

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



**ITEM: 3.22  
(ID # 14874)**

**MEETING DATE:**  
Tuesday, July 20, 2021

**FROM :** OFFICE OF ECONOMIC DEVELOPMENT:

**SUBJECT:** OFFICE OF ECONOMIC DEVELOPMENT: Adoption of Resolution No. 2021-139, Intention to Institute Change Proceedings for Community Facilities District No. 20-1M (Springbrook) of the County of Riverside, Supervisorial District 2 [\$761,852 Ongoing Cost]; CFD 20-1M (Springbrook) – 100% (Clerk to Set for Public Hearing on August 24, 2021 at 9:30 a.m. or as soon as possible thereafter)

**RECOMMENDED MOTION:** That the Board of Supervisors:

1. Adopt Resolution No. 2021-139, a Resolution of the Board of Supervisors of the County of Riverside of Intention to Institute Change Proceedings for Community Facilities District 20-1M (Springbrook) and to Authorize the Levy of Special Taxes and Setting a Date and Time for a Public Hearing Thereon;
2. Set a public hearing concerning the Change Proceedings of Community Facilities District 20-1M (Springbrook) for 9:30 a.m. on August 24, 2021, and direct the Clerk of the Board to publish notice of the Public Hearing in accordance with California Government Code Section 53322

**ACTION: Policy, Clerk to Advertise, Set for Hearing**


  
Suzanne Holland, Director of Office of Economic Development 6/30/2021

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**MINUTES OF THE BOARD OF SUPERVISORS**

On motion of Supervisor Jeffries, seconded by Supervisor Spiegel duly carried by unanimous vote, IT WAS ORDERED that the above matter is approved as recommended and is set for public hearing on Tuesday, August 24, 2021 at 9:30 a.m. or as soon as possible thereafter.

Ayes: Jeffries, Spiegel, Washington, Perez and Hewitt  
Nays: None  
Absent: None  
Date: July 20, 2021  
xc: ED

Kecia R. Harper  
Clerk of the Board  
By:   
Deputy

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<b>FINANCIAL DATA</b>	<b>Current Fiscal Year:</b>	<b>Next Fiscal Year:</b>	<b>Total Cost:</b>	<b>Ongoing Cost</b>
<b>COST</b>	\$ 0	\$ 761,852	\$ 0	\$ 761,852
<b>NET COUNTY COST</b>	\$ 0	\$ 0	\$ 0	\$ 0
<b>SOURCE OF FUNDS:</b> CFD 20-1M (Springbrook) -100%			<b>Budget Adjustment:</b>	No
There are no General Funds used in this project			<b>For Fiscal Year:</b>	2022-2023

**C.E.O. RECOMMENDATION:** Approve.

**BACKGROUND:**

**Summary**

ERP Holding Co., Inc. is the Developer of Tract Map Nos. 30908 and 30909 and petitioned that the Riverside County Office of Economic Development assist them in amending the Rate and Method of Apportionment to cover additional costs associated with the maintenance of public improvements within the district. ERP Holding Co., owns 100 % of the area subject to the Special Tax Rate. The boundaries of CFD No. 20-1M (Springbrook) encompasses the entire Tract Map Nos. 30908 and 30909, which is projected to include 644 assessable single-family dwelling units. The proposed amendment includes increasing the Special Tax Rate beginning Fiscal Year 2022-2023.

As approved by voters, a special tax is to be levied on each individual parcel located within the boundary of the CFD to fund the costs associated with street lighting maintenance (including energy charges, operation, maintenance, and administrative costs of streetlights) and maintenance of park and landscaping improvements that may include, but are not limited to turf, ground cover, shrub, trees and plants, irrigation and drainage systems, masonry wall or other fencing within the designated boundaries of the CFD.

The special tax is levied according to the Amended and Restated Rate and Method of Apportionment (RMA) which is developed with respect to the specific features of the particular residential development within the District and which is approved by the eligible voters and later adopted by an ordinance. The special tax levy is annually placed on the tax roll for each Assessor Parcel Number noted in the CFD Boundary Map.

On September 15, 2020, the County of Riverside Board of Supervisors approved Agenda Item 3.10 Resolution No. 2020-142, a Resolution of Intention as the initial step for forming the CFD and declared the intention of the Board of Supervisors as required by the Mello-Roos Act of 1982 to levy a special tax to fund the service and maintenance functions requested by the Developer.

