

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



ITEM: 19.2
(ID # 18628)

MEETING DATE:
Tuesday, May 10, 2022

FROM : OFFICE OF ECONOMIC DEVELOPMENT:

SUBJECT: OFFICE OF ECONOMIC DEVELOPMENT: Public Hearing Regarding the Formation of Community Facilities District No. 22-2M (Mountains Edge) of the County of Riverside, Adopt Resolution of Formation, and Receive and File CFD Documents. District 3. [\$33,440 Ongoing cost - 100% CFD 22-2M (Mountains Edge)] (CEQA Exempt)

RECOMMENDED MOTION: That the Board of Supervisors:

1. With regard to the formation of Community Facilities District No. 22-2M (Mountains Edge) of the County of Riverside, conduct a public hearing to receive public comments and conduct a majority protest proceeding; and
2. Adopt Resolution No. 2022-083, a Resolution of the Board of Supervisors of the County of Riverside of Formation of Community Facilities District No. 22-2M (Mountains Edge) of the County of Riverside Authorizing the Levy of a Special Tax within Said District to Pay for Maintenance of Fossil Filters and Street Lighting; Calling a Special Election to Submit to the Respective Qualified Voters the Question of Levying Such Special Tax and Establishing an Appropriations Limit for Said District; and Designating the Election Official for Such Matters.

ACTION:Policy


Suzanne Holland, Director of Office of Economic Development 4/14/2022

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Washington seconded by Supervisor Jeffries and duly carried, IT WAS ORDERED that the above matter is approved as recommended.

Ayes: Jeffries, Washington, Perez, and Hewitt
Nays: None
Absent: Spiegel
Date: May 10, 2022
xc: O.E.D.

Kecia R. Harper
Clerk of the Board

By: 
Deputy

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FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost
COST	\$ 0	\$ 33,440	\$ 0	\$ 33,440
NET COUNTY COST	\$ 0	\$ 0	\$ 0	\$ 0
SOURCE OF FUNDS: 100% CFD 22-2M (Mountains Edge)			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).

Cal Hearthstone Lot Option Pool 03, L.P., is the Developer of Tract 36430-2 has petitioned that the County of Riverside Office of Economic Development assist them in forming a district and include their property for the County of Riverside (County) to cover the costs associated with the maintenance of public improvements within the proposed district. The property owner has submitted an application and formation deposit. A special tax is proposed to be levied on each individual parcel located within the boundary of the proposed Community Facilities District 22-2M (Mountains Edge).

The boundaries of CFD No. 22-2M (Mountains Edge) will encompass the entire Tract Map No. 36430-2, which includes 190 single family dwelling units, none of which are currently occupied.

On April 5, 2022 (Agenda Item 3.15), the County Board of Supervisors approved Resolution No. 2022-082, 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 Cal Hearthstone Lot Option Pool 03, L.P. The Resolution also requires the Board of Supervisors hold a public hearing and submit the formation of the proposed CFD 22-2M (Mountains Edge) to the landowners at a special election to be conducted by mailed ballot if a majority protest does not occur.

Approval of proposed Resolution No. 2022-083, a Resolution of the Board of Supervisors of the County of Riverside will authorize the County to levy a special tax within the district boundary to pay for services requested in the proposed CFD 22-2M (Mountains Edge) upon voter approval. The resolution also calls for a special election to be held on May 10, 2022, and designates the election official for the proposed election. Only the landowners within the boundary of proposed CFD 22-2M (Mountains Edge) will have the right to vote on the proposed special tax. Results will be tallied and, if approved, a confirmation motion will be brought back to the Board of Supervisors for approval.

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The costs associated with the district are (i) Administration, inspection, and maintenance of all fossil filters, and 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 fossil filter operations. Inspection includes, but is not limited to, travel time, visual inspection process and procedures to ensure fossil filter functionality, Maintenance includes, but is not limited to, repair or replacement of any deficiencies noted during inspection (ii) Street lighting maintenance, which includes energy charges, operation, maintenance, and administration of street lighting located within the designated boundaries of the CFD.

Each new CFD is created for a specific development or developments when similar facilities are requested to be maintained by the County. A special tax is levied according to a Rate and Method of Apportionment (RMA) developed to the specific features within that District, and a special tax is annually placed on the tax roll for each Assessor Parcel Number (APN) noted in the Proposed Boundary Map, both attached herein.

Reference

The CFD Rate and Method of Apportionment (RMA) is consistent with the Mello-Roos 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 taxes on 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 formation of the proposed 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, 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 proposed CFD which are represented by the attached Recorded Boundary Map (inclusive of Tract Map No. 36430-2) are impacted by the 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 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 fossil filters, and street lights. The Developer shall and is obligated to provide disclosure statements to potential buyers which outline the associated tax rate of a new home.

Additional Fiscal Information

Pursuant to the Rate and Method of Apportionment for fiscal year 2022-2023, the proposed

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Budget and Special tax will be \$33,440 and will result in a special tax of \$176 per taxable parcel. The annual tax shall be increased by the minimum of 2% or up to cumulative percentage increase in the Consumer Price Index for all Urban Consumers (CPI-U) in effect in the previous Fiscal Year, as it stands as of March of each year over the base index for March of 2021.

