

REPORT TO THE CITY COUNCIL



DATE: September 5, 2017

TITLE: Limited Obligation Improvement Bonds, City of Desert Hot Springs, Assessment District No. 93-2 (Arroyo Vista) Surplus Funds After Maturity

Prepared by: Linda Kelly, Finance Manager

Reviewed by: Jennifer Mizrahi, City Attorney

RECOMMENDATION

Adopt a Resolution of the City Council authorizing refunding the remaining surplus funds for Assessment District No. 93-2 (Arroyo Vista) Limited Obligation Improvement Bonds to properties within Tract Map 23866 that have paid the assessments securing the bonds, based on the original assessment amount.

BACKGROUND

In October 1993, Assessment District No. 93-2 (Arroyo Vista) was formed pursuant to the provisions of the Municipal Improvement Act of 1913. Assessment District No. 93-2 was formed to provide financing for the construction of street, sewer, water, drainage, and dry utilities improvements within, or adjacent to, the Arroyo Vista Development (Tract 23866). These improvements satisfied the conditions of development for site improvements, which were imposed on properties in the Assessment District by the City of Desert Hot Springs (the "City"). The City issued Limited Obligation Improvement Bonds in the amount of \$765,320.00 pursuant to the provisions of the Improvement Bond Act of 1915 (the "Bond Act") of the Streets and Highways Code, on October 19, 1993. All District improvements were completed and the Bonds matured on September 2, 2013.

DISCUSSION

As of August 7, 2017, surplus reserve funds in the amount of \$23,278.95 are being held in the City's restricted Assessment District 93-2 Capital Project fund/account number (393). It is the City's recommendation to proportionately refund the remaining surplus funds, minus administrative expenses, to the properties that have paid the assessments securing the Bonds. Any properties that paid their remaining assessment prior to the District's maturity date will not be included in the refund calculation as they have already received a Reserve Fund credit.

FISCAL IMPACT:

The following costs have been deducted from the total reserve amount:

- a) Any costs incurred by City staff in processing the refunds, such as: staff time, cost of issuing and mailing the refund checks.
- b) Albert A. Webb Associates fee for calculating the proportionate refund amounts.

EXHIBIT(S):

- 1) Resolution – Assessment District Number 93-2 (Arroyo Vista)