



City Council Memorandum

City of Arts & Innovation

TO: HONORABLE MAYOR AND CITY COUNCIL **DATE:** JULY 15, 2025

FROM: FINANCE DEPARTMENT **WARDS:** 1, 2, 4, 5, 6 AND 7

SUBJECT: ORDINANCES TO LEVY SPECIAL TAXES FOR FISCAL YEAR 2025/26 ON COMMUNITY FACILITIES DISTRICTS: BRIDLE RIDGE 2021-3, GALLERIA AT TYLER 2004-1, HIGHLANDS 2014-2, KUNNY RANCH 2013-1, ORANGECREST GROVE 2015-1, POMELO 2015-2, RIVERPOINTE/PARK PLACE 2021-2, RIVERWALK VISTA 2006-1 IMPROVEMENT AREAS NO. 1 & NO. 2, AND SYCAMORE CANYON BUSINESS PARK 92-1, FOR PAYMENT OF DEBT SERVICE AND OTHER AUTHORIZED EXPENSES

ISSUE:

Introduce and adopt ten ordinances authorizing the City of Riverside to levy special taxes to be collected during Fiscal Year (FY) 2025/26 for payment of debt service, associated services, and other authorized expenses for the City's nine Community Facilities Districts, which include: Bridle Ridge 2021-3, Galleria at Tyler 2004-1, Highlands 2014-2, Kunny Ranch 2013-1, Orangecrest Grove 2015-1, Pomelo 2015-2, Riverpointe/Park Place 2021-2, Riverwalk Vista 2006-1 Improvement Areas No. 1 & No. 2, and Sycamore Canyon Business Park 92-1, to be effective immediately upon adoption.

RECOMMENDATIONS:

That the City Council:

1. Introduce and adopt an Ordinance levying special taxes to be collected during FY 2025/26 for authorized district costs associated with Community Facilities District No. 2021-3 (Bridle Ridge) to be effective immediately upon adoption; and
2. Introduce and adopt an Ordinance levying special taxes to be collected during FY 2025/26 for payment of debt service, and other authorized district costs associated with Community Facilities District No. 2004-1 (Galleria at Tyler) to be effective immediately upon adoption; and
3. Introduce and adopt an Ordinance levying special taxes to be collected during FY 2025/26 for payment of debt service, administrative expenses, and other authorized district costs associated with Community Facilities District No. 2014-2 (The Highlands) to be effective immediately upon adoption; and
4. Introduce and adopt an Ordinance levying special taxes to be collected during FY 2025/26 for payment of debt service, administrative expenses, and other authorized

- district costs associated with Community Facilities District No. 2013-1 (Kunny Ranch) to be effective immediately upon adoption; and
5. Introduce and adopt an Ordinance levying special taxes to be collected during FY 2025/26 for payment of debt service, administrative expenses, and other authorized district costs associated with Community Facilities District No. 2015-1 (Orangetrest Grove) to be effective immediately upon adoption; and
 6. Introduce and adopt an Ordinance levying special taxes to be collected during FY 2025/26 for payment of debt service, associated services, administrative expenses, and other authorized district costs associated with Community Facilities District No. 2015-2 (Pomelo) to be effective immediately upon adoption; and
 7. Introduce and adopt an Ordinance levying special taxes to be collected during FY 2025/26 for payment of debt service, administrative expenses, and other authorized district costs associated with Community Facilities District No. 2021-2 (Riverpointe/Park Place) to be effective immediately upon adoption; and
 8. Introduce and adopt an Ordinance levying special taxes to be collected during FY 2025/26 for payment of debt service, administrative expenses, and other authorized district costs associated with Improvement Area No. 1 of Community Facilities District No. 2006-1 (Riverwalk Vista) to be effective immediately upon adoption; and
 9. Introduce and adopt an Ordinance levying special taxes to be collected during FY 2025/26 for payment of debt service, administrative expenses, and other authorized district costs associated with Improvement Area No. 2 of Community Facilities District No. 2006-1 (Riverwalk Vista) to be effective immediately upon adoption; and
 10. Introduce and adopt an Ordinance levying special taxes to be collected during FY 2025/26 for payment of debt service, administrative expenses, and other authorized district costs associated with Community Facilities District No. 92-1 (Sycamore Canyon Business Park) to be effective immediately upon adoption.