ATTACHMENTS:

- Recorded CFD Boundary Map (reference only)
- Resolution No. 2022-083
- CFD Report
- Certificate of Registrar of Voters
- Signed Concurrence of Election Official


Scott Bruckner 5/3/2022

2 RESOLUTION NO. 2022-083

3 A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF RIVERSIDE OF
 4 FORMATION OF COMMUNITY FACILITIES DISTRICT NO. 22-2M (MOUNTAINS EDGE) OF
 5 THE COUNTY OF RIVERSIDE, AUTHORIZING THE LEVY OF A SPECIAL TAX WITHIN SAID
 6 DISTRICT TO PAY FOR MAINTENANCE OF FOSSIL FILTERS AND STREET LIGHTING;
 7 CALLING A SPECIAL ELECTION TO SUBMIT TO THE RESPECTIVE QUALIFIED VOTERS THE
 8 QUESTION OF LEVYING SUCH SPECIAL TAX AND ESTABLISHING AN APPROPRIATIONS
 9 LIMIT FOR SAID DISTRICT; AND DESIGNATING THE ELECTION OFFICIAL FOR SUCH
 10 MATTERS

FOR THE APPROVED COUNTY COUNSEL
 BY: D-C-2
 DARREN C. ZIEGLER
 DATE 4/27/22

11 **WHEREAS**, on April 5, 2022, the Board of Supervisors (the “Board of Supervisors”) of the County
 12 of Riverside (the “County”), pursuant to the Mello-Roos Community Facilities Act of 1982 (the “Act”),
 13 of Riverside (the “County”), pursuant to the Mello-Roos Community Facilities Act of 1982 (the “Act”),
 14 commencing with Section 53311 of the California Government Code (the “Government Code”), adopted
 15 Resolution No. 2022-082 (the “Resolution of Intention”), stating its intention to establish a community
 16 facilities district, proposed to be named Community Facilities District No. 22-2M (Mountains Edge) of the
 17 County of Riverside (the “Community Facilities District”), and to authorize the levy of special taxes to
 18 finance certain authorized services and setting May 10, 2022, as the date for a public hearing to be held on
 19 the establishment of the Community Facilities District;

20 **WHEREAS**, Section 53322 of the Government Code requires publication of the notice of the
 21 hearing at least seven (7) days prior to the date of the hearing;

22 **WHEREAS**, Section 53322.4 of the Government Code permits, but does not require, mailing of the
 23 notice of the hearing to each registered voter and landowner within the proposed district;

24 **WHEREAS**, notice of such public hearing was timely published in *The Press-Enterprise*, a
 25 newspaper of general circulation published in the area of the proposed district, as required by Section 53322
 26 of the Government Code;

27 **WHEREAS**, notice of such public hearing was mailed by first class mail, postage prepaid to each
 28 registered voter and landowner within the Community Facilities District, as permitted by Section 53322.4;

MAY 10 2022 19.2

1 **WHEREAS**, on this date, the Board of Supervisors conducted and closed said public hearing to
2 consider establishing the proposed Community Facilities District, the proposed levy of a special tax within
3 the Community Facilities District and a proposed appropriations limit;

4 **WHEREAS**, any and all persons interested, including all taxpayers, property owners and registered
5 voters within the proposed Community Facilities District were given an opportunity to appear and be heard
6 at said public hearing and a full hearing was held;

7 **WHEREAS**, pursuant to the Resolution of Intention, each officer of the County who is or will be
8 responsible for providing one or more of the proposed types of authorized services was directed to study,
9 or cause to be studied, the proposed Community Facilities District and, at or before said public hearing, file
10 a report with the Board of Supervisors containing a brief description of the authorized services by type
11 which will in his or her opinion be required to adequately meet the needs of the Community Facilities
12 District, and his or her estimate of the cost of providing the services proposed to be financed by the
13 Community Facilities District and the fair and reasonable cost of the incidental expenses proposed to be
14 paid;

15 **WHEREAS**, said report was so filed with the Board of Supervisors and made a part of the record
16 of said public hearing;

17 **WHEREAS**, at said public hearing, evidence was presented to the Board of Supervisors on the
18 matters before it, and the Board of Supervisors at the conclusion of the hearing was fully advised as to all
19 matters relating to the proposed establishment of the Community Facilities District and the furnishing of
20 specified types of services;

21 **WHEREAS**, written protests against the establishment of the Community Facilities District, the
22 furnishing of any specified type or types of authorized services within the Community Facilities District or
23 the levying of any specified special tax were not made or filed at or before the hearing by 50% or more of
24 the registered voters, or six registered voters, whichever is more, residing within the territory proposed to
25 be included in the Community Facilities District, or by the owners of one-half or more of the area of land
26 in the territory proposed to be included in the Community Facilities District and not exempt from the special
27 tax;

28 **WHEREAS**, there has been filed with the Clerk to the Board of Supervisors a certification of the

1 Registrar of Voters of the County that within the ninety-day period preceding the close of said public
2 hearing, zero (0) persons were registered to vote within the territory proposed to be included in the
3 Community Facilities District;

4 **WHEREAS**, on the basis of all of the foregoing, the Board of Supervisors has determined at this
5 time to proceed with the establishment of the Community Facilities District as provided by said Resolution
6 No. 2022-082 to submit to the qualified electors of the Community Facilities District propositions to
7 authorize the levy of a special tax pursuant to the Rate and Method of Apportionment of Special Tax
8 described in Exhibit B to Resolution No. 2022-082 and the Community Facilities District Report;

9 **WHEREAS**, the Board of Supervisors has received a Petition, Consent and Waiver of 100% of the
10 landowners within the boundaries of the Community Facilities District waiving certain election
11 requirements, time limits and formalities; and

12 **WHEREAS**, the Board of Supervisors has determined that the establishment of the Community
13 Facilities District is not a project for purposes of the California Environmental Quality Act (CEQA) and is
14 exempt from CEQA.

15 **NOW, THEREFORE, BE IT RESOLVED, FOUND, DETERMINED, AND ORDERED** by
16 the Board of Supervisors of the County of Riverside, State of California, in regular session assembled on
17 May 10, 2022, as follows:

18 **Section 1.** All of the above recitals are true and correct.

19 **Section 2.** The Board of Supervisors hereby approves and adopts and confirms said Resolution
20 No. 2022-082, notice of which was published and mailed prior to the public hearing as required by law,
21 and, except as otherwise provided herein, reconfirms all of its findings and determinations contained in said
22 Resolution No. 2022-082.

