



*City of Arts & Innovation*

# City Council Memorandum

**TO: HONORABLE MAYOR AND CITY COUNCIL      DATE: SEPTEMBER 7, 2021**

**FROM: FINANCE DEPARTMENT      WARDS: 1, 7**

**SUBJECT: PUBLIC HEARING – CONDUCT FORMATION PROCEEDINGS FOR PROPOSED COMMUNITY FACILITIES DISTRICT NO. 2021-2 (RIVERWALK-PARK PLACE); RESOLUTIONS OF FORMATION ESTABLISHING COMMUNITY FACILITIES DISTRICT 2021-2 (RIVERPOINTE/PARK PLACE), AUTHORIZING LEVY OF SPECIAL TAXES, INCURRING BONDED INDEBTEDNESS IN AN AMOUNT NOT TO EXCEED \$5,500,000 WITHIN THE PROPOSED COMMUNITY FACILITIES DISTRICT, CALLING AN ELECTION OF FORMATION, AND CERTIFYING RESULTS OF SEPTEMBER 7, 2021 SPECIAL TAX AND BOND ELECTION; ORDINANCE AUTHORIZING THE ANNUAL LEVY OF SPECIAL TAXES WITHIN CFD 2021-2 (RIVERPOINTE/PARK PLACE; FUNDING AGREEMENT BETWEEN THE CITY OF RIVERSIDE, BEAZER HOMES HOLDING, LLC, AND RCH-DME PARK PLACE, LP;; JOINT COMMUNITY FACILITIES AGREEMENT WITH CITY OF RIVERSIDE, ALVORD UNIFIED SCHOOL DISTRICT, AND BEAZER HOMES HOLDING, LLC; JOINT COMMUNITY FACILITIES AGREEMENT WITH CITY OF RIVERSIDE, RIVERSIDE UNIFIED SCHOOL DISTRICT, AND RCH-DME PARK PLACE, LP**

## **ISSUES:**

Conduct a Public Hearing of formation proceedings for proposed Community Facilities District No. 2021-2 (Riverpointe/Park Place); adopt a Resolution establishing Community Facilities District 2021-2 (Riverpointe/Park Place), 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 \$5,500,000 within the proposed Community Facilities District No. 2021-2 (Riverpointe/Park Place); adopt a Resolution certifying the results of the September 7, 2021 Special Tax and bond election; adopt an Ordinance authorizing the levy of Special Taxes within CFD 2021-2 (Riverpointe/Park Place); approve the form of Funding Agreement between the City of Riverside, Beazer Homes Holding, LLC and RCH-DME Park Place, LP;; approve the Joint Community Facilities Agreement with City of Riverside, Alvord Unified School District, and Beazer Homes Holding, LLC; approve the Joint Community Facilities Agreement with City of Riverside, Riverside Unified School District, and RCH-DME Park Place, LP.

## **RECOMMENDATIONS:**

That the City Council:

1. Conduct a Public Hearing of formation proceedings for proposed Community Facilities District No. 2021-2 (Riverpointe/Park Place);

2. Adopt a Resolution establishing Community Facilities District 2021-2 (Riverpointe/Park Place), 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 \$5,500,000 within the proposed Community Facilities District No. 2021-2 (Riverpointe/Park Place);
4. Adopt a Resolution certifying the results of the September 7, 2021, Special Tax and bond election;
5. Adopt an Ordinance authorizing the levy of Special Taxes within CFD 2021-2 (Riverpointe/Park Place);
6. Approve the form of Acquisition Agreement between the City of Riverside, Beazer Homes Holding, LLC and RCH-DME Park Place, LP;
7. Approve the Joint Community Facilities Agreement with City of Riverside, Alvord Unified School District, and Beazer Homes Holding, LLC; and
8. Approve the Joint Community Facilities Agreement with City of Riverside, Riverside Unified School District, and RCH-DME Park Place, LP.

## **BACKGROUND:**

The City's Financing team has been working with landowners Beazer Homes Holding, LLC and RCH-DME Park Place, LP, to establish a Community Facilities District (CFD) to reimburse the Developer for Development Impact Fees in lieu of facility improvements. On August 3, 2021, the City Council adopted Resolution No. 23747, stating their intention to establish CFD No. 2021-2 (Riverpointe/Park Place). These include Transportation Impact Fees, Traffic and Railroad Signal Mitigation Fees, Storm Drain Fees, Sewer Capacity Fees, Sewer Permit to Connect Fees, Regional Reserve Park Fees, Local Park Fees, Aquatic Facility Fees, Trail Fees, Water Backup Facility Capacity Charges and Water Meter Charges. The City has received petitions, representing 100 percent of the areas subject to the Special Tax, requesting formation of CFD No. 2021-2 (Riverpointe/Park Place). The project consists of 103 lots within two separate zones. Zone 1 is in Ward 1, southwest of Strong Street and northwest of Fairmount Boulevard, and Zone 2 is in Ward 7, southwest of Jurupa Avenue and east of Tyler Street.

