



County of El Dorado

OFFICE OF AUDITOR-CONTROLLER

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October 5, 2018

Board of Supervisors
County of El Dorado
330 Fair Lane
Placerville, California 95667

RE: Authorize Auditor-Controller to Execute Contracts with Firms for Proposed Public Services Community Facility District Formation and Financing, and Approve Form of Deposit Agreement

Ladies and Gentlemen:

Recommendation:

The Auditor-Controller and Chief Administrative Officer recommend that the Board of Supervisors authorize (1) the Auditor-Controller to negotiate and execute all necessary contracts related to the proposed public services community facilities district formation and financing requested by Lennar Homes of California and Lennar Winncrest, LLC (the "Developer") for certain subdivisions in the recently formed "Bass Lake Hills " facilities CFD after each agreement has been approved by County Counsel and Risk Management; specifically, Jones Hall (CFD Special Counsel), and NBS Government Finance Group (NBS/GFG) (Special Tax Consultant); and other consultants, as needed, (2) Authorize the Auditor-Controller to execute the Deposit and Reimbursement Agreement between El Dorado County and the Developer upon final approval by County Counsel and Risk Management; and (3) authorize the Auditor-Controller to work with the Assessment & Community Facilities District Screening Committee members and contracted consultants to consider the Developer's request to begin the proceedings of forming and financing a new Mello Roos District to pay for public services (no bonds).

Reason for Recommendation:

The Developer has requested that the County consider the formation of a public services community facilities district within the Bass Lake Hills Community Facilities District (CFD) to fund ongoing improvements and maintenance within the district. In accordance with the Development Agreement between the County and the Developer that was approved in 1996, the County is required to assist the Developer in obtaining community facilities district or assessment district financing for certain authorized public services needed for the Bass Lake Hills area.

In order to form a district many legal documents will have to be prepared. The actual amount of special taxes to be levied would be subject to a maximum stated in the CFD documentation and the actual levy would depend on revenue needed, as calculated by the County and the consultants

and approved by the County. In order to proceed with these tasks, the County must contract with a special tax counsel and a special tax consultant. The County has used and are using the consultants identified in the recommendation above in current and prior CFD formations and financing. These consultants have the experience needed to perform these specialized services.

These firms will provide "special services" as described in section 3.12.230 of the County's Purchasing Ordinance and section 31000 of the Government Code, and accordingly, are exempt from any formal competitive procurement requirements.

The first step in processing this Developer's request is to contract with the consultants identified above and authorize a Deposit and Reimbursement Agreement between the County and the Developer. Pursuant to the Deposit and Reimbursement Agreement the County will receive advances from the Developer to pay third party invoices from consultants retained by the County to assist in the formation of the district, which can later be reimbursed from actual special tax collections.

Action:

Authorize the Auditor-Controller to execute the Deposit and Reimbursement Agreement between El Dorado County and Developer in regards to the formation and possible financing of this proposed CFD upon final approval by County Counsel and Risk Management;

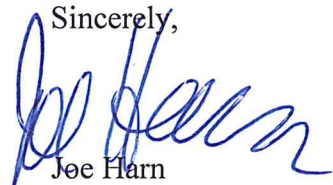
Authorize the Auditor-Controller negotiate and execute agreements with Jones Hall (Special Counsel), NBS Government Finance Group (NBS/GFG) (Special Tax Consultant) and other consultants, as needed.

Authorize the Auditor-Controller to work with the Assessment & Community Facilities District Screening Committee members and contracted consultants to consider all requests by Developer and take all necessary steps to prepare all documents required to form and finance the CFD, as soon as practical.


Fiscal Impact:

This item will have no impact on the County General Fund. The contract with special tax counsel will be a contingent fee arrangement. All the costs will be paid from the money advanced by the Developer who would then be reimbursed with proceeds from the future special tax collections per the Deposit and Reimbursement Agreement.

Sincerely,



Joe Harn
Auditor-Controller



cc: Don Ashton, CAO
C.L. Raffety, Treasurer Tax-Collector