23 **Section 3.** The Board of Supervisors hereby approves and adopts the Rate and Method of
24 Apportionment of Special Tax for the Community Facilities District and the manner of collection of the
25 special tax as set forth in Exhibit B to this resolution. To the extent required by Section 53325.1(a) of the
26 Government Code, all of the information contained in Resolution No. 2022-082 is incorporated herein and
27 made a part hereof.

28 **Section 4.** The Community Facilities District is hereby established according to the Act.

1 **Section 5.** The Community Facilities District is hereby named “Community Facilities District
2 No. 22-2M (Mountains Edge) of the County of Riverside.”

3 **Section 6.** The services to be provided and funded by the Community Facilities District are
4 described under the caption “Services” on Exhibit A hereto, which is by this reference incorporated herein.
5 The incidental expenses proposed to be incurred are identified under the caption “Incidental Expenses” on
6 Exhibit A hereto.

7 **Section 7.** The proposed special tax to be levied within the Community Facilities District has
8 not been precluded by majority protest pursuant to Section 53324 of the California Government Code; and
9 any and all written protests to the special tax and appropriations limit are hereby overruled.

10 **Section 8.** Except where funds are otherwise available, a special tax sufficient to pay for all
11 Services, secured by recordation of a continuing lien against all nonexempt real property in the Community
12 Facilities District, will be annually levied within the Community Facilities District. The rate and method
13 of apportionment of the special tax (the “Rate and Method”), in sufficient detail to allow each landowner
14 within the proposed Community Facilities District to estimate the maximum amount that he or she will have
15 to pay, is described in Exhibit B attached hereto, which is by this reference incorporated herein. The special
16 tax will be collected in the same manner as ordinary *ad valorem* property taxes or in such other manner as
17 the Board of Supervisors shall determine, including direct billing of the affected property owners.

18 The special tax will be levied annually, until terminated by the Board of Supervisors, as specified
19 in the Rate and Method.

20 **Section 9.** The name, address and telephone number of the office which will be responsible for
21 preparing annually a current roll of special tax levy obligations by assessor’s parcel number and which will
22 be responsible for estimating further special tax levies pursuant to Section 53340.2 of the California
23 Government Code are as follows: Office of Economic Development Community Facilities District
24 Administrator, 3403 10th Street, Suite 400, Riverside, California 92501, (951) 955-8916.

25 **Section 10.** Upon recordation of a notice of special tax lien pursuant to Section 3114.5 of the
26 California Streets and Highways Code, a continuing lien to secure each levy of the special tax shall attach
27 to all nonexempt real property in the Community Facilities District and this lien shall continue in force and
28 effect until collection of the tax by the Board of Supervisors ceases.

1 **Section 11.** The boundary map of the Community Facilities District was recorded on April 7,
2 2022, in Riverside County in Book 88 at Page 63 of the Book of Maps of Assessment and Community
3 Facilities Districts in the Riverside County Recorder's Office, as Instrument No. 2022-0166475. The Board
4 of Supervisors hereby approves and ratifies said map and the boundaries of the Community Facilities
5 District which are incorporated herein and made a part hereof.

6 **Section 12.** The annual appropriations limit, as defined by subdivision (h) of Section 8 of Article
7 XIII B of the California Constitution, of the Community Facilities District is hereby established at
8 \$4,000,000.

9 **Section 13.** Pursuant to the provisions of the Act, the levy of the special tax and a proposition to
10 establish the appropriations limit specified above shall be subject to the approval of the qualified electors
11 of the Community Facilities District at a special election. The Registrar of Voters has determined, and the
12 Board of Supervisors finds, that fewer than 12 persons are registered to vote within the territory included
13 in the Community Facilities District. Accordingly, pursuant to Section 53326 of the Government Code, the
14 vote concerning the special tax and appropriations limit shall be by the landowners of the Community
15 Facilities District; and each landowner who is the owner of record as of the close of the public hearing, or
16 the authorized representative thereof, shall have one vote for each acre or portion of an acre that he or she
17 owns within the Community Facilities District. The voting procedure shall be by mailed or hand-delivered
18 ballot. The Board of Supervisors also finds that the requirements of Section 53326 of the Act pertaining to
19 the shortening of time and the requirement for notice have been waived by all of the landowners within the
20 Community Facilities District.

21 **Section 14.** The Board of Supervisors hereby calls and schedules a special election for May 10,
22 2022, at 9:30 a.m. within and for the Community Facilities District on (i) the proposition with respect to
23 the annual levy of special taxes within the Community Facilities District for the provision of authorized
24 services to the Community Facilities District and (ii) the proposition with respect to establishing an
25 appropriations limit for the Community Facilities District.

26 The propositions to be submitted to the voters of the Community Facilities District at such special
27 election shall be as follows:
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1 Proposition A: Shall special taxes be levied annually on taxable property within Community
2 Facilities District No. 22-2M (Mountains Edge) of the County of Riverside to fund, pay for, and
3 finance authorized maintenance of fossil filters and street lighting (as specified and reflected in the
4 Resolution of Intention, the Resolution of Formation, and the Rate and Method of Apportionment
5 of Special Tax) and to pay expenses incidental thereto and incidental to the levy and collection of
6 the special taxes, so long as the special taxes are needed to fund such services, at the special tax
7 rates and pursuant to the method of apportioning the special taxes set forth in Exhibit B to Resolution
8 No. 2022-082 adopted by the Board of Supervisors of said County on April 5, 2022?

9
10 Proposition B: Shall an appropriations limit, as defined by subdivision (h) of Section 8 of Article
11 XIII B of the California Constitution, be established for Community Facilities District No. 22-2M
12 (Mountains Edge) of the County of Riverside in the amount of \$4,000,000?

13
14 **Section 15.** Based on its findings that fewer than 12 registered voters reside within the
15 boundaries of the Community Facilities District and that the election will be among landowner voters, the
16 Board of Supervisors hereby appoints the Director of the Riverside County Office of Economic
17 Development or her designee, or such other officer or employee as the Board shall designate, to serve as
18 the election official (the “Election Official”) for the election pursuant to Government Code Section 53326.