## **DISCUSSION:**

At the request of City Council, the attached CFD Report (Attachment 8) 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. 2021-2 (Riverpointe/Park Place), 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 (RMA) of the Special Tax. The report also includes the recorded boundary map to provide reference to the location of this CFD and its boundaries.

The Form of Funding Agreement (Attachment 5) between the City of Riverside, RCH-DME Park Place, LP, and Beazer Homes Holding, LLC provides for the levy of Special Taxes, and the issuance and sale of the Bonds of the District secured by the Special Taxes. The bonds will be

used to finance the acquisition and construction of public improvements and facilities. The agreement outlines the representations, covenants and warranties of the owners, including the requirement to disclose the special tax to all prospective purchasers within CFD 2021-2 (Riverpointe/Park Place) and outlines the eligible uses of the Special Tax.

The Joint Community Facilities and School Facilities Agreement between City of Riverside, Alvord Unified School District, and Beazer Homes Holding, LLC (Attachment 6) and the Joint Community Facilities and School Facilities Agreement between City of Riverside, Riverside Unified School District, and RCH-DME Park Place, LP (Attachment 7) provide for the funding of eligible school facilities, which include mitigation fees in lieu of facilities. The School Districts are responsible for verifying the validity of requested reimbursements from the property owners, at which time they will send a request to the City for release of bond proceeds, payable to the School District.

To move forward with the completion of this project, the City Council may allow the testimony of all interested persons for or against the proposed formation of the CFD during the Public Hearing. Once this hearing is closed, the City Council, at their discretion, may adopt the Resolution Establishing CFD No 2021-2 (Riverpointe/Park Place) (Attachment 1) which approves the Rate and Method of Apportionment of the Special Tax. The Resolution Determining Necessity to Incur Bonded Indebtedness (Attachment 2) will call for an election of the landowners of the property within CFD No. 2021-2 (Riverpointe/Park Place). The landowners will cast votes for or against authorizing bonded indebtedness in an amount not to exceed \$5,500,000. 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©.

### **STRATEGIC PLAN ALIGNMENT:**

This item contributes to Strategic Priority No. 2 Community Well-Being Goal No. 2.1 – Facilitate the development of a quality and diverse housing supply that is available and affordable to a wide range of income levels.

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 manage, administer, and report on specific infrastructure related to new development.
2. **Equity** – CFD 2021-2 (Riverpointe/Park Place) shares the cost of infrastructure and maintenance services among each property owner and also spreads the cost long-term across the generations of property owners that benefit from it.
3. **Fiscal Responsibility** – Formation and administration of the Community Facilities District is offset by Developer deposits and Special Tax, ensuring the cost of the service is borne by those that benefit directly from it, rather than the public.
4. **Innovation** – Utilizing Community Facilities Districts is an innovative way to plan and direct revenue to directly support each new development.
5. **Sustainability & Resiliency** – Adding a Services Special Tax B offsets the cost to maintain new development well into the future.

**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 2021-2 (Riverpointe/Park Place) will be the sole responsibility of CFD 2021-2 (Riverpointe/Park Place), 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 \$21,106 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/Treasurer  
Approved by: Kris Martinez, Interim Assistant City Manager  
Approved as to form: Phaedra A. Norton, City Attorney

**Attachments:**

1. Resolution Establishing Community Facilities District No. 2021-2 (Riverpointe/Park Place)
2. Resolution Determining the Necessity to Incur Bonded Indebtedness in an amount not to exceed \$5,500,000
3. Resolution Certifying the Results of the Election Within the District
4. Ordinance Authorizing the Levy of Special Taxes Within the District
5. Acquisition Agreement Relating to Community Facilities District No. 2021-2 (Riverpointe/Park Place)
6. Joint Community Facilities and School Facilities Agreement between City of Riverside, Alvord Unified School District, and Beazer Homes Holding, LLC
7. Joint Community Facilities and School Facilities Agreement between City of Riverside, Riverside Unified School District, and RCH-DME Park Place, LP
8. Community Facilities District 2021-2 Report