On October 20, 2020, the County of Riverside Board of Supervisors held a public hearing to receive public comments and conduct a majority protest hearing concerning the establishment

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of the CFD and the levy of the special tax. At the conclusion of the public hearing, the Board of Supervisors adopted Resolution No. 2020-204, the Resolution of Formation of the CFD, which also authorized the levy of a special tax within the CFD subject to voter approval during a duly called election held that same day.

On October 27, 2020, the Board of Supervisors adopted Resolution No. 2020-208, Agenda Item 3.5, declaring the Results of the Election regarding the proposed special tax and finding that 100% of the votes cast were in favor of the levy of the special tax. In addition, the Board introduced Riverside County Ordinance No. 962 authorizing the levy of the special tax pursuant to the Rate and Method of Apportionment approved by the voters.

On November 3, 2020, (Agenda Item 3.3) the Board of Supervisors adopted Ordinance No. 962, an Ordinance of the County of Riverside Authorizing the Levy of a Special Tax Within Community Facilities District No. 20-1M (Springbrook).

Approval of proposed Resolution No. 2021-139 by the Board of Supervisors is the initial step for Instituting Change Proceedings for CFD 20-1M (Springbrook) and declares the intention of the Board of Supervisors, as required by the Mello-Roos Community Facilities Act of 1982, to levy a special tax to fund the service and maintenance functions requested by the Developer. The Resolution also requires the Board of Supervisors to hold a public hearing and submit the change proceedings of CFD 20-1M (Springbrook) to the landowners at a special election to be conducted by mailed ballot if a majority protest does not occur.

**Reference**

The CFD Amended and Restated Rate and Method of Apportionment (RMA) are consistent with the Mello-Roos Community Facilities Act of 1982. In November 1996, California voters passed Proposition 218, Right to Vote on Taxes Act which added Articles XIII C and XIII D to the California Constitution. The County may levy special taxes within this CFD after complying with the requirements of the Mello-Roos Community Facilities Act of 1982 and the provisions of Proposition 218 Right to Vote on Taxes Act. The CFD adheres to Board Policy B-12 entitled "Land Secured Financing Districts" which was revised on January 27, 2015, to include "Service and Maintenance CFDs" to fund the ongoing maintenance of landscape, storm water, street lighting or other similar improvements and set goals and policies concerning CFDs.

**Impact on Residents and Businesses**

Only the parcels with Assessor Parcel Numbers within the boundaries of the CFD which are represented by the CFD Boundary Map (inclusive of Tract Map Nos. 30908 and 30909) are impacted by the proposed special tax. By setting up a special tax for the maintenance of certain infrastructure required by the development, the County requires that the development pay for its maintenance impact, rather than the obligation falling upon declining public funding sources. By specifically collecting and using the special tax revenue within the boundary of the CFD, there is

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a financial mechanism in place to ensure the infrastructure is maintained. This CFD does not propose to fund the repayment of any bonds or bond obligations and is solely for the purposes of funding the service and maintenance of Developer-installed and County-required infrastructure, particularly park, landscaping and streetlights. The Developer shall, and is obligated to, provide disclosure statements to potential buyers which outline the associated tax rate of a new home.

**SUPPLEMENTAL:**

**Additional Fiscal Information**

The amended budget of \$761,852 for fiscal year 2022-2023 will result in a special tax of \$1,183 per taxable parcel, pursuant to the Amended and Restated Rate and Method of Apportionment. The annual special tax may be increased by the minimum of 2%, or a maximum of 6%, or by the cumulative percentage increase in the Consumer Price Index for all Urban Consumers (CPI-U), as it stands as of March of each year over the base index for March of 2021.

**ATTACHMENTS:**

- Resolution No. 2021-139
- Recorded CFD Boundary Map
- Amended and Restated Rate and Method of Apportionment (RMA)
- Petition

  
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Jacqueline Ruiz, Sr. Management Analyst

7/9/2021

  
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Gregory H. Priapos, Director County Counsel

7/8/2021

2 RESOLUTION NO. 2021-139

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4 A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF RIVERSIDE OF  
5 INTENTION TO DECLARE ITS INTENTION TO CONSIDER AMENDING THE RATE AND  
6 METHOD OF APPORTIONMENT OF SPECIAL TAX FOR COMMUNITY FACILITIES DISTRICT  
7 20-1M (SPRINGBROOK) AND TO AUTHORIZE THE LEVY OF SPECIAL TAXES AND SETTING  
8 A DATE AND TIME FOR A PUBLIC HEARING THEREON

