



REPORT TO COUNCIL **3**

City of Sacramento

915 I Street, Sacramento, CA 95814-2604
www. CityofSacramento.org

Consent
October 24, 2006

Honorable Mayor and
Members of the City Council

Title: Natomas Central Community Facilities District (CFD), Approve Joint
Community Facilities Agreements (JCFA)

Location/Council District: North Natomas – Southwest corner of Del Paso Road and
El Centro Road, located in Council District 1.

Recommendation: 1) Adopt a **Resolution** authorizing the City to enter into a Joint
Facilities Agreement with Sacramento County Sanitation District No. 1 to reimburse
fees from Bond Proceeds; 2) adopt a **Resolution** authorizing the City to enter into a
Joint Facilities Agreement with Sacramento Regional County Sanitation District to
reimburse fees from Bond Proceeds; and 3) adopt a **Resolution** authorizing the City to
enter into a Joint Facilities Agreement with Sacramento Metropolitan Air Quality
Management District to reimburse fees from Bond Proceeds.

Contact: Thomas Berke, Assistant City Treasurer, 808-5168, Janelle Gray, Public
Finance and Banking Manager, 808-8296; Kimberlie Gladden, Senior Debt Analyst,
808-2675

Presenters: Not Applicable

Department: City Treasurer's Office

Division: Finance

Organization No: 0900

Description/Analysis

Issue: K. Hovnanian Forecast Homes Northern, Inc. (Forecast), the landowner
of the Natomas Central CFD, has asked the City to form a community facilities
district (CFD) under the Mello-Roos Community Facilities Act of 1982 (the Act).
The City requires that certain fees be paid by developers as a condition of
development, including the new development to occur on the land within the
Natomas Central CFD. Through the issuance of bonds, the City will finance

certain public facilities and fees to develop the property, some of which will be paid to other public agencies.

Under the Act, the City must enter into a Joint Community Facilities Agreement (JFCA) with Sacramento County Sanitation District No. 1, Sacramento Regional County Sanitation District, and Sacramento Metropolitan Air Quality Management District (collectively, the "agencies") specifying the facilities of the other public agency that will be financed. This must be done before formation of the Natomas Central CFD, which is anticipated to go to City Council on November 14, 2006. Each JFCA is on file with the City Clerk.

Policy Considerations: The Act permits the City, when forming a CFD, to include, in the list of facilities authorized to be financed by the special tax, specified facilities which will be owned and operated by another public agency. These resolutions (and the associated JCFAs) are adopted for purposes of establishing compliance with the requirements of the Act. They do not bind the City to make any expenditure, incur any indebtedness, or proceed with the Project.

After City Council approval, the JCFAs must also be approved by the other agencies' respective boards.

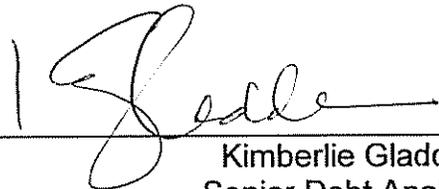
The City Attorney's Office has reviewed this agreement and will approve it for legal form after the other party has signed it.

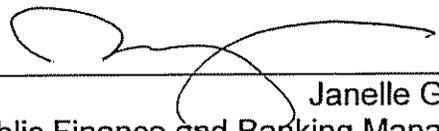
Environmental Considerations: The City Council's action in adopting the resolutions is for the purpose of approving the JCFAs as part of the formation and sale of bonds and, therefore, is not a project for purposes of the California Environmental Quality Act.

Rationale for Recommendation: The purposes of the JCFAs are to confirm that the agencies are prepared to have their facilities financed in this manner; to commit the agencies to accepting ownership of, and responsibility for, the facilities when they are completed.

Financial Considerations: Forecast will cash fund the fees and improvements and will be reimbursed at a later time through available bond proceeds. The payment of principal and interest on the bonds will be secured by a special tax lien placed on each property within the CFD, without obligation to the City.

Emerging Small Business Development (ESBD): The City Council's adoption of the attached resolutions is not affected by City policy related to the ESBD Program.

