adds to Section 7 (Fiscal Obligations of the Parties) the restriction that a SCFA member agency may not divert any animal within its custody or control to another shelter unless 1) the SCFA shelter lacks capacity to house the animal or 2) or where the SCFA has granted express written consent for the animal(s) in question to be diverted to another animal shelter facility. The amendment is intended to protect the SCFA from having a member agency artificially reduce its number of animals housed at the shelter and thus reduce its financial responsibilities at the expense of other member agencies having to shoulder additional financial obligations. The amendment also includes house-keeping changes and corrections.

On December 19, 2006, item 9.1, the Board approved Resolution 2006-472, authorizing the SCFA to issue bonds for the purpose of constructing the animal shelter secured by the County's obligation to make the full lease payments. In exchange for the County using its credit, the County will assess a credit enhancement fee to each member city. The enhancement fee will be held in trust to be used in the event that a member city fails to make its annual lease payment to the County. The funds held in trust would become available for County use upon the maturity of the bonds.

At the January 18, 2007 SCFA Board meeting, the SCFA Board discussed and approved the financing structure. As part of the approval, the SCFA Board stipulated that, upon the maturity of any JPA indebtedness, and once all obligations due the County are satisfied, the remainder enhancement fees held in trust must be used by the SCFA for expenditure on animal service programs within the JPA boundaries. Because the SCFA Board's approval differed from what the County Board of Supervisors previously approved, the County Board of Supervisors must approve the modified use of the enhancement fee. Approval of the second recommended motion will formalize the Board of Supervisors concurrence with the SCFA Board's action taken on this item on January 18, 2007.