BACKGROUND:

The City currently has nine Community Facilities Districts (CFDs), formed to finance the up-front cost of new residential development within the City of Riverside. Seven of the districts have bonds issued pursuant to the Mello-Roos Community Facilities Act of 1982. Each CFD is authorized, upon issuance of permit, to levy special taxes to pay debt service, capital facility costs, administrative costs, and to establish a special reserve fund. Pomelo, Riverpointe, and Bridle Ridge have authorization to levy a services special tax, which offsets the additional cost of providing services not covered by general property tax. The CFDs to levy special taxes for FY 2025/26 include:

1. Bridle Ridge (CFD 2021-3)
2. Galleria at Tyler (CFD 2004-1)
3. Highlands (CFD 2014-2)
4. Kunny Ranch (CFD 2013-1)
5. Orangetrest Grove (CFD 2015-1)
6. Pomelo (CFD 2015-2)
7. Riverpointe/Park Place (CFD 2021-2)

8. Riverwalk Vista Improvement Area No. 1 (CFD 2006-1 IA1)
9. Riverwalk Vista Improvement Area No. 2 (CFD 2006-1 IA2)
10. Sycamore Canyon Business Park (CFD 92-1)

Each year, a consultant for the City prepares an engineer's report for each Community Facilities District (CFD) to provide a detailed analysis of the costs associated with the facilities and services funded by the CFD. Based on this analysis and the guidelines set forth in the Rate and Method of Apportionment of Special Tax (RMA), special taxes/assessments are calculated and apportioned among the taxable properties.

DISCUSSION:

As part of the annual levy authorization process, the City Council must adopt an ordinance each year to levy special taxes for each eligible CFD. Each ordinance includes an exhibit that lists the special tax to be levied for every parcel within the CFD. The ordinances will be effective upon adoption in accordance with Section 416 of the City of Riverside Charter and after being published in a newspaper of general circulation in accordance with Section 414 of the City Charter. The special tax rolls will then be transmitted to the Riverside County Auditor-Controller, which will collect the special tax as part of its annual ad valorem property tax levy.

Bridle Ridge (CFD 2021-3) The City formed Bridle Ridge (CFD 2021-3) on April 26, 2022. While no bonds have been issued to date, the District's Rate and Method of Apportionment allows both facilities and services special taxes to be collected upon each Assessor's Parcel of Taxable Property, other than Provisional Undeveloped Property that has been included in a Final Map recorded prior to January 1, 2025, and for which a building permit was issued on or before March 1, 2025. In FY 2025/26, projected facilities special taxes (special tax A) are \$143,940 spread among 46 parcels and \$45,507 in services special taxes (special tax B) spread among 103 parcels. In FY 2024/25, projected facilities special taxes (special tax A) were \$87,500 and services special taxes (special tax B) were \$44,180 spread among 8 parcels.

Galleria at Tyler (CFD 2004-1) In May 2019, the City issued \$15,980,000 in Lease Revenue bonds, which refunded all but \$5,000 from the previous \$19,945,000 2006 Certificates of Participation (COPs) issued. There is currently \$5,000 in principal outstanding as of June 30, 2025 on the 2006 COPs and \$11,685,000 in principal outstanding as of June 30, 2025 on the 2019A Lease Revenue Bonds. For FY 2025/26, projected special taxes are \$1,237,412 spread among 11 parcels. Special taxes were \$1,236,562 in FY 2024/25, spread among 11 parcels. The COPs and Lease Revenue Bonds will mature on September 1, and November 1, 2036, respectively.

Highlands (CFD 2014-2) In April 2016, the City issued \$2,610,000 in bonds in two (2) series (A and B). There is currently \$2,145,000 in principal outstanding as of June 30, 2025. For FY 2025/26, projected special taxes are \$170,723 spread among 72 parcels. In FY 2024/25, special taxes were \$167,106 on 72 parcels. The Series B bonds will mature September 1, 2031, and the Series A bonds will mature September 1, 2046.

Kunny Ranch (CFD 2013-1) The City formed Kunny Ranch (CFD 2013-1) on December 3, 2013. In April 2024, the City issued \$4,140,000 in bonds. There is currently \$4,140,000 in principal outstanding as of June 30, 2025. In FY 2025/26, projected facilities special taxes are \$309,300 spread among 74 parcels. In FY 2024/25, special taxes were \$322,824 spread among 74 parcels. The bonds will mature September 1, 2053.

Orangecrest Grove (CFD 2015-1) In March 2020, the City issued \$2,440,000 in bonds in two

series (A and B). There is currently \$2,245,000 in principal outstanding as of June 30, 2025. For FY 2025/26, projected special taxes are \$172,713 spread among 85 parcels. In FY 2024/25, special taxes were \$173,614 spread among 85 parcels. The Series B bonds will mature September 1, 2027, and the Series A bonds will mature September 1, 2049.

Pomelo (CFD 2015-2) In May 2022, the City issued \$4,805,000 in bonds. There is currently \$4,630,000 in principal outstanding as of June 30, 2025. For FY 2025/26, projected special taxes are \$334,170 in project facilities special taxes (special tax A) and \$41,636 in services special taxes (special tax B) spread among 108 parcels. In FY 2024/25, project facilities special taxes (special tax A) were \$326,720, and services special taxes (special tax B) were \$40,424 spread among 108 parcels. The bonds will mature September 1, 2052.

