



## **REPORT TO CITY COUNCIL**

**To: Honorable Mayor and Members of the City Council**

**From: Grant Yates, City Manager**

**Prepared by: Jason Simpson, Assistant City Manager**

**Date: October 23, 2018**

**Subject: Community Facilities District No. 2006-1 (Summerly) Special Tax Amendment**

### **Recommendations**

adopt A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAKE ELSINORE, CALIFORNIA, ACTING AS THE LEGISLATIVE BODY OF CITY OF LAKE ELSINORE COMMUNITY FACILITIES DISTRICT NO. 2006-1 (SUMMERLY), DECLARING ITS INTENTION TO CONSIDER AN AMENDMENT TO THE RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX FOR IMPROVEMENT AREA II OF CITY OF LAKE ELSINORE COMMUNITY FACILITIES DISTRICT NO. 2006-1 (SUMMERLY)

### **Background**

The City of Lake Elsinore (City) formed the City of Lake Elsinore Community Facilities District No. 2006-1 (Summerly) (District) in 2006 pursuant to the Mello-Roos Community Facilities District Act of 1982. The District generally encompasses the development within the City known as "Summerly." McMillin Summerly, LLC, a Delaware limited liability company (Developer) is currently the master developer of the Summerly development. Since the District was formed in 2006, the planned product mix within the various portions of the Summerly has changed. To accommodate such changes in product mix and planned development, the Developer has requested, and the City has undertaken proceedings relating to the reorganization of improvement areas within the District and the tax rates within such improvement areas.

### **Discussion**

As a result of further changes in the development plan within Improvement Area II of the Summerly project, the City has received a petition from the Developer requesting the current change proceedings, which if approved, will amend the current rate and method of apportionment of special taxes for Improvement Area II with the first amended rate and method of apportionment of special taxes (First Amended Rate and Method).

If approved, the First Amended Rate and Method will reduce the special tax rates to be levied within Improvement Area II from those currently in effect. The current special tax rates range from \$1,786.01 to \$3,057.87 and will be reduced to range from \$1,494.00 to \$1,797.00 per single family home.

Adoption of the resolution presented at this meeting is the first step to amend the existing rate and method of apportionment and will call a public hearing on the levy of the special taxes in accordance with the First Amended Rate and Method at the City Council meeting to be held on November 27, 2018. After such public hearing, the City Council, acting as the legislative body of the District, will formally consider the approval of the First Amended Rate and Method.

### **Fiscal Impact**

The Developer has made a deposit to pay for the costs of the change proceedings described above. The District will annually levy special taxes on all of the taxable property within Improvement Area II in accordance with the First Amended Rate and Method in order to pay for the costs of facilities, debt service on bonds, the services and administration of the District. Any bonds issued by the District for Improvement Area II are not obligations of the City and will be secured solely by the Special Taxes levied in Improvement Area II.

### **Exhibits**

- A - Resolution
- B – Reimbursement Agreement
- C – Landowner Petition