Respectfully Submitted by: 
Kimberlie Gladden
Senior Debt Analyst

Approved by: 
Janelle Gray
Public Finance and Banking Manager

Recommendation Approved:


Thomas S. Berke
Assistant City Treasurer

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Attachment 1

Background

The proposed Natomas Central CFD No. 2006-02 comprises approximately 398 gross developable acres. At full build-out, Natomas Central will be a 2,400+ unit subdivision, with a mix of ten different housing types, a K-8 elementary school, 30+ acres of parks (and additional open space), a 27-acre detention basin/lake, a fire station, a recreation center, and other amenities.

On October 10, 2006, the City Council adopted the resolution of intention to form the CFD, to levy a special tax, and to incur bonded indebtedness. That resolution also set a public hearing for November 14, 2006. The current landowners in the CFD are authorizing the issuance of up to \$35 million in bonds for the district. It is anticipated that the bonds will be issued in the Spring of 2007.

Purpose of the CFD

The proposed CFD will finance certain development fees and public improvements within the public right of way and adjacent public utility easements of the major public roads intersecting and/or bordering the district boundary.

RESOLUTION NO.

Adopted by the Sacramento City Council

**RESOLUTION APPROVING JOINT COMMUNITY FACILITIES
AGREEMENT WITH THE SACRAMENTO METROPOLITAN AIR
QUALITY MANAGEMENT DISTRICT IN CONNECTION WITH
NATOMAS CENTRAL COMMUNITY FACILITIES DISTRICT NO. 2006-
02, CITY OF SACRAMENTO, COUNTY OF SACRAMENTO, STATE OF
CALIFORNIA**

BACKGROUND

- A.** The City Council (the "Council") of the City of Sacramento (the "City") is undertaking proceedings pursuant to the Mello-Roos Community Facilities Act of 1982 to consider formation of a community facilities district to be known and designated "Natomas Central Community Facilities District No. 2006-02, City of Sacramento, County of Sacramento, State of California" (the "Community Facilities District"), the authorization of a special tax to be levied within the Community Facilities District to finance specified fees and facilities, and the authorization and issuance of bonds of the Community Facilities District to be repaid by the special tax.
- B.** The Council is considering including, among the fees and facilities to be authorized to be financed by the Community Facilities District, certain fees which are imposed to benefit, and which are paid to, the Sacramento Metropolitan Air Quality Management District (the "District").
- C.** The Council is advised that in order for it to authorize the Community Facilities District to finance fees which will fund facilities to be owned, maintained and operated by the District, it must enter into a joint community facilities agreement (the "JCFA") with the District.
- D.** The Council has determined that the JCFA and the resulting facilities will be beneficial to the residents of the Community Facilities District.
- E.** A form of the JCFA is on file with the City Clerk.
- F.** The Council is fully advised in this matter.

**BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL
RESOLVES AS FOLLOWS:**

- Section 1.** The form of the JCFA with the Sacramento Metropolitan Air Quality Management District is hereby approved. The City Treasurer or his

designee is hereby authorized and directed to execute and deliver the JCFA in substantially the form presented to this meeting, with such changes as are approved by the City Treasurer in consultation with the City Attorney and Bond Counsel, such approval and consultation to be conclusively evidenced by such execution and delivery. The City Clerk of the City is authorized to attest its execution.

Section 2. The officers of the City are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents that they deem necessary or advisable in order to carry out, give effect to and comply with the terms and intent of this resolution and the financing approved hereby.

Section 3. This Resolution shall take effect immediately upon its adoption.

RESOLUTION NO.

