



# City of Riverside

*City of Arts & Innovation*

**TO: HONORABLE MAYOR AND CITY COUNCIL      DATE: JULY 24, 2018**

**FROM: FINANCE DEPARTMENT      WARD: 1**

**SUBJECT: JOINT COMMUNITY FACILITIES AGREEMENT BETWEEN THE CITY OF RIVERSIDE, RIVERSIDE UNIFIED SCHOOL DISTRICT, AND RSI COMMUNITIES-CALIFORNIA LLC AND PROJECT ROYAL LP - RESOLUTION**

## **ISSUE:**

Approval of a Resolution approving the form of a Joint Community Facilities Agreement between the City of Riverside, Riverside Unified School District, and RSI Communities-California LLC and Project Royal LP, the developers of a 71-unit residential project located along the Santa Ana River at the intersection of Alamo Street and Rivera Street (Tract Map No. 33253).

## **RECOMMENDATION:**

That the City Council adopt the attached Resolution approving the form of the Joint Community Facilities Agreement between the City of Riverside, Riverside Unified School District, and RSI Communities-California LLC and Project Royal LP.

## **DISCUSSION**

RSI Communities-California LLC and Project Royal LP (collectively “the Developer”) are currently developing 71 residential units (Tract Map No. 33253) located along the Santa Ana River at the intersection of Alamo Street and Rivera Street, which are being marketed as the Rivera project by William Lyon Homes (the “Project”). The Developer has petitioned the Riverside Unified School District (“RUSD”) to form Riverside Unified School District Community Facilities District 34 (Rivera) (the “CFD”) and requested the City to participate in a joint facilities financing program for the CFD. The CFD would fund certain School and City facilities from the levy of special taxes and the issuance of special tax bonds by the CFD, for which RUSD will serve as lead agency.

Pursuant to Sections 53316.2, 53316.4 and 53316.6 of the Government Code, (i) a community facilities district may finance facilities to be owned or operated by an entity other than the agency that created the community facilities district pursuant to a joint community facilities agreement adopted pursuant to that section; (ii) a party to such an agreement may use the proceeds of any bonds or other indebtedness issued pursuant to the Mello-Roos Act to provide facilities which that party is otherwise authorized by law to provide, even though another party to the agreement does not have the power to provide those facilities; and (iii) no local agency which is a party to a joint community facilities agreement shall have primary responsibility for formation of a

community facilities district unless it is reasonably expected to have responsibility for providing facilities to be financed by a larger share of the proceeds of the special taxes and bonds of the CFD created pursuant to the agreement than any other local agency. Between RUSD and the City, RUSD has the larger share of the proceeds of the special taxes to fund the eligible public facilities.

The attached Joint Community Facilities Agreement (the “JCFA”) sets forth the understanding among the parties of the formation of the CFD, the authorization of bonded indebtedness by RUSD on behalf of the CFD, the allocation of proceeds of special taxes and bonds to fund the design, construction and acquisition of School Facilities, City Facilities, and/or a mechanism for the reimbursement to the Developer of certain City Fees paid with respect to the Project. The final bond sizing and tax implications of the CFD are currently unknown and will be managed by RUSD once the JCFA is approved.

In consideration of the City’s participation in the CFD, the Developer has agreed that the City would receive a one-time payment of \$106,383 attributable to the City’s Regional Park Fee Fund, for which no corresponding credit against such fees would be granted to the Developer. The Developer has also provided a deposit to pay the City’s costs to administer the JCFA and pay its consultant costs.

#### **FISCAL IMPACT:**

Of the development impact fees due from the Project, approximately \$531,914 of such City Fees are eligible for a credit to the Developer from the issuance of RUSD CFD bonds. Such City Fees are still due by the Developer to the City at building permit until such time as bonds are issued and proceeds are allocated. The first \$106,383 allocated to fund City Facilities (excluding the \$531,914 in eligible credits for City Fees) will be available to the City’s Regional Park Fee Fund with no corresponding credit against City Fees granted to the Developer.

Prepared by:	Adam Raymond, Chief Financial Officer/City Treasurer
Certified as to	
Availability of funds:	Edward Enriquez, Assistant CFO/Deputy City Treasurer
Approved by:	Lea Deesing, Assistant City Manager
Approved as to form:	Gary G. Guess, City Attorney

#### **Attachments:**

1. Resolution approving the form of the Joint Community Facilities Agreement
2. Form of the Joint Community Facilities Agreement