

City of Hesperia STAFF REPORT



DATE: April 1, 2025
TO: Mayor and Council Members
FROM: Rachel Molina, City Manager
BY: Casey Brooksher, Assistant City Manager
SUBJECT: Professional Services Agreement with NBS Government Finance Group for Community Facilities District Advisory and Administration Services

RECOMMENDED ACTION

It is recommended that the City Council authorize the City Manager to execute a professional services agreement with NBS Government Finance Group (NBS) in an amount not to exceed \$52,500 for FY 2025-26 Community Facilities District administration services and fiscal advisory services related to the formation of the 2025 Silverwood CFD through the Bond Opportunities for Land Development (BOLD) program.

BACKGROUND

Government Code Section 53311 allows local governments to finance public improvements and services through special taxes levied on properties within a Community Facilities District (CFD). NBS has provided advisory services related to the formation of the City's CFD districts, including CFD 2005-1 (Belgate Development), CFD 2021-1 (Residential Maintenance and Services), CFD 2022-1 (Non-Residential Maintenance and Services), and CFD 2023-1 (Silverwood Maintenance and Services). The City currently contracts with NBS for the administration of those CFDs, which includes calculating the special tax requirement, levy calculation and submittal, delinquency monitoring, along with the necessary reporting to the California Debt and Investment Advisory Commission (CDIAC) as required by Government Code Sections 53359.5(b) and 53359.5(c).

NBS has also provided fiscal advisory services to the City related to the Silverwood project, including the formation of Silverwood's bonded CFD through the BOLD program, as well as providing the required disclosure information related to the City's refinancing of the CFD 2005-1 Special Tax Refunding Bonds, Series 2014, and annexation services for projects annexing into the City's CFDs.

ISSUES/ANALYSIS

As development continues within the Silverwood project, the formation of an additional CFD through the BOLD program is in process by the developer for the project's next phase. An agreement with NBS is requested for advisory services to the City related to the formation of the Silverwood Development's CFD for its next phase. Additionally, an agreement with NBS is needed in order to continue CFD administration/delinquency services for FY 2025-26 related to the CFDs that the City is responsible for administering, including CFD 2005-1 (Belgate Development), CFD 2021-1 (Residential Maintenance and Services), CFD 2022-1 (Non-Residential Maintenance and Services), and CFD 2023-1 (Silverwood Maintenance and Services).

CITY GOAL SUPPORTED BY THIS ITEM

Financial Health – Maintain a balanced budget and adequate reserves.

FISCAL IMPACT

If approved, an agreement with NBS in the amount of \$52,500 will provide: 1) \$12,500 for advisory services to the City related to the formation of the Silverwood Development's CFD for its next phase, for which the costs will be reimbursed to the City through the resulting bond issue, and 2) \$40,000 for FY 2025-26 CFD administration/delinquency services related to the CFDs that the City is responsible for administering. Funding for the FY 2025-26 administration/delinquency services will be included within the Proposed FY 2025-26 Operating Budget within the individual CFD funds: CFD 2005-1 (Belgate Development) – Fund 807, CFD 2021-1 (Residential Maintenance and Services) – Fund 241, CFD 2022-1 (Non-Residential Maintenance and Services) – Fund 242, and CFD 2023-1 (Silverwood Maintenance and Services) – Fund 243.

ALTERNATIVE(S)

1. Provide alternative direction to staff.

ATTACHMENT(S)

None