Riverpointe/Park Place (CFD 2021-2) The City formed Riverpointe/Park Place (CFD 2021-2) on September 7, 2021. In February 2025, the City issued \$3,790,000 in bonds. There is currently \$3,790,000 in principal outstanding as of June 30, 2025. In FY 2025/26, projected facilities special taxes (special tax A) are \$272,151 spread among 103 parcels and \$26,079 in services special taxes (special tax B) spread among 103 parcels. In FY 2024/25 projected facilities special taxes (special tax A) were \$184,705 spread among 61 parcels and services special taxes (special tax B) were \$25,281 spread among 108 parcels.

Riverwalk Vista Improvement Area No. 1 (CFD 2006-1 IA1) In June 2013, the City issued \$4,415,000 in bonds. There is currently \$3,445,000 in principal outstanding as of June 30, 2025. For FY 2025/26, projected special taxes are \$316,596 spread among 185 parcels. In FY 2024/25, special taxes were \$315,552 on 185 parcels. The bonds will mature September 1, 2043.

Riverwalk Vista Improvement Area No. 2 (CFD 2006-1 IA2) In March 2016, the City issued \$6,780,000 in bonds in two series (A and B). There is currently \$5,520,000 in principal outstanding as of June 30, 2025. For FY 2025/26, projected special taxes are \$397,355 spread among 212 parcels. In FY 2024/25, special taxes were \$395,234 on 212 parcels. The Series B bonds will mature September 1, 2031, and the Series A bonds will mature September 1, 2046.

Sycamore Canyon (CFD 92-1) In July 2005, the City issued \$9,700,000 in bonds, including the refunding of a previous \$1,200,000 issue from July 2003. There is currently \$4,945,000 in principal outstanding as of June 30, 2025. For FY 2025/26, projected special taxes are \$672,457 spread among 54 parcels. In FY 2024/25, special taxes were \$676,227 on 54 parcels. The bonds will mature September 1, 2034.

STRATEGIC PLAN ALIGNMENT:

This item contributes to **Strategic Priority 5 – High Performing Government** and **Goal 5.3 – Enhance communication and collaboration with community members, to improve transparency, build public trust, and encourage shared decision-making.**

This item aligns with each of the five Cross-Cutting Threads as follows:

1. **Community Trust** – The formation of a Community Facilities District provides a transparent and equitable way to finance, administer, and report on specific infrastructure and services related to new development.
2. **Equity** – Community Facilities Districts share the cost of infrastructure and maintenance services among each property owner and spread the cost long-term across the generations

of property owners that benefit from it.

3. **Fiscal Responsibility** – Payment of the facilities financing is paid over the term of 30 years through a Special Tax, ensuring the cost of the service is borne by those that benefit directly from it.
4. **Innovation** – Utilizing Community Facilities Districts is an innovative way to plan and direct revenue to directly support new development.
5. **Sustainability & Resiliency** – Adding a Services Special Tax B offsets the cost to maintain the district financed facilities well into the future.

FISCAL IMPACT:

The total fiscal impact of the special tax levies across all districts is estimated at \$4,140,039. This amount is nearly fully offset by Special Tax Revenues collected by the City, resulting in a minimal net impact on the General Fund.

Each Community Facilities District (CFD) operates as a separate legal entity, exclusively funded by the respective special tax revenue. Annual levies are calculated to cover debt service on outstanding bonds, as well as applicable maintenance and safety costs, and administrative and staff costs.

Estimated City staff costs by district are outlined below and are fully funded by the respective special taxes apart from CFD 2004-1 (Galleria at Tyler), which does not charge administration fees due to the tax sharing agreement established under the bond issuance.

The estimated staff costs related to the management of the CFDs are included in the budget adopted by Council in June 2025 and will be charged the respective CFD as listed below.

It is estimated that City staff costs are as follows:

- Bridle Ridge CFD 2021-3: \$15,000
- Highlands CFD 2014-2: \$15,500
- Kunny Ranch CFD 2013-1: \$18,500
- Orangecrest Grove CFD 2015-1: \$18,500
- Pomelo CFD 2015-2: \$15,000
- Riverpointe/Park Place CFD 2021-2: \$17,000
- Riverwalk Vista Improvement Area No. 1 CFD 2006-1 IA1: \$15,000
- Riverwalk Vista Improvement Area No. 2 CFD 2006-1 IA2: \$15,000
- Sycamore Canyon CFD 92-1: \$15,000

Prepared by:	Meline Carranza, Debt and Treasury Manager
Approved by:	Sergio Aguilar, Deputy Finance Director
Certified as to availability of funds:	Kristie Thomas, Finance Director/Assistant Chief Financial Officer
Approved by:	Edward Enriquez, Assistant City Manager/Chief Financial Officer/City Treasurer

Approved as to form: Rebecca McKee-Reibold, Interim City Attorney

Attachments:

1. Bridle Ridge Ordinance
2. Galleria at Tyler Ordinance
3. Highlands Ordinance
4. Kunny Ranch Ordinance
5. Orangecrest Ordinance
6. Pomelo Ordinance
7. Riverwalk Vista Improvement Area No. 1 Ordinance
8. Riverside Vista Improvement Area No. 2 Ordinance
9. Riverpointe/Park Place Ordinance
10. Sycamore Canyon Ordinance