

**SUBMITTAL TO THE BOARD OF SUPERVISORS,  
COMMUNITY FACILITIES DISTRICT'S LEGISLATIVE BODY  
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

243



**FROM:** COUNTY EXECUTIVE OFFICE

**SUBMITTAL DATE:**  
July 3, 2013

**SUBJECT:** Enrollment of FY 2013-14 Special Tax Levies for County CFD's and AD's.

**RECOMMENDED MOTION:** That the Board approve and adopt the following resolutions authorizing the enrollment of the FY 2013-14 Special Tax Levies in a not to exceed amount for the Community Facilities Districts and approve the not to exceed amounts for the Assessment Districts:

- Res. No. CFD 2013-02 Authorizing the Levy and Enrollment of a Special Tax in CFD 87-1 (South 'A' Street)
- Res. No. CFD 2013-03 Authorizing the Levy and Enrollment of a Special Tax in CFD 88-4 (Winchester Ranch)
- Res. No. CFD 2013-04 Authorizing the Levy and Enrollment of a Special Tax in CFD 88-8 ('A' Street - North)
- Res. No. CFD 2013-05 Authorizing the Levy and Enrollment of a Special Tax in CFD 89-1 (Mountain Cove)
- Res. No. CFD 2013-06 Authorizing the Levy and Enrollment of a Special Tax in CFD 89-4
- Res. No. CFD 2013-07 Authorizing the Levy and Enrollment of a Special Tax in CFD 03-1 (Newport Road)
- Res. No. CFD 2013-08 Authorizing the Levy and Enrollment of a Special Tax in CFD 04-2 (Lake Hills Crest)
- Res. No. CFD 2013-09 Authorizing the Levy and Enrollment of a Special Tax in CFD 05-8 (Scott Road)
- Res. No. CFD 2013-10 Authorizing the Levy and Enrollment of a Special Tax in CFD 07-1 (Newport/I215 Interchange)
- Res. No. CFD 2013-11 Authorizing the Levy and Enrollment of a Special Tax in CFD 07-2 (Clinton Keith)

(continued on page 2)

FORM APPROVED COUNTY COUNSEL  
BY: Dale A. Gardner 7/19/13 DATE  
Departmental Concurrence

*Stephanie Persi*  
Stephanie Persi, Senior Management Analyst

<b>FINANCIAL DATA</b>	Current F.Y. Total Cost:	\$ 0	In Current Year Budget:	N/A
	Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	N/A
	Annual Net County Cost:	\$ 0	For Fiscal Year:	2013-14

<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  
BY: *Christopher M. Hans*  
County Executive Office Signature Christopher M. Hans

- Policy
- Consent
- Policy
- Consent

2013 JUL -3 PM 5:58  
CLERK'S OFFICE  
RECEIVED RIVERSIDE COUNTY

Dep't Recomm.: Per Exec. Ofc.:  
Prev. Agn. Ref.: District: ALL Agenda Number: 8-1 a-j

**SUBMITTAL TO THE BOARD OF SUPERVISORS,  
COMMUNITY FACILITIES DISTRICT'S LEGISLATIVE BODY  
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**SUBJECT:** Enrollment of FY 2013-14 Special Tax Levies for County CFD's

**SUBMITTAL DATE:** July 3, 2013

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**BACKGROUND:**

State statute requires the legislative body of a community facilities district to annually adopt, by resolution, the levy of special taxes to be enrolled for each fiscal year. Attached are the Resolutions for the Community Facilities Districts for which the Board serves as the Legislative Body . The resolutions conform to the requirements of State statute as well as the Rate and Method of Apportionment for the respective Community Facilities Districts.

The status and key indicators for both the Community Facilities Districts and the Assessment Districts are shown on the attached Exhibit "A".