Adopted by the Sacramento City Council

**RESOLUTION APPROVING JOINT COMMUNITY FACILITIES
AGREEMENT WITH THE COUNTY OF SACRAMENTO'S COUNTY
SANITATION DISTRICT NO. 1 IN CONNECTION WITH NATOMAS
CENTRAL COMMUNITY FACILITIES DISTRICT NO. 2006-02, CITY OF
SACRAMENTO, COUNTY OF SACRAMENTO, STATE OF CALIFORNIA**

BACKGROUND

- A.** The City Council (the "Council") of the City of Sacramento (the "City") is undertaking proceedings pursuant to the Mello-Roos Community Facilities Act of 1982 to consider formation of a community facilities district to be known and designated "Natomas Central Community Facilities District No. 2006-02, City of Sacramento, County of Sacramento, State of California" (the "Community Facilities District"), the authorization of a special tax to be levied within the Community Facilities District to finance specified fees and facilities, and the authorization and issuance of bonds of the Community Facilities District to be repaid by the special tax.
- B.** The Council is considering including, among the fees and facilities to be authorized to be financed by the Community Facilities District, certain fees which are imposed to benefit, and which are paid to, the County of Sacramento's County Sanitation District No. 1 (the "District").
- C.** The Council is advised that in order for it to authorize the Community Facilities District to finance fees which will fund facilities to be owned, maintained and operated by the District, it must enter into a joint community facilities agreement (the "JCFA") with the District.
- D.** The Council has determined that the JCFA and the resulting facilities will be beneficial to the residents of the Community Facilities District.
- E.** A form of the JCFA is on file with the City Clerk.
- F.** The Council is fully advised in this matter.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

- Section 1.** The form of the JCFA with the County of Sacramento's County Sanitation District No. 1 is hereby approved. The City Treasurer or his designee is hereby authorized and directed to execute and deliver the JCFA in substantially the form presented to this meeting, with such changes as are approved by the City Treasurer in consultation with the City Attorney and Bond Counsel, such approval and consultation to be conclusively evidenced by such execution and delivery. The City Clerk of the City is authorized to attest its execution.
- Section 2.** The officers of the City are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents that they deem necessary or advisable in order to carry out, give effect to and comply with the terms and intent of this resolution and the financing approved hereby.
- Section 3.** This Resolution shall take effect immediately upon its adoption.

RESOLUTION NO.

Adopted by the Sacramento City Council

**RESOLUTION APPROVING JOINT COMMUNITY FACILITIES
AGREEMENT WITH THE SACRAMENTO REGIONAL COUNTY
SANITATION DISTRICT IN CONNECTION WITH NATOMAS CENTRAL
COMMUNITY FACILITIES DISTRICT NO. 2006-02, CITY OF
SACRAMENTO, COUNTY OF SACRAMENTO, STATE OF CALIFORNIA**

BACKGROUND

- A.** The City Council (the "Council") of the City of Sacramento (the "City") is undertaking proceedings pursuant to the Mello-Roos Community Facilities Act of 1982 to consider formation of a community facilities district to be known and designated "Natomas Central Community Facilities District No. 2006-02, City of Sacramento, County of Sacramento, State of California" (the "Community Facilities District"), the authorization of a special tax to be levied within the Community Facilities District to finance specified fees and facilities, and the authorization and issuance of bonds of the Community Facilities District to be repaid by the special tax.
- B.** The Council is considering including, among the fees and facilities to be authorized to be financed by the Community Facilities District, certain fees which are imposed to benefit, and which are paid to, the Sacramento Regional County Sanitation District (the "District").
- C.** The Council is advised that in order for it to authorize the Community Facilities District to finance fees which will fund facilities to be owned, maintained and operated by the District, it must enter into a joint community facilities agreement (the "JCFA") with the District.
- D.** The Council has determined that the JCFA and the resulting facilities will be beneficial to the residents of the Community Facilities District.
- E.** A form of the JCFA is on file with the City Clerk.
- F.** The Council is fully advised in this matter.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

- Section 1.** The form of the JCFA with the Sacramento Regional County Sanitation District is hereby approved. The City Treasurer or his designee is hereby authorized and directed to execute and deliver the JCFA in substantially the form presented to this meeting, with such changes as are approved by the City Treasurer in consultation with the City Attorney and Bond Counsel, such approval and consultation to be conclusively evidenced by such execution and delivery. The City Clerk of the City is authorized to attest its execution.
- Section 2.** The officers of the City are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents that they deem necessary or advisable in order to carry out, give effect to and comply with the terms and intent of this resolution and the financing approved hereby.
- Section 3.** This Resolution shall take effect immediately upon its adoption.

