



City of Arts & Innovation

City Council Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL **DATE: OCTOBER 1, 2019**

FROM: FINANCE DEPARTMENT **WARD: 4**

SUBJECT: JOINT COMMUNITY FACILITIES AGREEMENT WITH RIVERSIDE UNIFIED SCHOOL DISTRICT AND COASTAL COMMERCIAL PROPERTIES

ISSUE:

Approve a Joint Community Facilities Agreement with Riverside Unified School District and Coastal Commercial Properties.

RECOMMENDATIONS:

That the City Council:

1. Approve a Joint Community Facilities Agreement with Riverside Unified School District and Coastal Commercial Properties; and
2. Authorize the City Manager, or designee, to execute the Joint Community Facilities Agreement, related documents, and the ability to make minor non-substantive changes.

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 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:

Coastal Commercial Properties (the Developer) has requested that the Riverside Unified School District (RUSD) establish a CFD with the City of Riverside in order to finance the design and development of facilities within the City of Riverside. Coastal Commercial Properties is developing the property located within the City of Riverside under Riverside County Assessor Parcel Numbers: 266-100-010, 266-100-011, and 266-140-001. The City facilities eligible to be financed by CFD No. 37 consist of street improvements to Wood Road and Lurin Avenue and storm drain

improvements required by the conditions of approval of Tract 37593, including costs of site acquisition, planning, design, engineering, City legal services, materials testing, coordination, surveying, construction staking, construction inspection and all other work.

DISCUSSION:

The City and RUSD, by entering into the proposed Joint Community Facilities Agreement (JCFA) with Coastal Commercial Properties, will enable CFD No. 37 to finance City facilities. Detailed scope and limits of the City Facilities will be determined by the Developer and the City, consistent with City standards.

Approximately \$759,048 is estimated to be available from the sale of bonds issued by RUSD. These bond proceeds will be used to reimburse the Developer the actual cost of constructing the facilities which are eligible to be paid by RUSD, with City consent. Upon final inspection and approval by the City, the City Facilities will be acquired and the Developer will be reimbursed.

Pursuant to the attached agreement, RUSD will have responsibility for CFD No. 37:

1. The bonds will be issued and administered by RUSD, in the name of RUSD, not the City's name;
2. The City's credit is not obligated for this debt; and
3. The City will not be involved with levying or administering the annual Special Tax for the CFD debt service, if applicable.

FISCAL IMPACT:

There is no fiscal impact to the City through this action. All costs associated with the formation are paid by the Developer. It is estimated that approximately \$759,048 will be available for Developer reimbursement of facility costs.

Prepared by: Marie Ricci, Assistant Chief Financial Officer
Certified as to
availability of funds: Edward Enriquez, Chief Financial Officer
Approved by: Carlie Myers, Deputy City Manager
Approved as to form: Gary G. Geuss, City Attorney

Attachment: RUSD CFD 37 Joint Agreement with Riverside Unified School District and Coastal Commercial Properties