**EXHIBIT A**  
**Key Indicators Affecting FY 2013-2014 Community Facilities District Levies**

The Community Facilities Districts (CFD's) with commercial development have not shown much growth during this past Fiscal Year and the residential development is resuming slowly in three of the Districts which have not achieved full build out. CFD 07-2 has added 344 single family residential homes in total during the past year. In spite of the economic challenges faced within Riverside County and by many for a seventh consecutive year, there has been a noticeable reduction on the CFD's delinquency rates bringing all but three districts down to an acceptable level as provided in the foreclosure covenant. The Executive Office continues to diligently pursue the delinquent parcels in accordance with the foreclosure covenant and have realized a decrease in the delinquencies for all of the Districts. At this time, there are no Districts in jeopardy of default due to delinquency. CFD 04-2 and CFD 05-8 were recently refunded and bonds were issued with lower interest rates saving the property owners money on their tax bill. CFD 88-4 which was refunded in 2010, scheduled to mature after the 2013-14 Fiscal Year and a close out analysis will be performed next year to identify any available surplus monies that could be applied to offset the final year debt service. CFD 88-8 is scheduled to mature September 2015 and a close out analysis was performed to identify any available surplus monies that could be applied to offset the final year debt service. Details on the status of the various Districts follow:

<b><u>CFD 87-1 (South 'A' Street)</u></b>	<b><u>FY 2013-14</u></b>	<b><u>FY 2012-13</u></b>	<b><u>% Change</u></b>
Proposed/Actual Levy	\$540,399	\$538,229	0.40%
Total Administration as % of levy*	11.74%	11.79%	-0.43%
Current Delinquency Rate	N/A	13.14%	N/A

CFD 87-1 was successfully refunded in July 2006. All parcels that were delinquent at the time of the refunding have cured any outstanding Special Tax amount or completed a payment plan with the County. The tax delinquency rate for the prior Fiscal Year has decreased from 16.14% to 13.14%. The majority of the delinquencies are attributable to the undeveloped developer owned parcels. Many of the prior year delinquent parcels continue to redeem during the following Fiscal Year so there has been no impact to the Reserve Fund. As a result of the refunding, there are surplus funds available that will be utilized to ensure a full debt service payment without drawing on the Reserve Fund. A surplus fund credit was applied to reduce the annual levy amount for this Fiscal Year compared to the prior Fiscal Year. The proposed levy amount is able to be maintained for subsequent Fiscal Years.

<b><u>CFD 88-4 (Winchester Ranch)</u></b>	<b><u>FY 2013-14</u></b>	<b><u>FY 2012-13</u></b>	<b><u>% Change</u></b>
Proposed/Actual Levy	\$380,838	\$1,921,969	-80.18%
Total Administration as % of levy*	19.31%	3.83%	80.17%
Current Delinquency Rate	N/A	1.25%	N/A

CFD 88-4 was successfully refunded and restructured in November 2010 converting the bonds for the District from an adjustable rate interest mode to a fixed rate of interest bonded debt service. The refunding subsequently reduced the total Special Tax amount to be collected by the District each Fiscal Year. CFD 88-4 is scheduled to mature in 2013-14 and a close out analysis was performed this year to identify any available surplus monies. The tax delinquency rate for the prior Fiscal Year decreased from 7.61% to 1.25%.

\* Includes other County departments, fiscal agent, tax consultant, and legal fees

<b><u>CFD 88-8 ('A' Street North)</u></b>	<b><u>FY 2013-14</u></b>	<b><u>FY 2012-13</u></b>	<b><u>% Change</u></b>
Proposed/Actual Levy	\$327,182	\$445,470	-26.55%
Total Administration as % of levy*	21.86%	16.06%	26.53%
Current Delinquency Rate	N/A	N/A	N/A

This District was successfully refunded and restructured in July 2006 significantly reducing the bonds outstanding for the District and subsequently reducing the total Special Tax amount to be collected by the District each Fiscal Year. CFD 88-8 is scheduled to mature in 2014-15 and a preliminary close out analysis was performed this year to identify any available surplus monies in the future years. The district delinquencies have significantly decreased from 27.15% to 0.00%.