19 **Section 16.** The procedures to be followed in conducting the special election on (i) the
20 proposition with respect to the levy of special taxes on taxable property within the Community Facilities
21 District to pay the costs of authorized services, and (ii) the proposition with respect to establishing an
22 appropriations limit for the Community Facilities District in the amount of \$4,000,000 (the “Special
23 Election”) shall be as follows:

24 (a) Pursuant to Section 53326 of the California Government Code, ballots for the Special
25 Election shall be distributed to the qualified electors by the Election Official by mail with return postage
26 prepaid or by personal service.

27 (b) Pursuant to applicable sections of the California Elections Code governing the conduct of
28

1 mail ballot elections of counties, and in particular Division 4 (commencing with Section 4000) of that Code
2 with respect to elections conducted by mail, the Election Official shall mail or deliver to each qualified
3 elector an official ballot and shall also mail or deliver to all such qualified electors a ballot pamphlet and
4 instructions to voter, including a sample ballot identical in form to the official ballot but identified as a
5 sample ballot, a return identification envelope with prepaid postage thereon addressed to the Election
6 Official for the returning of voted official ballots, and a copy of Resolution No. 2022-082.

7 (c) The official ballot to be mailed or delivered by the Election Official to each landowner-voter
8 shall have printed or typed thereon the name of the landowner-voter and the number of votes to be voted
9 by the landowner-voter and shall have appended to it a certification to be signed by the person voting the
10 official ballot which shall certify that the person signing the certification is the person who voted the official
11 ballot, and if the landowner-voter is other than a natural person, that he or she is an officer of or other person
12 affiliated with the landowner-voter entitled to vote such official ballot, that he or she has been authorized
13 to vote such official ballot on behalf of the landowner-voter, that in voting such official ballot it was his or
14 her intent, as well as the intent of the landowner-voter, to vote all votes to which the landowner-voter is
15 entitled based on its land ownership on the propositions set forth in the official ballot as marked thereon in
16 the voting square opposite each such proposition, and further certifying as to the acreage of the landowner-
17 voter's land ownership within the Community Facilities District.

18 (d) The return identification envelope to be mailed or delivered by the Election Official to each
19 landowner-voter shall have printed or typed thereon the following: (i) the name of the landowner, (ii) the
20 address of the landowner, (iii) a declaration under penalty of perjury stating that the voter is the landowner
21 or the authorized representative of the landowner entitled to vote the enclosed ballot and is the person whose
22 name appears on the identification envelope, (iv) the printed name and signature of the voter, (v) the address
23 of the voter, (vi) the date of signing and place of execution of the declaration, and (vii) a notice that the
24 envelope contains an official ballot and is to be opened only by the Election Official.

25 (e) The information to voter form to be mailed or delivered by the Election Official to the
26 landowner-voters shall inform them that the official ballots shall be returned to the Election Official
27 properly voted as provided thereon and with the certification appended thereto properly completed and
28 signed in the sealed return identification envelope with the certification thereon completed and signed and

1 all other information to be inserted thereon properly inserted by 5:00 p.m. on the date of the Special
2 Election; provided that the election shall be closed before such hour if the Election Official determines that
3 all of the qualified voters have voted.

4 (f) Upon receipt of the return identification envelopes which are returned prior to the voting
5 deadline on the date of the Special Election, the Election Official shall canvass the votes cast in the Special
6 Election, and shall file a statement with the Board of Supervisors as to the results of such canvass and the
7 election on each proposition set forth in the official ballot.

8 (g) The Legislative Body shall declare the results of said special election as soon as practicable
9 following the election, but in any event not later than the next regular meeting following the date of the
10 election, and shall cause to be input upon its minutes a statement of the results of said special election as
11 ascertained by the canvass.

12 **Section 17.** If two-thirds (2/3) of the votes cast within the Community Facilities District upon
13 the question of levying the special tax are in favor of the levy of that tax, as determined by the Board of
14 Supervisors after the canvass of the returns of such election, the Legislative Body may levy such special
15 taxes within the territory of the Community Facilities District in the amounts and for the purposes as
16 specified in this Resolution, the Special Tax Ordinance (to be adopted), and the Rate and Method of
17 Apportionment, except that such special tax may be levied at a rate lower than the amount specified therein.

18 **Section 18.** The Board of Supervisors hereby determines and finds that all proceedings up to and
19 including the adoption of this Resolution were valid and in conformity with the requirements of the Act. In
20 accordance with Section 53325.1 of the California Government Code, such finding shall be final and
21 conclusive.

22 **Section 19.** The Board of Supervisors finds and determines that the establishment of the
23 Community Facilities District is not a project for purposes of the California Environmental Quality Act and
24 is exempt from that Act.

25 **Section 20.** The officers of the County are, and each of them is, hereby authorized and directed
26 to do any and all things, and to execute and deliver any and all documents which said officers may deem
27 necessary or advisable in order to accomplish the purposes of this Resolution and not inconsistent with the
28 provisions hereof.

1 **ADOPTED, SIGNED AND APPROVED** this 10th day of May 2022, by the Board of Supervisors of the
2 County of Riverside.

