



City of Arts & Innovation

City Council Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL DATE: DECEMBER 1, 2020

FROM: FINANCE DEPARTMENT WARD: 7

SUBJECT: PUBLIC HEARING - CONDUCT FORMATION PROCEEDINGS FOR PROPOSED COMMUNITY FACILITIES DISTRICT NO. 2015-2 (POMELO); RESOLUTIONS ESTABLISHING COMMUNITY FACILITIES DISTRICT 2015-2 (POMELO), AUTHORIZING LEVY OF SPECIAL TAXES, INCURRING BONDED INDEBTEDNESS IN AN AMOUNT NOT TO EXCEED \$7,000,000 WITHIN THE PROPOSED COMMUNITY FACILITIES DISTRICT, CALLING AN ELECTION OF FORMATION, AND CERTIFYING RESULTS OF DECEMBER 1, 2020 SPECIAL TAX AND BOND ELECTION; ORDINANCE AUTHORIZING THE ANNUAL LEVY OF SPECIAL TAXES WITHIN CFD 2015-2 (POMELO)

ISSUES:

Conduct a Public Hearing of formation proceedings for proposed community facilities district No. 2015-2 (Pomelo); adopt a Resolution establishing Community Facilities District 2015-2 (Pomelo), authorizing the levy of special taxes, and calling an election therein; adopt a Resolution of necessity to incur bonded indebtedness in an amount not to exceed \$7,000,000 within the proposed Community Facilities District No. 2015-2 (Pomelo) and calling an election therein; adopt a Resolution certifying the results of the December 1, 2020 special tax and bond election; and adopt an Ordinance authorizing the levy of Special Taxes within CFD 2015-2 (Pomelo).

RECOMMENDATIONS:

That the City Council:

1. Conduct a Public Hearing of formation proceedings for proposed community facilities district No. 2015-2 (Pomelo);
2. Adopt a Resolution establishing Community Facilities District 2015-2 (Pomelo), authorizing the levy of special taxes, and calling an election therein;
3. Adopt a Resolution of necessity to incur bonded indebtedness in an amount not to exceed \$7,000,000 within the proposed Community Facilities District No. 2015-2 (Pomelo) and calling an election therein;
4. Adopt a Resolution certifying the results of the December 1, 2020 special tax and bond election; and
5. Adopt an Ordinance authorizing the levy of special taxes within CFD 2015-2 (Pomelo).

BACKGROUND:

On October 27, 2020, the City Council adopted Resolution No. 23635, stating their intention to establish CFD No. 2015-2 (Pomelo). The City's Finance team has been working with landowner Friends of the Airport, LLC, to establish a Community Facilities District (CFD) to reimburse the Developer for facility improvements. These improvements include street improvements, water improvements, sewer improvements, storm drain improvements, landscaping and street lighting. The City has received petitions, representing 100 percent of the areas subject to the Special Tax, requesting formation of CFD No. 2015-2 (Pomelo). The project consists of 108 lots within Tract No. 28987, located in Ward 7, Northwest of the Riverside Municipal Airport.

DISCUSSION:

At the request of City Council, the attached CFD Report (Attachment 5) has been prepared by Special Tax Consultant, Webb Municipal Finance. The report provides a brief description of the public facilities by type proposed to be financed by CFD No. 2015-2 (Pomelo), the services to be funded with the proceeds of the Special Tax, a cost estimate for all eligible facilities and fees, and the rate and method of apportionment of the Special Tax. The report also includes the proposed boundary map to provide reference to the location of this CFD and its boundaries.

To move forward with the completion of this project, during the Public Hearing the City Council may allow the testimony of all interested persons for or against the proposed formation of the CFD. Once this hearing is closed, the City Council, at their discretion, may adopt the Resolution Establishing CFD No 2015-2 (Pomelo) (Attachment 1) which approves the Rate and Method of Apportionment. The Resolution Determining Necessity to Incur Bonded Indebtedness (Attachment 2) will call for an election of the landowners of the property within CFD No. 2015-2 (Pomelo). The landowners will cast votes for or against authorizing bonded indebtedness in an amount not to exceed \$7,000,000. The City Clerk will conduct the election and certify the results of the votes. The City Council, at their discretion may adopt the Resolution Certifying the Results of the Election (Attachment 3) and vote for approval of the Ordinance Authorizing the Levy of a Special Tax (Attachment 4). The ordinance will be adopted and take effect on the date of adoption per City Charter sections 413 and 416(c).

FISCAL IMPACT:

All costs associated with formation are paid from a deposit posted by the Landowner with the City. Annually thereafter, costs incurred for staff time to administer the district are reimbursed from the annual levy of special taxes on district property owners. Bonds to be issued by CFD 2015-2 (Pomelo) will be the sole responsibility of CFD 2015-2 (Pomelo), to be paid through a levy of special taxes on all properties within the District. Revenue from the Services Special Tax B are estimated at \$33,000 per year and will be used to offset the additional cost of providing services not covered by general property tax.

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Certified as to
availability of funds: Edward Enriquez, Chief Financial Officer/City Treasurer
Approved by: Moises Lopez, Deputy City Manager
Approved as to form: Kristi J. Smith, Interim City Attorney

Attachments:

1. Resolution Establishing CFD 2015-2 (Pomelo)
2. Resolution of Necessity to Incur Bonded Indebtedness in an Amount Not to Exceed \$7,000,000
3. Resolution Certifying the Results of the Election Within the District
4. Ordinance Authorizing the Levy of Special Taxes Within the District
5. Community Facilities District 2015-2 Report