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



ITEM: 3.18 (ID # 18592) MEETING DATE:

Tuesday, April 05, 2022

FROM:

OFFICE OF ECONOMIC DEVELOPMENT:

SUBJECT: OFFICE OF ECONOMIC DEVELOPMENT: Adoption of Resolution No. 2022-085, Intention to Institute Change Proceedings for Community Facilities District No. 20-2M (Prairie Crossing) Improvement Area B of the County of Riverside Supervisorial District 3 [\$50,181 Ongoing Cost]; CFD 20-2M (Prairie Crossing) Improvement Area B- 100% (Clerk to Set for Public Hearing on May 10, 2022 at 9:30 a.m. or as soon as possible thereafter-and to Advertise)

RECOMMENDED MOTION: That the Board of Supervisors:

- 1. Adopt Resolution No. 2022-085, a Resolution of the Board of Supervisors of the County of Riverside of Intention to Institute Change Proceedings for Community Facilities District 20-2M (Prairie Crossing) Improvement Area B and to Authorize the Levy of Special Taxes and Setting a Date and Time for a Public Hearing Thereon; and
- 2. Set a public hearing concerning Change Proceedings of Community Facilities District 20-2M (Prairie Crossing) Improvement Area B for 9:30 a.m. on May 10, 2022, 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
Suzanne Holland
Suzanne Holland

3/17/202

Aaron Gettis, Deputy County Sounsel

3/24/2022

Kecia R. Harper

Clerk of the Board

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Perez, seconded by Supervisor Washington and duly carried by unanimous vote, IT WAS ORDERED that the above matter is approved as recommended and is set for public hearing on Tuesday, May 10, 2022, at 9:30 a.m. or as soon as possible thereafter.

Ayes:

Jeffries, Spiegel, Washington, Perez and Hewitt

Nays:

None

Absent:

None

Date:

April 5, 2022

XC:

OED, COB

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FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:		Ongoing Cost
COST	\$0	\$ 50,181	\$0		\$ 50,181
NET COUNTY COST	\$ 0	\$ 0		\$ 0	\$0
SOURCE OF FUNDS: Area B	100% CFD 20-2M (Prairie Crossing) Improvement			Budget Adjustment: N/A For Fiscal Year: 22-23	

C.E.O. RECOMMENDATION: Approve

BACKGROUND:

Summary

The State legislature enacted the Mello-Roos Community Facilities Act of 1982 to assist public agencies in financing certain public services and maintenance requirements. On January 27, 2015, the Board of Supervisors revised Board Policy B-12 entitled "Land Secured Financing Districts" to include "Service and Maintenance CFDs" to fund the ongoing maintenance of landscape, storm water Best Management Practices (BMP), street lighting, or other similar improvements and set goals and policies concerning Community Facilities Districts (CFD).

D.R. Horton Los Angeles Holding Company, Inc., a California Corporation, the developer of Tract 31633 (Improvement Area B), have petitioned that the County of Riverside Office of Economic Development assist them in amending the Rate and Method of Apportionment to cover costs associated with additional maintenance and servicing of public improvements within the established district. D.R. Horton Los Angeles Holding Company, Inc., a California Corporation, owns 100% of the area subject to the Special Tax Rate. The boundaries of CFD 20-2M (Prairie Crossing) encompasses the entire Tract Map No. 31633 (Improvement Area B), which is projected to include 129 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, Improvement Area B, to fund the costs associated with (i) the administration, inspection, and maintenance of all stormwater facilities and BMPs, including water quality basins, fossil filters, basin forebays and all other NPDES/WQMP/BMP-related devices and structures as approved and accepted by the CFD. Administration includes, but is not limited to, quality control and assurance of inspections and maintenance, general contract management, scheduling of inspections and maintenance, and general oversight of all NPDES/WQMP/BMP operations. Inspection includes, but is not limited to, travel time, visual inspection process and procedures for functionality, GPS location recording, assurance of proper vegetation, functioning irrigation, and citing operational or structural deficiencies, erosion, trash, silt, and sediment build-up. Maintenance includes, but is not limited to, repair or replacement of any deficiencies noted during inspection, weed control and abatement, trash removal, and healthy upkeep of required plant materials. (ii) Street lighting maintenance (including energy charges, operation, maintenance, and administrative costs of streetlights). (iii) Traffic signal maintenance including energy charges, operation, maintenance, and administrative costs of traffic signal.

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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 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 January 12, 2021, the County of Riverside Board of Supervisors approved agenda item 3.6 Resolution No. 2021-016, 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 applicable Improvement Areas to fund the service and maintenance functions requested by the Developer.

On March 2, 2021, the County of Riverside Board of Supervisors held a public hearing to receive public comments and conduct a majority protest hearing concerning the establishment of the CFD and the levy of the special tax in the Improvement Areas. At the conclusion of the public hearing, the Board of Supervisors adopted Resolution No. 2021-019, the Resolution of Formation of the CFD, which also authorized the levy of a special tax in the Improvement Areas within the CFD subject to voter approval during a duly called election held that same day.