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6 
7 **JEFF HEWITT**
8 **CHAIR, BOARD OF SUPERVISORS**

9 ATTEST:

10 Kecia R. Harper
11 Clerk to the Board of Supervisors

12
13
14 By: 
15 Deputy

16
17 **ROLL CALL:**

18 **Ayes:** Jeffries, Washington, Perez and Hewitt
19 **Nays:** None
Absent: Spiegel

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

23 Kecia R. Harper, Clerk of said Board

24 By: 
25 Deputy

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1 **EXHIBIT A**

2 **SERVICES AND INCIDENTAL EXPENSES**

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4 **Services**

5 The types of services to be financed by the Community Facilities District are:

- 6 i. Administration, inspection, and maintenance of all fossil filters, and related devices
7 and structures as approved and accepted by the CFD. Administration includes, but
8 is not limited to, quality control and assurance of inspections and maintenance,
9 general contract management, scheduling of inspections and maintenance, and
10 general oversight of all fossil filter operations. Inspection includes, but is not
11 limited to, travel time, visual inspection process and procedures to ensure fossil
12 filter functionality, Maintenance includes, but is not limited to, repair or
13 replacement of any deficiencies noted during inspection,
- 14 ii. Street lighting maintenance, which includes energy charges, operation, maintenance,
15 and administration of street lighting located within the surrounding area of the
16 Community Facilities District; and

17
18 **Incidental Expenses**

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

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

PROPOSED RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX

[See Attached.]

1 **RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX FOR**
2 **COMMUNITY FACILITIES DISTRICT 22-2M (MOUNTAINS EDGE)**
3 **OF THE COUNTY OF RIVERSIDE**
4 **STATE OF CALIFORNIA**

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6 A Special Tax (all capitalized terms are defined in Section A. Definitions, below) shall be applicable to
7 each Parcel of Taxable Property located within the boundaries of Community Facilities District (CFD) 22-
8 2M (Mountains Edge). The amount of Special Tax to be levied on a Parcel in each Fiscal Year, commencing
9 in Fiscal Year 2022-2023, shall be determined by the Riverside County Board of Supervisors, acting in its
10 capacity as the legislative body of the CFD by applying the appropriate Special Tax as set forth in Sections
11 B., C., and D., below. All property within the CFD, unless exempted by law or by the provisions of Section
12 E., below, shall be taxed for the purposes, to the extent, and in the manner herein provided.

13
14 **A. DEFINITIONS**

15
16 The terms hereinafter set forth have the following meanings:

17
18 **“Accessory Dwelling Unit(s)”** means a residential unit of limited size, as defined in California Government
19 Code Section 65852.2 that shares an Assessor’s Parcel Number with Single-Family Property.

20
21 **“Acre” or “Acreage”** means the land area of a Parcel as shown on the most recent Assessor’s Parcel Map,
22 or if the land area is not shown on the Assessor’s Parcel Map, the land area shown on the applicable Final
23 Map, condominium plan, or other recorded County map. If the preceding maps are not available, the
24 Acreage of an Assessor’s Parcel Number may be determined utilizing GIS. The square footage of a Parcel
25 is equal to the Acreage of such Parcel multiplied by 43,560.

26
27 **“Act”** means the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5 of Part 1
28 of Division 2 of Title 5 of the Government Code of the State of California.

1 **“Administrative Expenses”** means all actual or reasonably estimated costs and expenses of the CFD that
2 are chargeable or allocable to carry out the duties of the Administrator of the CFD as allowed by the Act,
3 which shall include without limitation, all costs and expenses arising out of or resulting from the annual
4 levy and collection of the Special Tax (whether by the County or designee thereof, or both), any litigation
5 or appeal involving the CFD, and other administrative expenses of the County or designee thereof, or both,
6 directly related to the CFD. Administrative Expenses shall also include amounts estimated or advanced by
7 the County or CFD for attorney’s fees and other costs related to commencing and pursuing to completion
8 any foreclosure as a result of delinquent Special Taxes.

9
10 **“Administrator”** means an official of the County, or designee thereof, responsible for determining the
11 Special Tax Requirement and providing for the levy and collection of the Special Taxes.

12
13 **“Approved Property”** means all Parcels of Taxable Property: (i) that are included in a Final Map that was
14 recorded prior to the January 1st preceding the Fiscal Year in which the Special Tax is being levied, and (ii)
15 that have not been issued a Building Permit(s) prior to the April 1st preceding the Fiscal Year in which the
16 Special Tax is being levied.

17
18 **“Assessor”** means the Assessor of the County.

19
20 **“Assessor’s Parcel Map”** means an official map of the Assessor of the County designating a Parcel by an
21 Assessor’s Parcel Number.

22
23 **“Assessor’s Parcel Number”** means the number assigned to a lot or Parcel for purposes of identification
24 as determined from an Assessor Parcel Map.

25
26 **“Board”** means Riverside County Board of Supervisors, acting in its capacity as the legislative body of the
27 CFD.

28

1 **“Boundary Map”** means a recorded map of the CFD which indicates by a boundary line the extent of the
2 territory within the CFD identified to be subject to the levy of Special Taxes.

3
4 **“Building Permit(s)”** means a legal document(s) issued by a local agency that allows for new vertical
5 construction of a building or buildings.

6
7 **“CFD”** means Community Facilities District 22-2M (Mountains Edge) of the County of Riverside.

8
9 **“Consumer Price Index”** means the cumulative percentage increase in the Consumer Price Index (CPI)
10 published by the U.S. Bureau of Labor Statistics for All Urban Consumers in the Riverside-San Bernardino-
11 Ontario Area, as it stands in March of each year over the base index as of 2021. In the event this index
12 ceases to be published, the Consumer Price Index shall be another index as determined by the Administrator
13 that is reasonably comparable to the Consumer Price Index for the Riverside-San Bernardino-Ontario Area.
14 In the event that the percentage change in the annualized CPI is negative, the Special Tax shall not be
15 decreased.

16
17 **“County”** means the County of Riverside, California.

18
19 **“Developed Property”** means for each Fiscal Year, all Parcels of Taxable Property: (i) that are included in
20 a Final Map that was recorded prior to January 1st preceding the Fiscal Year in which the Special Tax is
21 being levied, and (ii) for which a Building Permit(s) for vertical construction has been issued prior to April
22 1st preceding the Fiscal Year in which the Special Tax is being levied.

23
24 **“Development Class”** means either Developed Property, Approved Property, Taxable Property Owner’s
25 Association Property, Taxable Public Property, or Undeveloped property.

