

**SUBMITTAL TO THE FLOOD CONTROL AND
WATER CONSERVATION DISTRICT BOARD,
COMMUNITY FACILITIES DISTRICT'S LEGISLATIVE BODY
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

815 B



FROM: General Manager-Chief Engineer

SUBMITTAL DATE:
April 22, 2008

SUBJECT: Community Facilities District No. F05-1 (Homeland/Romoland)

RECOMMENDED MOTION: That the Legislative Body of the Community Facilities District No. F05-1 (Homeland/Romoland) of Riverside County Flood Control and Water Conservation District (District) approve; and authorize the Vice-Chairman to execute the following Implementation Agreements on behalf of the District:

- a) Implementation Agreement between the District and Homeland/Romoland ADP, Inc. (Corporation) to satisfy Section 2.2 (e) of the IFAR;
- b) Implementation Agreement for Improvement Area No. 1 relating to CFD No. F05-1 (Homeland/Romoland) between the District and Minor Ranch LLC;
- c) Implementation Agreement for Improvement Area No. 2 relating to CFD No. F05-1 (Homeland/Romoland) between the District and Fiesta Development, Inc.; Ashby Financial Company, Inc., and R&D Land Investors, LLC; and
- d) Implementation Agreement for Improvement Area No. 3 relating to CFD No. F05-1 (Homeland/Romoland) between the District and McCall 71, et al.

(continued on page 2)

IMG:bjj

Warren D. Williams

WARREN D. WILLIAMS

General Manager-Chief Engineer

FINANCIAL DATA	F.Y. 2007-2008 District Cost:	N/A	In Current Year Budget:	N/A
	Current F.Y. County Cost:	N/A	Budget Adjustment:	No
	Annual Net District Cost:	N/A	For Fiscal Year:	2007/08

SOURCE OF FUNDS: Bond Proceeds	Positions To Be Deleted Per A-30	<input type="checkbox"/>
	Requires 4/5 Vote	<input type="checkbox"/>

C.E.O. RECOMMENDATION:

APPROVE

BY: *Alex Gann*

Alex Gann

County Executive Office Signature

Consent
 Policy
 Consent
 Policy

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

Prev. Agn. Ref.:

District: 3rd & 5th | Agenda Number:

11.1

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

SUBJECT: Community Facilities District No. F05-1 (Homeland/Romoland)

SUBMITTAL DATE: April 22, 2008

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BACKGROUND:

On January 29, 2008 the Board of Supervisors established the formation of Community Facilities District No. F05-1 (Homeland/Romoland) of the Riverside County Flood Control and Water Conservation District. The Community Facilities District was formed for the purposes of designing, constructing, acquiring, and financing through the sale of bonds the design, construction and acquisition of certain flood control and storm water drainage facilities in the Line A Watershed of the Homeland/Romoland Area Drainage Plan of the District, as described in the agreement entitled "Infrastructure Funding, Acquisition and Reimbursement Agreement" (Funding Agreement) dated May 23, 2006 between the District and the Corporation.

The Funding Agreement established several conditions that must be satisfied.

The Implementation Agreement between the District and the Corporation satisfies the condition in Section 2.2 (e) of the Funding Agreement which requires the following:

1. The Corporation to provide initial Security in the event of abandonment in the amount of the lesser of (i) \$8,750,000 or (ii) an amount equal to 20% of construction contract bid award amount for all of the flood control facilities described in Exhibit B of the Funding Agreement.
2. Allows the District to reimburse the Corporation for certain actual, reasonable costs of discrete cost categories such as (i) designing, preparing Plans and Specifications; (ii) easement or real property that are necessary for the construction of the improvements and are located outside the improvement areas of the CFD No. F05-1; (iii) environmental evaluations and mitigation required specifically for the Flood Control facilities; and (iv) discrete cost components (road crossings, railroad crossings, box culverts and basins) as described in Exhibit A of the Implementation Agreement between the District and the Corporation.
3. Allows the District to reduce initial security amount equal to 25% of the actual, reasonable cost of the Discrete Cost Components following the operational date of the Discrete Cost Component, however, the amount shall not be reduced to less than \$4,000,000 unless decided otherwise by the General Manager-Chief Engineer of the District.

The other three Implementation Agreements between the District and the Stockholders of the Corporation for each Improvement Area satisfy the condition in Section 2.2 (d) of the Funding Agreement which requires the following;

1. Provide security for an obligated stockholder's default in the timely payment of special tax installments.
2. Provide disclosure obligations of the Corporation and the stockholders.
3. Provide subdivision bonds to secure the completion of construction of flood control facilities that are not functional prior to the recordation of final subdivision or parcel map, issuance of grading permit for any type of residential and/or commercial buildings within the Stockholder's development.

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