<b><u>CFD 89-1 (Mountain Cove)</u></b>	<b><u>FY 2013-14</u></b>	<b><u>FY 2012-13</u></b>	<b><u>% Change</u></b>
Proposed/Actual Levy	\$837,331	\$841,701	-0.52%
Total Administration as % of levy*	7.91%	7.87%	0.51%
Current Delinquency Rate	N/A	1.49%	N/A

The District was successfully refunded in September 2006 and the Improvement Area was collapsed. As of the 2009-10 Fiscal Year, there are no remaining residential approved parcels as the final two permits have been issued. The developed properties are able to generate sufficient revenues to meet the annual debt service obligation at a rate less than their maximum special tax. A surplus credit was applied to maintain a less than one percent change to the annual levy amount for this Fiscal Year compared to the prior Fiscal Year. The golf course is also fully operational and is open to the public. The tax delinquency rate for the prior Fiscal Year decreased slightly from 1.70% to 1.49%.

<b><u>CFD 89-4</u></b>	<b><u>FY 2013-14</u></b>	<b><u>FY 2012-13</u></b>	<b><u>% Change</u></b>
Proposed/Actual Levy	\$360,449	\$355,434	1.41%
Total Administration as % of levy*	17.67%	17.92%	-1.41%
Current Delinquency Rate	N/A	4.21%	N/A

The District issued a new series of Bonds in May 2005, in part, to cover the refunding of the prior series of Bonds. This new series extended the final maturity of the District from 2016 to 2030. There were no new parcel becoming developed within the District during the past Fiscal Year and there are still 3 parcels remaining undeveloped. The revenue from only the developed properties is sufficient to meet debt service and it will not be necessary to levy the undeveloped properties within the District. The current Fiscal Year delinquency rate increased due to one delinquent parcel to 4.21%.

<b><u>CFD 03-1 (Newport Road)</u></b>	<b><u>FY 2013-14</u></b>	<b><u>FY 2012-13</u></b>	<b><u>% Change</u></b>
Proposed/Actual Levy	\$1,491,021	\$1,509,460	-1.22%
Total Administration as % of levy*	4.62%	4.57%	1.08%
Current Delinquency Rate	N/A	1.03%	N/A

The Bonds for CFD 03-1 were issued in August 2004. Although the construction of Newport Road has been completed, the development has slowed considerably within this District over the past few years. When comparing prior Fiscal Years, the delinquency rate continues to stay below the foreclosure covenant currently at 1.03%. The continuous decrease in delinquencies has resulted in the removal of the delinquency allowance applied for previous Fiscal Years. Due to the delinquency collection efforts by the Executive Office a surplus fund credit was applied to reduce the annual levy amount for this Fiscal Year reducing the levy 1.22% from the prior year. The proposed levy amount is able to be maintained for subsequent Fiscal Years without impacting the Reserve Fund.

\* Includes other County departments, fiscal agent, tax consultant, and legal fees

<b><u>CFD 04-2 (Lakehills Crest)</u></b>	<b><u>FY 2013-14</u></b>	<b><u>FY 2012-13</u></b>	<b><u>% Change</u></b>
Proposed/Actual Levy	\$1,498,694	\$1,712,757	-12.50%
Total Administration as % of levy*	3.00%	2.63%	12.33%
Current Delinquency Rate	N/A	2.14%	N/A

This District was recently refunded in August 2012. Full subdivision has occurred at 512 parcels and permits continue to be issued with only 15 parcels becoming developed within the District during the previous Fiscal Year. The delinquency rate, when compared to the rate at the same time last year, has decreased for a third consecutive year from 3.33% to 2.14% and is below the foreclosure covenant for this District. The proposed levy amount is able to be maintained for subsequent Fiscal Years without impacting the Reserve Fund.

<b><u>CFD 05-8 (Scott Road)</u></b>	<b><u>FY 2013-14</u></b>	<b><u>FY 2012-13</u></b>	<b><u>% Change</u></b>
Proposed/Actual Levy	\$998,150	\$1,026,362	-2.75%
Total Administration as % of levy*	5.61%	5.45%	2.85%
Current Delinquency Rate	N/A	1.29%	N/A

This District was recently refunded in January 2013. The purpose of the CFD is to finance TUMF fee obligations. There are a total of 707 parcels developed within the District. As with the prior Fiscal Year, all developed parcels will be levied at their full Assigned Special Tax rate. For Fiscal Year 2013-14, the levy on developed parcels will comprise of 100% of the full debt service coverage. The undeveloped parcels will not need to be levied. The tax delinquency rate decreased from 2.40% to 1.29%.