26
27 **“Dwelling Unit(s)” or “(D/U)”** means a residential building(s) that is used or intended to be used as a
28 domicile by one or more persons, as determined by the Administrator. An Accessory Dwelling Unit shall

1 be considered a separate Taxable Unit for purposes of calculating the Special Tax.

2
3 **“Exempt Property”** means any Parcel which is exempt from Special Taxes pursuant to Section E., below.

4
5 **“Final Map”** means a subdivision of property by recordation of a tract map, parcel map or lot line
6 adjustment, pursuant to the Subdivision Map Act (California Government Code Section 66410 *et seq.*) or
7 recordation of a condominium plan pursuant to California Civil Code 4200 that creates individual lots for
8 which Building Permit(s) may be issued without further subdivision.

9
10 **“Fiscal Year”** means the 12-month period starting on July 1 of any calendar year and ending the following
11 June 30.

12
13 **“Maximum Special Tax”** means for each Parcel in each Fiscal Year, the greatest amount of Special Tax,
14 determined in accordance with Section C., below, which may be levied on such Parcel in each Fiscal Year.

15
16 **“Multi-family Residential Property”** means all Parcels of Residential Property that consist of a two or
17 more buildings comprised of attached Dwelling Units available for rental by the general public, not for sale
18 to an end user, and under common management. An Accessory Dwelling Unit that may be rented and under
19 common management does not qualify as Multifamily Residential Property.

20
21 **“Non-Residential Property”** means all Parcels of Developed Property for which a Building Permit(s) was
22 issued permitting the construction of one or more non-residential structures.

23
24 **“Parcel”** means a lot or parcel within the CFD shown on an Assessor’s Parcel Map with an assigned
25 Assessor’s Parcel Number valid as of July 1st for the Fiscal Year for which the Special Tax is being levied.

26
27 **“Property Owner’s Association Property”** means all Parcels which have been conveyed, dedicated to, or
28

1 irrevocably offered for dedication to a home-owner's association, condominium owner's association or
2 any master or sub-association, prior to April 1st preceding the Fiscal Year in which the Special Tax is being
3 levied.

4
5 **“Proportionately”** means for each Parcel of Taxable Property that are Developed Property, Approved
6 Property, Taxable Property Owner's Association Property, Taxable Public Property or Undeveloped
7 Property, that the ratio of the actual Special Tax levy to Maximum Special Tax is the same for all Parcels
8 assigned within each Development Class.

9
10 **“Public Property”** means all Parcels which, as of April 1st preceding the Fiscal Year in which the Special
11 Tax is being levied, are (i) used for rights-of-way or any other purpose and is owned by, dedicated to, or
12 irrevocably offered for dedication to the federal government, the State, the County, City or any other public
13 agency, provided, however, that any property leased by a public agency to a private entity and subject to
14 taxation under Section 53340.1 of the Act shall be taxed and classified according to its use; or (ii)
15 encumbered by an unmanned utility easement making impractical its utilization for other than the purpose
16 set forth in the easement.

17
18 **“Residential Property”** means all Parcels of Developed Property for which a Building Permit(s) has been
19 issued permitting the construction of one or more residential Dwelling Units. An Accessory Dwelling
20 Unit(s) that shares a Parcel shall be considered a separate Single-Family Property for the purposes of the
21 Special Tax.

22
23 **“Single-Family Property”** means all Parcels of Residential Property, other than Multi-family Residential
24 Property.

25
26 **“Special Tax(es)”** means the amount to be levied in each Fiscal Year on each Parcel of Taxable Property
27 in accordance with Section D., below to fund the Special Tax Requirement.

28

1 “**Special Tax Requirement(s)**” means that amount required in any Fiscal Year to: (i) pay the estimated
2 cost of Special Tax Services such Fiscal Year as determined by the County; (ii) fund the Special Tax
3 Reserve Fund to the extent that the inclusion of such amount does not increase the Special Tax for
4 Undeveloped Property unless requested by the developer or the amount needed to fund the Special Tax
5 Reserve Fund up to the Special Tax Reserve Fund Requirement; (iii) pay Administrative Expenses; (iv) pay
6 any anticipated Special Tax delinquencies based on actual delinquencies from the prior Fiscal Year
7 outstanding at the time the annual Special Tax levy is determined; and (v) less a credit for funds available
8 to reduce the annual Special Tax levy at the sole discretion of the Administrator.

9
10 “**Special Tax Reserve Fund**” means an amount up to 150% of the anticipated annual cost of Special Tax
11 Services of \$33,440. The Special Tax Reserve Fund Requirement shall be increased annually, commencing
12 July 1, 2022, by the amount equal to the greater of two percent (2%) or up to the percentage increase in the
13 Consumer Price Index of the corresponding Maximum Special Tax in effect in the previous Fiscal Year at
14 the sole discretion of the Administrator.

15
16 “**Special Tax Services**” means (i) Administration, inspection, and maintenance of all fossil filters, and
17 related devices and structures as approved and accepted by the CFD. Administration includes, but is not
18 limited to, quality control and assurance of inspections and maintenance, general contract management,
19 scheduling of inspections and maintenance, and general oversight of all fossil filter operations. Inspection
20 includes, but is not limited to, travel time, visual inspection process and procedures to ensure fossil filter
21 functionality, Maintenance includes, but is not limited to, repair or replacement of any deficiencies noted
22 during inspection (ii) Street lighting maintenance, which includes energy charges, operation, maintenance,
23 and administration of street lighting located within and/or surrounding the CFD.

24
25 “**State**” means the State of California.

26
27 “**Taxable Property**” means all Parcels within the boundary of the CFD pursuant to the Boundary Map
28 which are not exempt from the Special Tax pursuant to Section E., below.

1 **“Taxable Property Owner’s Association Property”** means all Parcels of Property Owner’s Association
2 Property that satisfies both of the following conditions: (i) based on reference to the maps used during the
3 formation of the district, the Parcel was not anticipated to be Property Owner’s Association Property, as
4 determined by the Administrator, and (ii) if the Parcel were to be exempt from the Special Tax because it
5 is Property Owner’s Association Property, the County has determined that there would be a reduction in
6 Special Tax revenues that would create a deficit in funding the Special Tax Requirement.

