



## 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:** February 12, 2019

**Subject:** Intention to Establish Community Facilities District No. 2019-1 of the City of Lake Elsinore CFD No. 2019-1 (Westlake)

### **Recommendations**

adopt A RESOLUTION OF THE CITY OF LAKE ELSINORE, CALIFORNIA, TO ESTABLISH COMMUNITY FACILITIES DISTRICT NO. 2019-1 OF THE CITY OF LAKE ELSINORE (WESTLAKE), TO AUTHORIZE THE LEVY OF A SPECIAL TAX TO PAY THE COSTS OF ACQUIRING OR CONSTRUCTING CERTAIN FACILITIES AND TO PAY DEBT SERVICE ON BONDED INDEBTEDNESS; and,

adopt A RESOLUTION OF THE CITY OF LAKE ELSINORE, CALIFORNIA, TO INCUR BONDED INDEBTEDNESS IN AN AMOUNT NOT TO EXCEED \$7,000,000 WITHIN PROPOSED COMMUNITY FACILITIES DISTRICT NO. 2019-1 OF THE CITY OF LAKE ELSINORE (WESTLAKE)

### **Background and Discussion**

The developer, Pardee Homes, owns a residential tract containing 163 proposed lots within the City (TR 33267 located north of the intersection of Riverside Dr. and Grand Ave.). Pardee Homes has requested that the City form a community facilities district in accordance with the Mello-Roos Community Facilities Act of 1982, as amended, to finance the costs of certain public improvements through the levy of a special tax and the issuance of bonds in an amount not to exceed \$7,000,000. The landowner has requested that the boundaries of CFD No. 2019-1 include the area described in Attachment A of the Resolution of Intention to Establish CFD No. 2019-1 (Resolution of Intention) and that special taxes be levied within the boundaries of CFD No. 2019-1 in accordance with the Rate and Method of Apportionment (RMA) as described in Attachment B to the Resolution of Intention. The Resolution of Intention is the first step in the process of forming the CFD. The attached Resolutions declare the City's intention to establish CFD No. 2019-1, its intention to incur bonded indebtedness by CFD No. 2019-1 and call for a public hearing. A public hearing on the matter will take place on March 26, 2019, and at that time the Council will formally consider approval to form CFD No. 2019-1 and hold an election on

the approval of the special taxes and the need to incur bonded indebtedness within CFD No. 2019-1.

**Fiscal Impact**

Pardee Homes has made a deposit to pay for the costs of the formation proceedings which may be reimbursed to Pardee Homes in accordance with the reimbursement agreement on file with the City Clerk. CFD No. 2019-1 will annually levy special taxes on all of the taxable property within CFD No. 2019-1 in accordance with the RMA in order to pay for the costs of facilities, debt service on bonds and administration of CFD No. 2019-1. Any bonds issued by CFD No. 2019-1 are not obligations of the City and will be secured solely by the Special Taxes levied in CFD No. 2019-1.

**Exhibits**

- A-Reso. Intention to Establish
- B-Reso. Intention to Incur Debt
- C-Landowner Petition
- D-Reimbursement Agreement