9  
10 **WHEREAS**, a community facilities district may be amended under the Mello-Roos Community  
11 Facilities Act of 1982 (the "Act");

12 **WHEREAS**, the Board of Supervisors has received both a Qualifying Petition and the Deposit  
13 pursuant to the Act and therefore institutes change proceedings to amend Community Facilities District  
14 20-1M (Springbrook) (the "Community Facilities District" "CFD") and to authorize the levy of special  
15 taxes therein in order to finance:

- 16 i) Street lighting maintenance, which includes energy charges, operation,
- 17 maintenance, and administration of street lighting located within the surrounding
- 18 area of the Community Facilities District;
- 19 ii) Park and Landscaping improvements that may include, but are not limited to, turf,
- 20 ground cover, shrubs, trees, plants, irrigation and drainage systems, masonry walls
- 21 or other fencing located within the designated boundaries of the Community
- 22 Facilities District; and
- 23 iii) Landscaping along Spring Street.

24 **WHEREAS**, the Board of Supervisors of the County of Riverside constitutes the legislative body  
25 of a local agency for purposes of the Act;

26 **WHEREAS**, September 15, 2020, the County of Riverside Board of Supervisors approved agenda  
27 item 3.10 Resolution No. 2020-142, a resolution of intention as the initial step for forming the CFD and  
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FORM APPROVED COUNTY COUNSEL  
BY: DARREN C. ZIEGLER DATE 7/8/21

1 declared the intention of the Board of Supervisors as required by the Mello-Roos Act of 1982 to levy a  
2 special tax to fund the service and maintenance functions requested by the Developer;

3         **WHEREAS**, On October 20, 2020, the County of Riverside Board of Supervisors held a public  
4 hearing to receive public comments and conduct a majority protest hearing concerning the establishment  
5 of the CFD and the levy of the special tax. At the conclusion of the public hearing, the Board of  
6 Supervisors adopted Resolution No. 2020-204, the Resolution of Formation of the CFD, which also  
7 authorized the levy of a special tax within the CFD subject to voter approval during a duly called election  
8 held that same day;

9         **WHEREAS**, On October 27, 2020, the Board of Supervisors adopted Resolution No. 2020-208  
10 declaring the results of the election regarding the proposed special tax and finding that 100% of the votes  
11 cast were in favor of the levy of the special tax. In addition, the Board introduced Riverside County  
12 Ordinance No. 962 authorizing the levy of the special tax pursuant to the Rate and Method of  
13 Apportionment approved by the voters.

14         **WHEREAS**, On November 3, 2020, the Board of Supervisors adopted Ordinance No. 962, an  
15 Ordinance of the County of Riverside Authorizing the Levy of a Special Tax Within Community Facilities  
16 District No. 20-1M (Springbrook).

17         **NOW, THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED BY** the Board  
18 of Supervisors of the County of Riverside, State of California (the "Board of Supervisors") in regular  
19 session assembled on July 20, 2021 at 9:30 a.m. or soon thereafter, in the meeting room of the Board of  
20 Supervisors, located on the first floor of the County Administrative Center, 4080 Lemon Street, Riverside,  
21 California as follows:

22         **Section 1.** The Board of Supervisors declares its intention to institute change proceedings  
23 pursuant to Article 3.5 of the Mello-Roos Community Facilities Act of 1982, as amended, commencing  
24 with Section 53311 of the Government Code (the "Act") for the proposed amendment to the Original Rate  
25 and Method of Apportionment for the CFD in the form of the Amended and Restated Rate and Method of  
26 Apportionment.

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1           **Section 2.** The proposed Amended and Restated Rate and Method of Apportionment and manner  
2 of collection of the special tax is described in detail in Exhibit A.

3           **Section 3.** The services (the “Services”) proposed to be financed by the Community Facilities  
4 District pursuant to the Act are described in Exhibit B attached hereto and as follows:

- 5           i) Street lighting maintenance, which includes energy charges, operation,  
6 maintenance, and administration of street lighting located within the surrounding  
7 area of the Community Facilities District;
- 8           ii) Park and Landscaping improvements that may include, but are not limited to, turf,  
9 ground cover, shrubs, trees, plants, irrigation and drainage systems, masonry walls  
10 or other fencing located within the designated boundaries of the Community  
11 Facilities District; and
- 12           iii) Landscaping along Spring Street.