7
8 **“Taxable Public Property”** means all Parcels of Public Property that satisfies both of the following
9 conditions: (i) based on reference to the maps used during the formation of the district, the Parcel was not
10 anticipated to be Public Property, as determined by the Administrator, and (ii) if the Parcel were to be
11 exempt from the Special Tax because it is Public Property, the County has determined that there would be
12 a reduction in Special Tax revenues that would create a deficit in funding the Special Tax Requirement.

13
14 **“Taxable Unit”** means either a Dwelling Unit(s) or an Acre. An Accessory Dwelling Unit on a Parcel
15 shall be considered a separate Taxable Unit for purposes of calculating the Special Tax.

16
17 **“Undeveloped Property”** means all Parcels of Taxable Property not classified as Developed Property,
18 Approved Property, Taxable Property Owner’s Association Property or Taxable Public Property.

19
20 **B. ASSIGNMENT TO DEVELOPMENT CLASS**

21
22 Each Fiscal Year, commencing with Fiscal Year 2022-2023, all Parcels of Taxable Property shall be
23 classified as either Developed Property, Approved Property, Taxable Property Owner’s Association
24 Property, Taxable Public Property, or Undeveloped Property, and subject to the levy of Special Taxes in
25 accordance with this Rate and Method of Apportionment as determined pursuant to Sections C. and D.,
26 below. Parcels of Developed Property shall further be classified as Residential Property or Non-Residential
27 Property. Parcels of Residential Property shall further be classified as Single-Family Property or Multi-
28 family Residential Property.

1 **C. MAXIMUM SPECIAL TAX RATES**

2
3 **1. Developed Property**

4
5 The Maximum Special Tax that may be levied and escalated, as explained further in Section C.1.
6 (a) below, in each Fiscal Year for each Parcel classified as Developed Property shall be determined
7 by reference to Table 1 below.

8
9 **TABLE 1**
10 **Maximum Special Tax Rates for Developed**
11 **Property for Fiscal Year 2021-2022**

12
13

Description	Taxable Unit Per	Maximum Special Tax Per Taxable Unit
Single-Family Property	D/U	\$176
Multi-family Residential Property	Acre	\$1,467
Non-Residential Property	Acre	\$1,467

14
15
16
17
18
19
20

21 (a) Increase in the Maximum Special Tax

22
23 On each July 1, the Maximum Special Tax identified in Tables 1 and Table 2 above, shall be
24 increased annually, commencing July 1, 2022, by the amount equal to the greater of two percent
25 (2%) or up to the percentage increase in the Consumer Price Index of the corresponding Maximum
26 Special Tax in effect in the previous Fiscal Year at the sole discretion of the Administrator.

27
28

1 (b) Multiple Development Classes

2
3 In some instances, a Parcel of Developed Property may contain more than one Development Class.
4 The Maximum Special Tax that may be levied on such Parcel shall be the sum of the Maximum
5 Special Tax that can be levied for each Development Class located on that Parcel. For a Parcel that
6 contains two or more different Development Classes, the Acreage of such Parcel shall be allocated
7 to each type of property based on the amount of Acreage designated for each land use as determined
8 by reference to the site plan approved for such Parcel. The Administrator's allocation to each
9 Development Class shall be final. Once a Maximum Special Tax has been assigned to a Parcel of
10 Developed Property, the Maximum Special Tax shall not be reduced in future Fiscal Years
11 regardless of changes in Development Class, Square Footage, or Acreage, unless a reduction in the
12 Maximum Special Tax is approved by the Board for the entire CFD.

13
14 (c) Accessory Dwelling Unit(s)

15
16 Where an Accessory Dwelling Unit(s) is on the same Assessor Parcel Number as another Taxable
17 Unit, the Accessory Dwelling Unit(s) is considered a separate Taxable Unit that will be added to the
18 calculation of the Maximum Special Tax for a Parcel.

19
20 **2. Approved Property**

21
22 The Maximum Special Tax for each Parcel of Approved Property shall be equal to the product of
23 the applicable Undeveloped Property Maximum Special Tax per Acre times the Acreage of such
24 Parcel; provided, however, for a Parcel of Approved Property that is expected to become Single-
25 Family Property as reasonably determined by the Administrator based on the Final Map for such
26 Parcel, the Maximum Special Tax for such Parcel of Approved Property shall be calculated pursuant
27 to Section C.1., as if such Parcel were already designated as Developed Property and classified as
28 Single-Family Property. The Maximum Special Tax for Approved Property shall be increased

1 annually, commencing July 1, 2022, by the amount equal to the greater of two percent (2%) or up
2 to the percentage increase in the Consumer Price Index of the corresponding Maximum Special Tax
3 in effect in the previous Fiscal Year. at the sole discretion of the Administrator.
4

5 **3. Taxable Property Owner's Association Property and Taxable Public Property**
6

7 The Maximum Special Tax for each Parcel of Taxable Property Owner's Association Property or
8 Taxable Public Property shall be equal to the product of the applicable Undeveloped Property
9 Maximum Special Tax per Acre times the Acreage of such Parcel. The Maximum Special Tax for
10 Taxable Property Owner's Association Property and Taxable Public Property shall be increased
11 annually, commencing July 1, 2022, by the amount equal to the greater of two percent (2%) or up
12 to the percentage increase in the Consumer Price Index of the corresponding Maximum Special Tax
13 in effect in the previous Fiscal Year at the sole discretion of the Administrator.
14