On March 9, 2021 (Agenda Item 3.6), the Board of Supervisors adopted Resolution No. 2021-020 declaring the results of the election regarding the proposed special tax in the Improvement Areas 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. 964 authorizing the levy of the special tax pursuant to the Rate and Method of Apportionment approved by the voters.

On March 23, 2021 (Agenda Item 3.7), the Board of Supervisors adopted Ordinance No. 964, an Ordinance of the County of Riverside Authorizing the Levy of a Special Tax Within Community Facilities District No. 20-2M (Prairie Crossing).

Approval of proposed Resolution No. 2022-085 by the Board of Supervisors is the initial step for Instituting Change Proceedings for CFD 20-2M (Prairie Crossing) Improvement Area B, 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 20-2M (Prairie Crossing) Improvement Area B to the landowners at a special election to be conducted by mailed ballot if a majority protest does not occur.

Reference

The CFD 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.

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The County may levy special taxes within this proposed 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 Boundary Map (inclusive of Tract Map No. 31633 (Improvement Area B)) are impacted by the proposed special taxes. By setting up special taxes 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 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 stormwater facilities and BMPs, streetlights and traffic signal. The developers shall, and are obligated to, provide disclosure statements to potential buyers that outline the associated tax rate of a new home.

SUPPLEMENTAL:

Additional Fiscal Information

The amended budget for Improvement Area B, of \$50,181 for fiscal year 2022-2023, will result in a special tax of \$389 per taxable parcel, pursuant to the Amended and Restated Rate and Method of Apportionment. The annual special tax, for Improvement Area B, shall 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. 2022-085
- Recorded CFD Boundary Map
- Amended and Restated Rate and Method of Apportionment (RMA)
- Petition

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

Scott Bruckner 3/30/2022

RESOLUTION NO. 2022-085

A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF RIVERSIDE OF
INTENTION TO DECLARE ITS INTENTION TO CONSIDER AMENDING THE RATE AND
METHOD OF APPORTIONMENT OF SPECIAL TAX FOR COMMUNITY FACILITIES DISTRICT
20-2M (PRAIRIE CROSSING) IMPROVEMENT AREA B AND TO AUTHORIZE THE LEVY OF
SPECIAL TAXES AND SETTING A DATE AND TIME FOR A PUBLIC HEARING THEREON

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

WHEREAS, the Board of Supervisors has received both a Qualifying Petition and the Deposit pursuant to the Act and therefore institutes change proceedings to amend Community Facilities District 20-2M (Prairie Crossing) Improvement Area B (the "Community Facilities District" "CFD") and to authorize the levy of special taxes therein in order to finance:

Administration, inspection and maintenance of all stormwater facilities and BMPs, including water quality basins, fossil filters, basin forebays and all other NPDES/WQMP/BMP-related devices and structures as approved and accepted by the CFD. Administration includes, but is not limited to, quality control and assurance of inspections and maintenance, general contract management, scheduling of inspections and maintenance, and general oversight of all NPDES/WQMP/BMP operations. Inspection includes, but is not limited to, travel time, visual inspection process and procedures for functionality, GPS location recording, assurance of proper vegetation, functioning irrigation, and citing operational or structural deficiencies, erosion, trash, silt and sediment build-up. Maintenance includes, but is not limited to, repair or replacement of any deficiencies noted during inspection, weed control and abatement, trash removal, and healthy upkeep of required plant materials; and

i)

- ii) Street lighting maintenance, which includes energy charges, operation, maintenance, and administration of street lighting; and
- iii) Traffic signal maintenance including energy charges, operation, maintenance, and administrative costs of traffic signal.

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

WHEREAS, on January 12, 2021, the County of Riverside Board of Supervisors approved, Resolution No. 2021-016, a Resolution of Intention as the initial step for forming the CFD and declaring 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.

WHEREAS, on March 2, 2021, the County of Riverside Board of Supervisors held a public hearing to receive public comments and conduct a majority protest hearing concerning the establishment of the CFD and the levy of the special tax. At the conclusion of the public hearing, the Board of Supervisors adopted Resolution No. 2021-019, 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 the same day;

WHEREAS, on March 9, 2021, the Board of Supervisors adopted 2021-020 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. 964 authorizing the levy of the special tax pursuant to the Rate and Method of Apportionment approved by the voters;

WHERAS, on March 23, 2021, the Board of Supervisors adopted Ordinance No. 964, an Ordinance of the County of Riverside Authorizing the Levy of a Special Tax Within Community Facilities District No. 20-2 (Prairie Crossing).