13           **Section 4.** Except where funds are otherwise available, a special tax sufficient to pay for all  
14 Services, secured by recordation of a continuing lien against all nonexempt real property in the  
15 Community Facilities District, will be annually levied within the Community Facilities District. The  
16 amended and restated rate and method of apportionment of the special tax (the “Amended and Restated  
17 Rate and Method of Apportionment”), in sufficient detail to allow each landowner within the Community  
18 Facilities District to estimate the maximum amount that he or she will have to pay, is described in Exhibit  
19 A attached hereto, which is by this reference incorporated herein. The special tax will be collected in the  
20 same manner as ordinary *ad valorem* property taxes or in such other manner as the Board of Supervisors  
21 shall determine, including direct billing of the affected property owners.

22           The special tax shall be levied annually until terminated by the Board of Supervisors as  
23 specified in the Amended and Restated Rate and Method of Apportionment.

24           **Section 5.** The Board of Supervisors hereby sets the matter for public hearing on August 24,  
25 2021, at 9:30 am, or as soon thereafter as the Board of Supervisors will consider the matter, at the meeting  
26 room of the Board of Supervisors, located on the first floor of the County Administrative Center, 4080  
27 Lemon Street, 1<sup>st</sup> Floor, Riverside, California, as the time and place when and where the Board of  
28 Supervisors will conduct a public hearing on the amending the Original Rate and Method of

1 Apportionment in accordance with the proposed Amended and Restated Rate and Method of  
2 Apportionment of the Community Facilities District and the levy of the special tax therein.

3       **Section 6.** The Clerk is hereby directed to publish, or cause to be published, a notice of said  
4 public hearing, as prepared and approved by County Counsel, one time in *The Press Enterprise*, a  
5 newspaper of general circulation published in the area of the Community Facilities District. The  
6 publication of said notice shall be completed at least seven days prior to the date set for public hearing.  
7 Said notice shall contain the information prescribed by Section 53322 of the Government Code.

8       The Clerk is hereby further directed to give notice of said public hearing, as prepared and  
9 approved by County Counsel, by first-class mail to each registered voter and to each landowner within the  
10 Community Facilities District. Said notice shall be mailed at least 15 days prior to the date set for public  
11 hearing and shall contain the same information as is required to be contained in the notice published  
12 pursuant to Section 53322 of the Government Code.

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

18       **Section 8.** The officers of the County of Riverside are, and each of them is, hereby authorized and  
19 directed to do any and all things, and to execute and deliver any and all documents which said officers  
20 may deem necessary or advisable in order to accomplish the purposes of this resolution and not  
21 inconsistent with the provisions hereof.

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1 **ADOPTED, SIGNED AND APPROVED** this 20<sup>TH</sup> day of July, 2021, by the Board of  
2 Supervisors of the County of Riverside.

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5 Karen S. Spiegel  
6 Chair of the Board of Supervisors

7 ATTEST:

8 Kecia R. Harper  
9 Clerk of the Board of Supervisors

10 By: [Signature]  
11 Deputy

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14 ROLL CALL:

15 Ayes: Jeffries, Spiegel, Washington, Perez and Hewitt  
16 Nays: None  
17 Absent: None

18 The foregoing is certified to be a true copy of a resolution  
19 duly adopted by said Board of Supervisors on the date therein set  
20 forth.

21 Kecia R. Harper, Clerk of said Board

22 By: [Signature]  
23 Deputy  
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**EXHIBIT A**  
**PROPOSED AMENDED AND RESTATED**  
**RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX**

(See Attached)

1 **EXHIBIT B**

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3 **SERVICES AND INCIDENTAL EXPENSES**

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5 **Services**

6 The types of services to be finance by the Community Facilities District are:

- 7 i. Street lighting maintenance, which includes energy charges, operation,  
8 maintenance, and administration of street lighting located within the surrounding  
9 area of the Community Facilities District;
- 10 ii. Park and landscaping improvements that may include, but are not limited to, turf,  
11 ground cover, shrubs, trees, plants, irrigation and drainage systems, masonry walls  
12 or other fencing within the designated boundaries of the Community Facilities  
13 District; and
- 14 iii. Landscaping along Spring Street.

15 **Incidental Expenses**

16 The incidental expenses proposed to be incurred include the following:

- 17 i. The cost associated with the Community Facilities District, determination of the  
18 amount of taxes, collection of taxes, including litigation expenses, if any, costs for  
19 processing payment of taxes, or other administrative costs otherwise incurred in  
20 order to carry out the authorized purposes of the Community Facilities District;  
21 and
- 22 ii. Any other expenses incidental to the performance and inspection of the authorized  
23 Services.
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