



City Council Memorandum

City of Arts & Innovation

TO: HONORABLE MAYOR AND CITY COUNCIL DATE: DECEMBER 2, 2025

FROM: FINANCE DEPARTMENT WARDS: 5

SUBJECT: JOINT COMMUNITY FACILITIES AGREEMENT BETWEEN THE CITY OF RIVERSIDE, RIVERSIDE UNIFIED SCHOOL DISTRICT AND CENTURY COMMUNITIES OF CALIFORNIA, LLC – RESOLUTION ADOPTION

ISSUES:

Approve a Joint Community Facilities Agreement between the City of Riverside, Riverside Unified School District and Century Communities of California, LLC.

RECOMMENDATIONS:

That the City Council:

1. Approve a Joint Community Facilities Agreement between the City of Riverside, Riverside Unified School District and Century Communities of California LLC;
2. Adopt the attached Resolution, approving the execution of the Joint Community Facilities Agreement by the City Manager, or designee, which will allow formation of the Community Facilities District No. 42 of the Riverside Unified School District;
3. Authorize the City Manager, or designee, to execute the Joint Community Facilities Agreement, related documents and the ability to make minor non-substantive changes; and
4. With at least five affirmative votes, authorize the Chief Financial Officer, or designee, to record a supplemental appropriation and all other accounting and financial transactions, to record bond proceeds to eligible tax-exempt capital projects.

BACKGROUND:

The City was approached by Century Communities of California, LLC requesting the formation of Community Facilities District (CFD) No. 2025-2 (Sagecrest). The project, located in Ward 5, includes 149 attached townhomes, 8 of which are affordable units. Tract No. 38913 (Sagecrest) was presented to City Council on March 11, 2025, when Council adopted Resolution No. 24233 approving the final tract map.

On September 16, 2025, Council adopted Resolution No. 24305 declaring its intention to form CFD No. 2025-2 and authorize the levy of special taxes to fund public safety and maintenance services within the district. On October 28, 2025, Council held a public hearing and election approving the formation of CFD No. 2025-2 (Sagecrest) and authorizing the special tax. Following voter approval, Council adopted a resolution and ordinance establishing the district and certifying the election results.

The City in collaboration with the Riverside Unified School District (RUSD) and Century Communities initiated proceedings under the Mello-Roos Community Facilities Act of 1982. The Developer requested that RUSD enter into a Joint Community Facilities Agreement (JCFA) with the City to finance public and City fee-related Facilities. The RUSD CFD is referred to as CFD No. 42.

DISCUSSION:

The proposed JCFA between the City, RUSD, and Century Communities LLC (developer), will enable the Developer to be reimbursed an amount equal to eligible Development Impact Fees and Capacity/Connection Charges paid to the city and CFD No. 42 to finance City facilities. The City facilities eligible to be financed by CFD No. 42 include without limitation the construction, purchase, modification, expansion, rehabilitation and/or improvement of electric transmission and appurtenant facilities, water and wastewater, drainage, flood, and storm protection facilities, signage, streets and roadways, traffic signals, street lighting, parks and recreation facilities, police and fire infrastructure and capital equipment facilities.

RUSD established CFD No. 42 with the authority to issue bonds and incur a bonded indebtedness for the purpose of financing School and City facilities in the aggregate principal amount of \$6,000,000. Approximately \$1,644,625 is estimated to be available to the City from the sale of bonds issued by RUSD associated with CFD No. 42. Of this preliminary amount, \$1,370,521 is associated with various city fees related to city fee facilities and \$274,104 is associated with an additional 20 percent premium added by the City. These bond proceeds will be used for eligible tax-exempt capital projects as outlined in the JCFA.

Special Taxes will be levied on all parcels of taxable value within CFD No. 42 to pay the principal and interest on any bonds of the District that may be issued and sold to finance the City Facilities. The estimated Special Tax rates for CFD No. 42 associated with the district (inclusive of costs for school and city facilities) based upon the developed property beginning in Fiscal Year 2025-2026 is as follows:

Assigned Special Tax for Developed Property Fiscal Year 2025-2026

Land Use Category	Description	Residential Floor Area	Assigned Special Tax
1	Residential Property	≥ 1,500 sq. ft.	\$2,315 per Dwelling Unit
2	Residential Property	1,400 to 1,499 sq. ft.	\$2,100 per Dwelling Unit
3	Residential Property	< 1,400 sq. ft.	\$2,050 per Dwelling Unit
4	Affordable Housing Property	N/A	\$0 per Dwelling Unit
5	Non-Residential Property	N/A	\$146,315 per Acre

On each July 1, commencing on July 1, 2026 the special tax shall be increased by an amount equal to 2% from the previous Fiscal Year.

Exemptions to the special tax are as follows:

- Property Owner Association Property
- Public Property
- Non-Residential Property
- Affordable Housing Units only if the ownership has not changed hands and is still qualified as of January 1st of the year
- Any parcels for which the obligation to pay the Special Tax has been prepaid in full pursuant to section H of Riverside Unified School District Resolution No. 2025/2026-20.

Pursuant to the attached agreement, RUSD will have responsibility for CFD No. 42:

- The bonds will be issued and administered by RUSD, in the name of RUSD, not the City's name
- The City's credit is not obligated for this debt; and
- The City will not be involved in 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. Any subsequent costs related to research or public records requests will be reimbursed to the City by CFD No. 42, per the JCFA. It is estimated that approximately \$1,644,625 of bond proceeds will be available for City Facility costs, which will be paid by future landowners within CFD No. 42.

Prepared by: Meline Carranza, Debt and Treasury Manager

Approved by: Sergio Aguilar, Deputy Finance Director

Certified as to

availability of funds: Kristie Thomas, Finance Director/Assistant Chief Financial Officer

Approved by: Edward Enriquez, Assistant City Manager/Chief Financial Officer/City Treasurer

Approved as to form: Rebecca McKee-Reimbold, Interim City Attorney

Attachments:

1. Joint Community Facilities Agreement with RUSD
2. Resolution
3. Riverside Unified School District Resolution No. 2025/2026-20