



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: May 12, 2020

Subject: Community Facilities District (CFD) No. 2006-4 (Tracts 30698 & 32129), Declaring its Intention to Consider Amending the Rate and Method of Apportionment of Special Tax for the District, Amending the Boundary Map of the District and Approving Amendments to the Facilities Authorized to be Financed by the District

Recommendation

adopt A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAKE ELSINORE, CALIFORNIA, ACTING AS THE LEGISLATIVE BODY OF THE CITY OF LAKE ELSINORE COMMUNITY FACILITIES DISTRICT NO. 2006-4 (TRACTS 30698 & 32129), DECLARING ITS INTENTION TO CONSIDER AMENDING THE RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX FOR THE DISTRICT, AMENDING THE BOUNDARY MAP OF THE DISTRICT AND APPROVING AMENDMENTS TO THE FACILITIES AUTHORIZED TO BE FINANCED BY THE DISTRICT

Background

The City of Lake Elsinore (the "City") formed the City of Lake Elsinore Community Facilities District No. 2006-4 (Tracts 30698 & 32129) (the "District") in 2006 pursuant to the Mello-Roos Community Facilities District Act of 1982. The District is located north of Rosetta Canyon Drive, to the east of the Rosetta Canyon Sports Park and south of Highway 74. The land within the District is owned by the Donald S. Clurman Separate Property Trust, Three Strands Properties and Spectrum Communities LLC (collectively, the "Developer"). The development within the District is expected to include approximately 178 single family homes at build-out.

While the District was formed in 2006, homebuilding has not yet commenced. Due to revisions in the proposed product mix within the District, the Developer has requested that the District undertake proceedings to: (1) amend the current rate and method of apportionment of special taxes with the Amended Rate and Method of Apportionment of Special Taxes (the "Amended RMA"); (2) amend the boundary map of the District to include two tax zones within the District; and (3) revise the list of public facilities authorized to be financed by the District, as set forth in the attached resolution.

The current special tax rates within the District range from \$2,896 to \$3,323 per home. If the amendment to the boundary map and the Amended RMA are approved, Tax Zone A within the District will have special tax rates ranging from \$1,463 to \$1,805 per home and \$10,868 per

acre for multifamily property, and Tax Zone B will have special tax rates ranging from \$1,463 to \$1,805 per home and \$8,555 per acre for multifamily property.

The Developer has also requested that the name of the District be changed from “City of Lake Elsinore Community Facilities District No. 2006-4 (Tracts 30698 & 32129)” to “City of Lake Elsinore Community Facilities District No. 2006-4 (Rosetta Hills).” Adoption of the attached resolution will approve the name change.

Documents to be Approved

Approval of the attached resolution is the first step in the process to effectuate the changes discussed above. The attached resolution declares the District’s intention to consider the proposed changes and calls a public hearing for June 23, 2020, on the proposed change.

Approval of the attached resolution also approves the form of a Funding Agreement with the Developer to govern the terms under which the District will reimburse the Developer for the costs of certain public facilities, to the extent proceeds of bonds issued by the District are available to finance such facilities. The attached resolution also approves the form of a Joint Community Facilities Agreement with the Elsinore Valley Municipal Water District to allow the District to finance certain water district facilities benefitting the development within the District.

Fiscal Impact

The Developer has made a deposit to pay for the costs of the change proceedings. The Funding Agreement provides that the Developer will be reimbursed for such costs if and when bonds are issued for the District.

The District will annually levy special taxes on all of the taxable property within the District in accordance with the Amended RMA 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 are not obligations of the City and will be secured solely by the Special Taxes levied in the District.

Attachments

- A - Resolution
- B - Funding Agreement
- C - Joint Community Facilities Agreement
- D - Landowner Petition
- E - Project Map