<b><u>CFD 07-1 (Newport/I-215 Interchange)</u></b>	<b><u>FY 2013-14</u></b>	<b><u>FY 2012-13</u></b>	<b><u>% Change</u></b>
Proposed/Actual Levy	\$44,429	\$42,464	4.63%
Total Administration as % of levy*	34.03%	35.60%	-4.61%
Current Delinquency Rate	N/A	5.42%	N/A

This District was formed in January 2008 and bonds have not yet been issued, however, the RMA allows for the Special Tax to be levied prior to the issuance of bonds on any properties that qualify as developed. The purpose of the District is to finance the widening of the interchange at Interstate 215 and Newport Road, the modification of the ramps to meet future traffic demands and of any rights-of-way required from properties that have not been conditioned to dedicate such rights-of-way as a condition of development. There has been minimal development within the District during the past Fiscal Year and only developed parcels will be levied for this Fiscal Year. The delinquency rate increased from 2.70% to 5.42%.

<b><u>CFD 07-2 (Clinton Keith Rd)</u></b>	<b><u>FY 2013-14</u></b>	<b><u>FY 2012-13</u></b>	<b><u>% Change</u></b>
Proposed/Actual Levy	\$629,813	\$546,770	15.19%
Total Administration as % of levy*	2.28%	2.62%	-14.91%
Current Delinquency Rate	N/A	1.69%	N/A

This District was formed in July 2007 and bonds have not yet been issued, however, the RMA allows for the Special Tax to be levied prior to the issuance of bonds on any properties that qualify as developed. The purpose of the District is to finance TUMF and RBBB fees that will be used for the widening of Clinton Keith Road between Antelope Road and State Route 79. There were 344 parcels becoming developed within the District during the past Fiscal Year. For Fiscal Year 2013-14 there are 819 developed parcels that will receive a Special Tax. The tax delinquency rate increased slightly from 1.25% to 1.69%.

\* Includes other County departments, fiscal agent, tax consultant, and legal fees

<b><u>AD 167 (North Palm Springs Business)</u></b>	<b><u>FY 2013-14</u></b>	<b><u>FY 2012-13</u></b>	<b><u>% Change</u></b>
Proposed/Actual Levy	\$101,765	\$149,090	-31.74%
Total Administration as % of levy*	11.23%	11.25%	-0.18%
Current Delinquency Rate	N/A	10.57%	N/A

The Assessment District 167 is located between 19<sup>th</sup> and 20<sup>th</sup> Avenue containing 47 parcels. The bonds are scheduled to mature in 2016. It was formed to fund construction of water improvements, storm drain improvements, street improvements and streetlights. The construction of project facilities is 100% complete and the actual cost of these public facilities was \$1,352,394.41. All of the public facilities funded have been accepted/dedicated by the appropriate public agency. A surplus fund credit was applied to reduce the annual levy amount for this Fiscal Year compared to the prior Fiscal Year. The proposed levy amount is able to be maintained for subsequent Fiscal Years. The tax delinquency rate decreased slightly from 10.94% to 10.57%.

<b><u>AD 168 (Rivercrest)</u></b>	<b><u>FY 2013-14</u></b>	<b><u>FY 2012-13</u></b>	<b><u>% Change</u></b>
Proposed/Actual Levy	\$201,683	\$255,580	-21.09%
Total Administration as % of levy*	21.94%	13.52%	38.38%
Current Delinquency Rate	N/A	3.22%	N/A

The Assessment District 168 is located between Chicago Avenue and Bethlam Avenue containing 376 parcels. The bonds are scheduled to mature in 2026. It was formed to fund the acquisition of improvements such as street and storm drain improvements on Fairview Avenue and Bethlam Avenue. A surplus fund credit was applied to reduce the annual levy amount for this Fiscal Year compared to the prior Fiscal Year. The proposed levy amount is able to be maintained for subsequent Fiscal Years. The tax delinquency rate decreased slightly from 4.49% to 3.32%.

\* Includes other County departments, fiscal agent, tax consultant, and legal fees