NOW, THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED BY the Board of Supervisors of the County of Riverside, State of California (the "Board of Supervisors") in regular session assembled on April 5, 2022 at 9:30 a.m. or soon thereafter, in the meeting room of the Board of

Supervisors, located on the first floor of the County Administrative Center, 4080 Lemon Street, Riverside, California as follows:

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

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

Section 3. The services (the "Services") proposed to be financed by the Community Facilities District, within Improvement Area B, pursuant to the Act are described in Exhibit A attached hereto and as follows:

Improvement Area B

- i) Administration, inspection, and maintenance of all stormwater facilities and BMPs to include: water quality basins, fossil filters, basin forebays, and all other NPDES/WQMP/BMP related devices and structures as approved and accepted by the Community Facilities District; administration includes, but is not limited to, quality control and assurance of inspections and maintenance, general contract management, scheduling of inspections and maintenance, and general oversight of all NPDES/WQMP/BMP operations; inspection includes, but is not limited to, travel time, visual inspection process and procedures for functionality, GPS location recording, assurance of proper vegetation, functioning irrigation, and citing operational or structural deficiencies, erosion, trash, silt and sediment build-up; and maintenance includes, but is not limited to, repair or replacement of any deficiencies noted during inspection, weed control and abatement, trash removal, and healthy upkeep of required plant materials; and
- ii) Street lighting maintenance, which includes energy charges, operation, maintenance, and administration of street lighting; and

iii) Traffic signal maintenance including energy charges, operation, maintenance, and administrative costs of traffic signal.

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

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

Section 5. The Board of Supervisors hereby sets the matter for public hearing on May 10, 2022, at 9:30 am, or as soon thereafter as the Board of Supervisors will consider the matter, at the meeting room of the Board of Supervisors, located on the first floor of the County Administrative Center, 4080 Lemon Street, 1st Floor, Riverside, California, as the time and place when and where the Board of Supervisors will conduct a public hearing on the amending the Original Rate and Method of Apportionment in accordance with the proposed Amended and Restated Rate and Method of Apportionment of the Community Facilities District and the levy of the special tax therein.

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

The Clerk is hereby further directed to give notice of said public hearing, as prepared and approved by County Counsel, by first-class mail to each registered voter and to each landowner within the Community Facilities District. Said notice shall be mailed at least 15 days prior to the date set for public

hearing and shall contain the same information as is required to be contained in the notice published 1 pursuant to Section 53322 of the Government Code. 2 Section 7. The levy of said proposed special tax in Improvement Area B shall be subject to the 3 approval of the qualified electors of the Community Facilities District at a special election based upon the 4 Improvement Area. The proposed voting procedure shall be by mail or hand-delivered ballot among each 5 landowner, in Improvement Area B, respectively within the Community Facilities District, with each 6 owner having one vote for each acre or portion of an acre such owner owns in the Community Facilities 7 District within the Improvement Area. 8 Section 8. The officers of the County of Riverside are, and each of them is, hereby authorized and 9 directed to do any and all things, and to execute and deliver any and all documents which said officers 10 may deem necessary or advisable in order to accomplish the purposes of this resolution and not 11 inconsistent with the provisions hereof. 12 13 ADOPTED, SIGNED AND APPROVED this 5th day of April, 2022, by the Board of 14 15 Supervisors of the County of Riverside. 16 17 18 Chair of the Board of Supervisors 19 JEFF HEWITT ATTEST: 20 Kecia R. Harper 21 Clerk of the Board of Supervisors 22 23 24 25 26 27

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RESOLUTION 2022-085

A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF RIVERSIDE OF INTENTION TO DECLARE ITS INTENTION TO CONSIDER AMENDING THE RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX FOR COMMUNITY FACILITIES DISTRICT 20-2M (PRAIRIE CROSSING) IMPROVEMENT AREA B AND TO AUTHORIZE THE LEVY OF SPECIAL TAXES AND SETTING A DATE AND TIME FOR A PUBLIC HEARING THEREON

ADOPTED by Riverside County Board of Supervisors on April 5, 2022.

ROLL CALL:

Ayes:

Jeffries, Spiegel, Washington, Perez and Hewitt

Nays: Absent: None

None

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

KECIA R. HARPER, Clerk of said Board

CALLOCOLO !

Deputy

04.05.2022 3.18

SERVICES AND INCIDENTAL EXPENSES

SERVICES AND INCIDENTAL EXTENSES

Services

The types of services to be financed by Improvement Area B within the Community Facilities District are:

Improvement Area B

- i) Administration, inspection and maintenance of all stormwater facilities and BMPs, including water quality basins, fossil filters, basin forebays and all other NPDES/WQMP/BMP-related devices and structures as approved and accepted by the CFD. Administration includes, but is not limited to, quality control and assurance of inspections and maintenance, general contract management, scheduling of inspections and maintenance, and general oversight of all NPDES/WQMP/BMP operations. Inspection includes, but is not limited to, travel time, visual inspection process and procedures for functionality, GPS location recording, assurance of proper vegetation, functioning irrigation, and citing operational or structural deficiencies, erosion, trash, silt and sediment build-up. Maintenance includes, but is not limited to, repair or replacement of any deficiencies noted during inspection, weed control and abatement, trash removal, and healthy upkeep of required plant materials; and
- ii) Street lighting maintenance, which includes energy charges, operation, maintenance, and administration of street lighting; and
- iii) Traffic signal maintenance including energy charges, operation, maintenance, and administrative costs of traffic signal.

Incidental Expenses

The incidental expenses proposed to be incurred include the following:

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

EXHIBIT B

PROPOSED RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX

(See Attached)