



Staff Report

TO: City Council
FROM: Jennifer Ustation, Finance Director
DATE: May 7, 2024
SUBJECT: Approval of TriPointe Homes 2016-3 PayGo Funds Reimbursement Request in the Amount of \$1,142,729.60

Description TriPointe Homes IE-SD, Inc. has submitted a request for the 2016-3 PayGo funds to reimburse TUMF Fees paid in the amount of \$1,142,729.60.

Background and Analysis:

As per the Settlement Agreement between the City of Beaumont and TriPointe Homes IE-SD, Inc (TriPonte Homes) formally known as Pardee Homes dated February 7, 2017, section 4 paragraph 5 states “all facilities special taxes levied and collected from real property within CFD No. 2016-2 and CFD No. 2016-3 prior to the issuance of bonds shall be disbursed to Pardee for payment of costs eligible to be financed under the Mello-Roos Act and such Resolutions pursuant to the CFD Nos. 2016-2 and 2016-3 Acquisition Agreement.” Special taxes levied and collected prior to issuance of bonds are also known as “PayGo” funds.

Section 5 of the Settlement Agreement states that “The City currently does not participate in the Transportation Uniform Mitigation Fee (“TUMF”) program administered by the Western Riverside Council of Governments (“WRCOG”), but may elect to join the program in the future, in which case TUMF may be levied and collected with respect to future development in Sundance and Tournament Hills and shall also be deemed a “DIF” pursuant to this Agreement. In addition, if the City adds development impact fees that are applicable to Sundance and Tournament Hills and which may be reimbursed with the proceeds of special taxes and bonds of IA Nos. 8E, 8F and 17D and CFD Nos. 2016-2 and 2016-3, those, too, shall be deemed a DIF pursuant to which (i) the City shall identify capital improvements that are included in the DIF and/or TUMF program (each, a “DIF” Improvement”), (ii) Pardee shall either design and construct the DIF improvements or advance funds to the City for the City’s design and construction of the DIF Improvements, (III) Pardee shall receive credit against DIFs and TUMF in an amount equal to the costs incurred by Pardee with respect to the DIF Improvements and the amount advanced by Pardee to the City of the DIF Improvements and (iv) the costs incurred by Pardee and funds advanced by Pardee for the DIF Improvements

shall be reimbursed with the proceeds of special taxes and/or bonds of IA Nos. 8E, 8F and 17D and CFD Nos. 2016-2 and 2016-3.”

On March 20, 2018, the City Council approved an Improvement and Credit/Reimbursement Agreement Transportation Uniform Mitigation Fee between the City of Beaumont and Pardee Homes for the Pennsylvania Avenue Widening Project. The agreement in the amount of \$3,016,820 allowed Pardee to deliver TUMF improvements by means of providing “the DIF” to the City to offset against Developer’s obligation to pay the applicable TUMF for the Project in accordance with the TUMF Administrative Plan adopted by WRCOG.

TriPointe Homes has submitted a request to receive PayGo funds in the amount of the PayGo balance of \$1,142,729.60 from CFD 2016-3 to reimburse TUMF costs in association with the TUMF Credit Agreement for the Pennsylvania Widening Project.

Fiscal Impact:

The estimated cost to prepare this report is \$150. The \$1,142,729.60 reimbursement of PayGo funds will reduce the 2016-3 balance within the CFD Facilities fiduciary fund.

Recommended Action:

Approve TriPointe Homes 2016-3 PayGo Funds Reimbursement Request in the amount of \$1,142,729.60.

Attachments:

- A. TriPointe Homes Reimbursement Request for 2016-3 PayGo Funds