

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



**ITEM: 19.1
(ID # 21816)**

MEETING DATE:

Tuesday, May 23, 2023

FROM : OFFICE OF ECONOMIC DEVELOPMENT:

SUBJECT: OFFICE OF ECONOMIC DEVELOPMENT: Public Hearing Regarding the Formation of Community Facilities District No. 23-4M (Highland) TR 37155 of the County of Riverside, Adopt Resolution of Formation, and Receive and File Community Facilities District Documents. District 2. [\$123,556 Ongoing cost - 100% CFD 23-4M (Highland)] (Continue to June 6, 2023)

RECOMMENDED MOTION: That the Board of Supervisors:

1. Conduct a public hearing to receive public comments and conduct a majority protest proceeding with regard to the formation of Community Facilities District No. 23-4M (Highland) of the County of Riverside; and
2. Adopt Resolution No. 2023-132, a Resolution of the Board of Supervisors of the County of Riverside of Formation of Community Facilities District No. 23-4M (Highland) of the County of Riverside Authorizing the Levy of a Special Tax within Said District to Pay for Maintenance of Landscaping, Lighting, Drainage, and Graffiti Abatement; 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

Suzanne Holland, Director of Office of Economic Development 5/10/2023

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Spiegel, seconded by Supervisor Washington and duly carried by unanimous vote, IT WAS ORDERED that the above matter is continued to June 6, 2023.

Ayes: Jeffries, Spiegel, Washington, Perez, and Gutierrez
Nays: None
Absent: None
Date: May 23, 2023
xc: O.E.D.

Kimberly A. Rector
Clerk of the Board

By: *Blair Smith*
Deputy

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FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost
COST	\$ 0	\$ 123,556	\$ 0	\$ 123,556
NET COUNTY COST	\$ 0	\$ 0	\$ 0	\$ 0
SOURCE OF FUNDS: 100% CFD 23-4M (Highland)			Budget Adjustment: N/A	
			For Fiscal Year: 23/24	

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).

Jen SoCal 2 LLC, is the Owner of Tract 37155 and 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 23-4M (Highland).

The boundaries of Community Facilities District (CFD) No. 23-4M (Highland) (CFD 23-4M) will encompass the entire Tract Map No. 37155, which includes 79 single family dwelling units, none of which are currently occupied.

On April 18, 2023 (Agenda Item 3.28), the County Board of Supervisors approved Resolution No. 2023-104, 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 Jen SoCal 2 LLC. The Resolution of Intention also requires the Board of Supervisors hold a public hearing and submit the formation of the proposed CFD 23-4M (Highland) 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. 2023-132, a Resolution of Formation for CFD No. 23-4M, will authorize the County to levy a special tax within the district boundary to pay for services requested in the proposed CFD 23-4M (Highland) upon voter approval. The Resolution of Formation also calls for a special election to be held at the conclusion of the public hearing on May 23, 2023 and designates the election official for the proposed election. On file with the Clerk of the Board is a Certificate of Registered Voters, attached for reference, stating there are no registered voters in the boundary of proposed CFD 23-4M (Highland) was received. As a result, only the landowners within the boundary of proposed CFD 23-4M (Highland) will have the right to vote on the proposed special tax with each owner having one vote for each acre (or portion thereof) that they own within the boundaries of the CFD.

The costs associated with the district are (i) Landscaping improvements that may include but are not limited to all landscaping material and facilities within the CFD. These improvements

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include turf, ground cover, shrubs, trees, plants, irrigation and drainage system, ornamental lighting, masonry walls or other fencing, park and trail maintenance (ii) Street lighting maintenance, which includes energy charges, operation, maintenance, and administration of street lighting located within the designated boundaries of the CFD (iii) 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 (iv) Graffiti abatement of walls and other permanent structures.

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 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. 37155) 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 Landscaping, Lighting, Drainage, and Graffiti Abatement. 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 2023-2024, the proposed

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Budget of \$123,556 consists of \$1,564 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 of previous fiscal year.

ATTACHMENTS:

- Recorded CFD Boundary Map (reference only)
- Resolution No. 2023-132
- CFD Report
- Certificate of Registrar of Voters
- Concurrence of Election


Scott Bruckner 5/16/2023


Aaron Gettis, Deputy County Counsel 5/12/2023