



City of Arts & Innovation

City Council Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL **DATE: FEBRUARY 20, 2018**

FROM: PUBLIC WORKS DEPARTMENT **WARDS: ALL**
FINANCE DEPARTMENT

SUBJECT: JOINT COMMUNITY FACILITIES AGREEMENT WITH RIVERSIDE UNIFIED SCHOOL DISTRICT, MRF-GROVES DEVELOPMENT, LP, AND SPRING MOUNTAIN INVESTMENTS, LLC

ISSUE:

Approve a Joint Community Facilities Agreement with Riverside Unified School District, MRF-Groves Development, LP, and Spring Mountain Investments, LLC.

RECOMMENDATIONS:

That the City Council approve a Joint Community Facilities Agreement with Riverside Unified School District, MRF-Groves Development, LP, and Spring Mountain Investments, LLC.

LEGISLATIVE HISTORY:

The Mello-Roos Community Facilities Act of 1982 allows for any county, city, special district, school district, or joint powers authority to establish a Mello-Roos Community Facilities District (CFD) for financing of public improvements and services. The services and improvements that Mello-Roos CFDs can finance include streets, sewer systems and other basic infrastructure, police protection, fire protection, ambulance services, schools, parks, libraries, museums and other cultural facilities. By law, the CFD is also entitled to recover expenses needed to form the CFD and administer the annual special taxes and bonded debt.

BACKGROUND:

RUSD has been requested by MRF-Groves Development, LP, and Spring Mountain Investments, LLC (Property Owners) to initiate proceedings to form CFD No. 29 under the authority of the Mello-Roos Community Facilities Act of 1982. The real property, representing Tract Map No. 33410 and 34592, is located in an unincorporated portion of the County of Riverside that allows for the development of approximately 210 proposed dwelling units. The City of Riverside Public Works Department provides sewer service to this area through Community Service Area (CSA) 152.

DISCUSSION:

The City and Riverside Unified School District (RUSD), by entering into the proposed Joint Community Facilities Agreement (JCFA) with the Property Owners, will enable CFD No. 29 to finance some or all of the costs of fees and certain infrastructure related to the development of the 210 proposed dwellings.

Development of the tract maps will require development of certain sewer facilities, which will be owned and governed by the County of Riverside CSA 152 but maintained by the City. The City provides sewer services to CSA 152 and the City requires payment for connection fees for areas within the development. To pay for these fees, the Property Owners have requested and proposed that CFD No. 29 be formed for the purpose of providing the means of financing such fees, which will be used by the City to maintain certain public improvements and to construct capacity at the City's sewer treatment facility. CFD No. 29, administered through RUSD, will issue Bonds and may levy special taxes on developed property to finance certain fees and improvements.

Pursuant to the attached agreement, RUSD will have responsibility for CFD No. 29; they will also have full responsibility for the bonds:

- The bonds will be issued and administered by RUSD, in the name of RUSD, not in the City's name;
- The City's credit is not obligated for this debt; and
- The City will not be involved with administering the annual special tax for the CFD debt service, if applicable.

By entering into the JCFA, RUSD and the City will determine that the agreement will be beneficial to the residents of their respective jurisdictions and to the owners of property within the proposed CFD No. 29.

FISCAL IMPACT:

There is no direct fiscal impact through the action. If the development occurs, the City will receive sewer capacity charges of approximately \$1.3 million plus a 10% administrative fee of \$130,000.

Prepared by:	Kris Martinez, Public Works Director Adam Raymond, Chief Financial Officer/Treasurer
Certified as to availability of funds:	Edward Enriquez, Controller/Deputy Treasurer
Approved by:	Marianna Marysheva, Assistant City Manager
Approved as to form:	Gary G. Geuss, City Attorney

Attachments: Joint Community Facilities Agreement (JCFA)