

**REPORT/RECOMMENDATION TO THE BOARD OF SUPERVISORS
OF SAN BERNARDINO COUNTY FLOOD CONTROL DISTRICT
AND RECORD OF ACTION**

June 14, 2022

FROM

BRENDON BIGGS, Chief Flood Control Engineer, Flood Control District

SUBJECT

Resolution to Approve Joint Community Facilities Agreement and Acquisition and Funding Agreement for Realignment and Improvement of Hawker Crawford Channel in Fontana

RECOMMENDATION(S)

Acting as the governing body of the San Bernardino County Flood Control District, adopt **Resolution No. 2022-101** finding that the proposed Joint Community Facilities Agreement with the City of Fontana and City of Fontana Community Facilities District No. 109 (Narra Hills) is beneficial to the San Bernardino County Flood Control District and San Bernardino County residents, and approve and authorize execution of the following for the Realignment and Improvement of Hawker Crawford Channel in the City of Fontana:

1. The Joint Community Facilities **Agreement No. 22-445** with the City of Fontana and City of Fontana Community Facilities District No. 109 (Narra Hills), and
2. The Acquisition and Funding **Agreement No. 22-446** with LS-Fontana LLC and Arroyo Capital II 6, LLC.

(Presenter: Brendon Biggs, Chief Flood Control Engineer, 387-7906)

COUNTY AND CHIEF EXECUTIVE OFFICER GOALS & OBJECTIVES

Operate in a Fiscally-Responsible and Business-Like Manner.

FINANCIAL IMPACT

Approval of this item will not result in the use of Discretionary General Funding (Net County Cost). The realignment and improvement of the San Bernardino County Flood Control District (District) Hawker Crawford Channel Improvement (1910002518 – F02757) will be funded in part through the City of Fontana (City) formation of a Community Facilities District (CFD). The City shall be solely responsible for the formation of the CFD, the levy and collection of taxes, the issuance of bonds, and the provision of disclosure pertaining to the special taxes. The proposed Joint Community Facilities Agreement (JCFA) and Acquisition and Funding Agreement are the instruments that will allow the CFD to finance the Hawker Crawford Channel Improvements (Improvements).

BACKGROUND INFORMATION

On August 10, 2021 (Item No. 38), the Board of Supervisors (Board) approved a Memorandum of Understanding (MOU) No. 21-610 for the realignment and improvement of Hawker Crawford Channel for the development of the Narra Hills (formerly Monarch Hills) project (Project), a planned community in the City. The MOU approved the fee conveyance of a 10.1-acre portion of District-owned property in the Hawker Crawford Channel area (Assessor Parcel No. 0226-075-36) (Property) to EPC Holdings 883, LLC; EPC Holding 994, LLC; Roseville Investments,

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LLC; America Superior Land, LLC; and RMD Inland Investors, LLC (collectively, “Land Owner”) in exchange for Land Owner’s realignment and improvement of the Hawker Crawford Channel.

The Improvements are located along the Land Owner’s Project frontage and connects to an existing inlet structure north of Duncan Canyon Road. The Project is a planned residential community that consists of five, privately gated residential neighborhoods, two private parks, a private recreation facility and pool, trails and a water quality basin. Adjacent properties consist of a mix of vacant land, low density single family residential properties, and natural areas. The Project site is surrounded by the San Bernardino National Forest and San Gabriel Mountains to the north, Interstate 15 is due south and southeast, and a community of single-family homes is located west of the Project site.

The City is in the process of creating a CFD to finance certain public improvements required as conditions of the Project. The City is the lead agency for the CFD and is solely responsible for formation, issuance of bonds, and levy and collection of special taxes. Under Section 53316.2 of the Mello Roos Act of 1982, if a CFD is to finance facilities that will be owned or operated by an entity other than the forming agency, a JCFA is required of identify the responsibilities of each entity. This JCFA must be approved by both entities prior to the adoption of the resolution of formation creating the CFD.

The Improvements will be financed through the CFD pursuant to the proposed JCFA and constructed pursuant to the Acquisition and Funding Agreement with LS-Fontana LLC and Arroyo Capital II 6, LLC. Upon satisfaction of the conditions of the Acquisition and Funding Agreement, the District will acquire and take title to the Improvements. The proposed JCFA and related Acquisition and Funding Agreement identify the District’s responsibility as being limited to approving plans for the work, inspecting construction, and verifying completion of construction in accordance with the approved plans. The District is not financially liable for any of the debt issued by the CFD.

The City, as Lead Agency for the Project under CEQA, adopted the Final Environmental Impact Report (State Clearing House Number 2016101065) for the Project (Resolution No. 2019-031) on February 26, 2019, certifying the Project Environmental Impact Report (EIR) as adequate and complete. A Notice of Determination was filed with the Clerk of the Board of Supervisors and the Office of Planning and Research on February 28, 2019. The Board made Responsible Agency findings as part of its consideration and approval of the MOU on August 10, 2021 (Item No. 38). No challenges to such findings were timely filed.

PROCUREMENT

Not applicable.

REVIEW BY OTHERS

This item has been reviewed by County Counsel (Sophie A. Akins, Deputy County Counsel, 387-5455) on May 10, 2022; Finance (Carl Lofton, Administrative Analyst, 387-5404) on May 26, 2022; and County Finance and Administration (Paloma Hernandez-Barker, Deputy Executive Officer, 387-5423) on May 30, 2022.

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Record of Action of the Board of Supervisors
San Bernardino County Flood Control District

APPROVED (CONSENT CALENDAR)

Moved: Dawn Rowe Seconded: Joe Baca, Jr.
Ayes: Col. Paul Cook (Ret.), Janice Rutherford, Dawn Rowe, Curt Hagman, Joe Baca, Jr.

Lynna Monell, CLERK OF THE BOARD

BY 
DATED: June 14, 2022



cc: W/RESOLUTION
 SDD/SBCFCD- Castillo w/agree for sign
 Contractor- C/O SBCFCD w/agree
 File-w/agree
LA 06/29/2022