



DEVELOPMENT SERVICES
DEPARTMENT
NEW GROWTH DIVISION

CITY OF SACRAMENTO
CALIFORNIA

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June 9, 2005

City Council
Sacramento, California

Honorable Members in Session:

SUBJECT: AGREEMENT WITH LENNAR COMMUNITIES FOR THE USE OF BOND PROCEEDS FOR DEVELOPMENT FEES, NORTH NATOMAS COMMUNITY FACILITIES DISTRICT NUMBER 4

LOCATION AND COUNCIL DISTRICT: Heritage Park, District 1

RECOMMENDATION:

This report recommends that the City Council adopt the attached resolution authorizing the City Manager to enter into an agreement with Lennar Communities for the use of bond proceeds for development fees in an amount not to exceed \$1,404,783 in North Natomas Community Facilities District Number 4.

CONTACT PERSONS: Mark Griffin, Fiscal Manager, 808-8788

FOR COUNCIL MEETING OF: June 28, 2005

SUMMARY:

On August 31, 2004, Council authorized development fees as an allowable use of bond proceeds in Community Facilities District Number 4. The report before you recommends the execution of an agreement with Lennar Communities to permit the use of these bond proceeds by Lennar within the District in an amount not to exceed \$1,404,783.

COMMITTEE/COMMISSION ACTION: None.

BACKGROUND INFORMATION:

Community Facilities District Number 4 ("CFD No. 4") includes all of the area in the City north of Del Paso Road and east of I-5/99 with the exception of the northeast corner known as Regency Park. The District has received over \$58 million in bond proceeds since 1998 to finance drainage improvements and, if funds remained after the construction of these "primary" facilities, to finance a wide variety of other facilities including roads, parks and traffic signals.

The District is divided into four tax zones, which are coterminous with drainage sub-basins. Each tax zone funds benefiting drainage and other improvements. In Tax Zone 2, which is essentially Heritage Park, the primary facilities have been completed and the remaining bond proceeds have been available for other benefiting improvements. Of the \$11.4 million in bond proceeds received in the zone, \$1.4 million remains after expenditures for drainage and other facilities.

The use of bond proceeds for the payment of development impact fees will fund projects allowed in CFD No. 4 but programmed in the North Natomas Fee Program. On August 31, 2004, through Resolution 2004-703, Council authorized this use of bond proceeds in Community Facilities District Number 4, Tax Zone 2 for North Natomas development fees. The recommendation before you will allow Lennar Communities to use these bond proceeds for development fees in an amount not to exceed \$1,404,783.

FINANCIAL CONSIDERATIONS:

Approval of this recommendation would permit the use of \$1,404,783 in bond proceeds in Community Facilities District Number 4, Tax Zone 2 for development fees of the North Natomas Finance Plan by Lennar Communities. There is no impact on the General fund.

ENVIRONMENTAL CONSIDERATIONS:

This activity does not constitute a "project" and is therefore exempt from the California Environmental Quality Act (CEQA), CEQA Guidelines Sections 15061(b)(1) and 15378(b)(3).

POLICY CONSIDERATIONS:

The recommendations contained in this report are consistent with the City's Strategic Plan goals to enhance and preserve the neighborhoods, promote and support economic vitality and improve and diversify the transportation system.

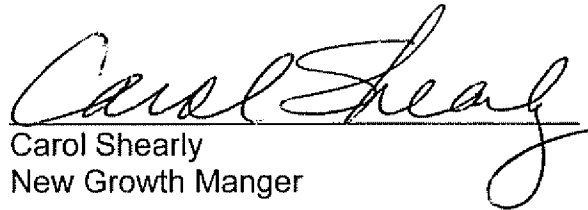
POLICY CONSIDERATIONS:

The recommendations contained in this report are consistent with the City's Strategic Plan goals to enhance and preserve the neighborhoods, promote and support economic vitality and improve and diversify the transportation system.

ESBD CONSIDERATIONS:

No goods or services are under consideration with this report.

Respectfully submitted and approved:


Carol Shearly
New Growth Manger

RECOMMENDATION APPROVED:

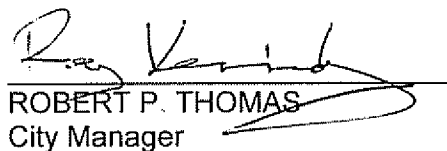

ROBERT P. THOMAS
City Manager

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RESOLUTION NO.

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SACRAMENTO AUTHORIZING AN AGREEMENT WITH LENNAR COMMUNITIES FOR THE EXPENDITURE OF BOND PROCEEDS FOR NORTH NATOMAS DEVELOPMENT IMPACT FEES

WHEREAS, by Resolution 2004-703, City Council authorized the use of bond proceeds in North Natomas Community Facilities District No. 4 ("CFD No. 4") to pay North Natomas Development Impact fees when such use supported the construction of facilities allowed in CFD No. 4 but programmed in the North Natomas Finance Plan; and

WHEREAS, \$1,404,783 in bond proceeds remains in Tax Zone 2 of CFD No. 4 and can be appropriately applied to North Natomas Development Impact fees; and

WHEREAS Lennar Communities is in position within Tax Zone 2 to make appropriate use of the remaining bond proceeds.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SACRAMENTO, AS FOLLOWS:

Section 1. The above recitals are true and correct and are incorporated herein, and the Council so finds and determines.

Section 2. The City Manager is hereby authorized to enter into an agreement with Lennar Communities permitting the use of bond proceeds in Tax Zone II in CFD No. 4 in the amount not to exceed \$1,404,783 to pay North Natomas Development Impact Fees for development in CFD 4, with such fees due and owing as a condition of issuance of building permits.

AYES:
NOES:
ABSENT:

APPROVED:

MAYOR

ATTEST:

CITY CLERK

FOR CITY CLERK USE ONLY

RESOLUTION NO. _____

DATE ADOPTED: _____