15 **4. Undeveloped Property**
16

17 The Maximum Special Tax that may be levied and escalated for each Parcel classified as
18 Undeveloped Property is
19 shown in Table 1 for each Parcel shall be \$1,467.00 per Acre. The Maximum Special Tax for
20 Undeveloped Property shall be increased annually, commencing July 1, 2022, by the amount equal
21 to the greater of two percent (2%) or up to the percentage increase in the Consumer Price Index of
22 the corresponding Maximum Special Tax in effect in the previous Fiscal Year at the sole discretion
23 of the Administrator.
24
25
26
27
28

1 **5. Public Property and/or Property Owner's Association Property**

2
3 The Maximum Special Tax that may be levied and escalated for each Parcel classified as Property
4 Owner's Association Property and/or Public Property shall be \$0.00 per Acre. **There shall be no**
5 **levy on Property Owner's Association Property and/or Public Property.**

6
7 **D. METHOD OF APPORTIONMENT OF THE SPECIAL TAX**

8
9 Commencing with Fiscal Year 2022-2023 and for each following Fiscal Year, the Administrator
10 shall levy the Special Tax on all Taxable Property until the amount of Special Tax equals the Special
11 Tax Requirement in accordance with the following steps:

12
13 First: The Special Tax shall be levied Proportionately on each Parcel of Developed Property at up
14 to 100% of the applicable Maximum Special Tax as needed to satisfy the Special Tax Requirement;

15
16 Second: If additional moneys are needed to satisfy the Special Tax Requirement after the first step
17 has been completed, the Special Tax shall be levied Proportionately on each Parcel of Approved
18 Property at up to 100% of the Maximum Special Tax for Approved Property.

19
20 Third: If additional moneys are needed to satisfy the Special Tax Requirement after the first two
21 steps have been completed, the Special Tax shall be levied Proportionately on each Parcel of
22 Taxable Property Owner's Associations Property up to 100% of the applicable Maximum Special
23 Tax for Taxable Property Owner's Association.

24
25 Fourth: If additional moneys are needed to satisfy the Special Tax requirement after the first three
26 steps have been completed, the Special Tax shall be levied Proportionately on each Parcel of
27 Taxable Public Property at up to 100% of the applicable Maximum Special Tax for Taxable Public
28 Property.

1 Fifth: If additional moneys are needed to satisfy the Special Tax Requirement after the first four
2 steps have been completed, the Special Tax shall be levied Proportionately on each Parcel of
3 Undeveloped Property at up to 100% of the applicable Maximum Special Tax for Undeveloped
4 Property.
5

6 Notwithstanding the above, under no circumstances will the Special Taxes levied in any Fiscal Year against
7 any Parcel of Residential Property for which a Certificate of Occupancy has been issued be increased by
8 more than ten percent (10%) as a result of a delinquency in the payment of the Special Tax applicable to
9 any other Parcel above the amount that would have been levied in that Fiscal Year had there never been any
10 such delinquency or default of the CFD.
11

12 **E. EXEMPTIONS**

13

14 The CFD shall not levy Special Taxes on Property Owner's Association Property (except Taxable Property
15 Owner's Association Property) or Public Property (except Taxable Public Property) within the CFD.
16

17 **F. MANNER OF COLLECTION**

18

19 The Special Tax shall be collected in the same manner and at the same time as ordinary *ad valorem* property
20 taxes and shall be subject to the same penalties, the same procedure, sale and lien priority in the case of
21 delinquency; provided, however, that the Administrator may directly bill the Special Tax, may collect
22 Special Taxes at a different time or in a different manner if necessary to meet the financial obligations of
23 the CFD, and provided further that the CFD may covenant to foreclose and may actually foreclose on
24 Parcels having delinquent Special Taxes as permitted by the Act.
25
26
27
28

1 **G. APPEALS**

2
3 Any taxpayer may file a written appeal of the Special Tax on his/her Parcel(s) with the Administrator,
4 provided that the appellant is current in his/her payments of Special Taxes. During pendency of an appeal,
5 all Special Taxes must be paid on or before the payment due date established when the levy was made. The
6 appeal must specify the reasons why the appellant claims the Special Tax is in error. The Administrator
7 shall review the appeal, meet with the appellant if the Administrator deems necessary, and advise the
8 appellant of its determination. If the Administrator agrees with the appellant, the Administrator shall grant
9 a credit to eliminate or reduce future Special Taxes on the appellant's Parcel(s). No refunds of previously
10 paid Special Taxes shall be made.

11
12 The Administrator shall interpret this Rate and Method of Apportionment and make determinations relative
13 to the annual levy and administration of the Special Tax and any taxpayer who appeals, as herein specified.

14
15 **H. PREPAYMENT OF SPECIAL TAX**

16
17 The Special Tax may not be prepaid.

18
19 **I. TERM OF THE SPECIAL TAX**

20
21 The Special Tax shall be levied annually in perpetuity unless terminated earlier by the County.
22
23
24
25
26
27
28

CERTIFICATE OF MAILING

I, the undersigned, say that I am a citizen of the United States and am employed in the County of Riverside, am over the age of 18 years; and that I am readily familiar with this offices' practice of collection and processing correspondence for mailing. My business address is Office of Economic Development Attention: CFD Administrator, 3403 10th St., Ste. 400, Riverside, CA 92501. Under this office's practice, mail would be deposited with the U.S. Postal Service on the same day with postage thereon fully prepaid at Riverside, California, in the ordinary course of business.

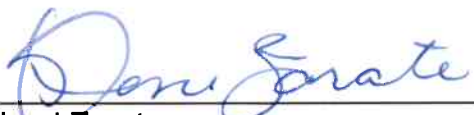
On April 18, 2022, I mailed a copy of the following documents:

Notice of Public Hearing to Landowner; Resolution No. 2022-082 and exhibits thereto by delivering a true copy thereof in a sealed, stamped, envelope(s) addressed as follows:

**Cal Hearthstone Lot Option Pool 03 L.P.
23975 Park Sorrento Suite # 220
Calabasas, CA 91302**

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on April 18, 2022, at Riverside California.



Leni Zarate

CFD 22-2M (Mountains Edge)