

# CITY OF LAKE ELSINORE

## Annual Report



FISCAL YEAR 2021-22  
COMMUNITY FACILITIES DISTRICT NO. 98-1  
(SUMMERHILL)



# Table of Contents

---

## Sections

|   |                         |   |
|---|-------------------------|---|
| 1 | Bond Profile            | 1 |
| 2 | Fund Information        | 1 |
| 3 | Special Tax Information | 2 |
| 4 | Payment History         | 2 |

## Tables

|     |                           |   |
|-----|---------------------------|---|
| 2-1 | Fund Balances             | 1 |
| 3-1 | Maximum Special Tax Rates | 2 |
| 3-2 | Special Tax Breakdown     | 2 |
| 4-1 | Delinquency Summary       | 3 |

## Appendices

Appendix A – Boundary Map

Appendix B – Debt Service Schedule

Community Facilities District No. 98-1  
(Summerhill)  
Local Agency Revenue Bonds, 2021 Series

## 1. Bond Profile

### *Project Description*

Community Facilities District No. 98-1 (the “CFD No. 98-1”) was formed for the purpose of constructing and acquiring certain public improvements needed to meet increased demand upon the City as a result of development within the boundaries of CFD No. 98-1 and include grading, street improvements, domestic water, sanitary sewer, and parks and recreation facilities. Prior to 2004 CFD No. 98-1 was designated Communities Facilities District No. 91-2.

### *Location*

CFD No. 98-1 is located to the northeast of the intersection of Railroad Canyon Road with Interstate 15. Summerhill Drive, which intersects with Railroad Canyon Road, provides the primary access to the area within CFD No. 98-1.

### *Series 2021 Bonds*

CFD No. 98-1 2021 Special Tax Refunding Bonds (the “CFD No. 98-1 Bonds”) refunded the outstanding 2013 Series C Local Agency Revenue Bonds, previously issued by CFD No. 98-1 on July 11, 2013. The CFD No. 98-1 Bonds were issued in the principal amount of \$11,695,000, with interest rates ranging from 0.212% to 2.830%, and were issued May 27, 2021. Interest on the CFD No. 98-1 Bonds is payable semi-annually on March 1 and September 1. The final maturity of the CFD No. 98-1 Bonds is September 1, 2033. The amount of the CFD No. 98-1 Bonds Outstanding as of September 30, 2021, is \$10,930,000.

CFD No. 98-1 is one of the five districts of the Local Obligations of the City of Lake Elsinore Facilities Financing Authority (the “FFA”) Refunding Revenue Bonds Series of 2021 (the “Series 2021 Bonds”). The City of Lake Elsinore FFA Marks-Roos Revenue Pool is also comprised of Community Facilities District Nos. 2003-2 IA C, 2003-2 IA D, 2005-5, and 2006-1 IA A.

## 2. Fund Information

The Fund Balances for CFD No. 98-1 as of September 30, 2021 are shown in the following table:

*Table 2-1  
Fund Balances*

| Account                              | Balance               |
|--------------------------------------|-----------------------|
| LE CFD 98-1 SUMMERHILL 2021 SPL TAX  | \$6.72                |
| LE CFD 98-1 SUMMERHILL 2021 IMPROV F | \$1,708,022.19        |
| <b>Total</b>                         | <b>\$1,708,028.91</b> |

### *Reserve Requirement*

The Reserve Requirement is defined as; at any date of calculation, an amount equal to the lowest of (i) 10% of the initial principal amount of the Series 2021 Bonds, (ii) Maximum Annual Debt Service on the Outstanding Series 2021 Bonds, or (iii) 125% of the average Annual Debt Service on the Outstanding Series 2021 Bonds. Provided, however, the Reserve Requirement on any calculation date shall not be greater than the Reserve Requirement amount on the closing date, \$2,458,077.90. **The Reserve Requirement for the Series 2021 Bonds will be satisfied at closing by a Debt Service Reserve Insurance Policy issued by Assured Guaranty Municipal Corp.**

### 3. Special Tax Information

#### *Special Tax*

A Special Tax is collected each year to pay the principal and interest obligations on the CFD No. 98-1 Bonds. The amount collected each year is determined by the Special Tax formula and can vary from year to year, but shall not exceed the maximum authorized (or permitted) Special Tax rates. The amount levied for Fiscal Year 2021-22 tax year is \$1,110,392.14. The Maximum Special Tax rates for Fiscal Year 2021-22 are as follows:

Commencing June 30, 1998, each Fiscal Year thereafter, the per Parcel or Dwelling Unit and the per Square Foot rate listed below will increase by 2.00%, rounded up to the nearest dollar, compounded annually. A Parcel or Dwelling Unit will be subject to the Category III Special Tax for not more than 40 years.

*Table 3-1*  
*Maximum Special Tax Rates*

| Land Use Class | Category    | Maximum Special Tax |
|----------------|-------------|---------------------|
| Category II    | TR. 20704   | \$4,485.93          |
|                | TR. 20705   | \$4,561.53          |
| Category III   | Per Parcel  | \$929.68            |
|                | Per SQ. FT. | \$1.11              |

*Table 3-2*  
*Special Tax Breakdown*

| Land Use Category | Parcels    | Levied Amount Per Category | Maximum Rate Per Category | % of Maximum Special Tax |
|-------------------|------------|----------------------------|---------------------------|--------------------------|
| Category II       | 9          | \$0.00                     | \$40,902.56               | 0.00%                    |
| Category III      | 421        | \$1,110,392.14             | \$1,564,254.59            | 70.99%                   |
| <b>Total</b>      | <b>430</b> | <b>\$1,110,392.14</b>      | <b>\$1,605,157.15</b>     | <b>69.18%</b>            |

### 4. Payment History

Delinquencies are calculated through July 2021 and may reflect parcels that may already be on a payment plan.

#### *Delinquency Rate for Fiscal Year 2020-21*

As of July 2021, the delinquency rate of CFD No. 98-1 for Fiscal Year 2020-21 is 0.46%.

#### *Information Concerning Delinquent Parcels*

CFD No. 98-1 delinquency information as of July 2021 is illustrated in the table below:

**Table 4-1**  
**Delinquency Summary**

| Fiscal Year  | Levied  |                       | Delinquent |                    |              |
|--------------|---------|-----------------------|------------|--------------------|--------------|
|              | Parcels | Amount                | Parcels    | Amount             | Del. Rate    |
| 2016-17      | 421     | \$1,139,166.32        | 0          | \$0.00             | 0.00%        |
| 2017-18      | 421     | \$1,150,562.90        | 1          | \$3,036.42         | 0.26%        |
| 2018-19      | 421     | \$1,150,553.94        | 2          | \$5,365.06         | 0.47%        |
| 2019-20      | 421     | \$1,150,553.94        | 3          | \$6,433.47         | 0.56%        |
| 2020-21      | 421     | \$1,150,553.94        | 3          | \$5,280.05         | 0.46%        |
| <b>Total</b> |         | <b>\$5,741,391.04</b> | <b>5</b>   | <b>\$20,115.00</b> | <b>0.35%</b> |

*Foreclosure Covenant*

CFD No. 98-1 covenants for the benefit of the Owners of the Local Obligations (which is the Authority) and any Local Obligation Parity Bonds that it:

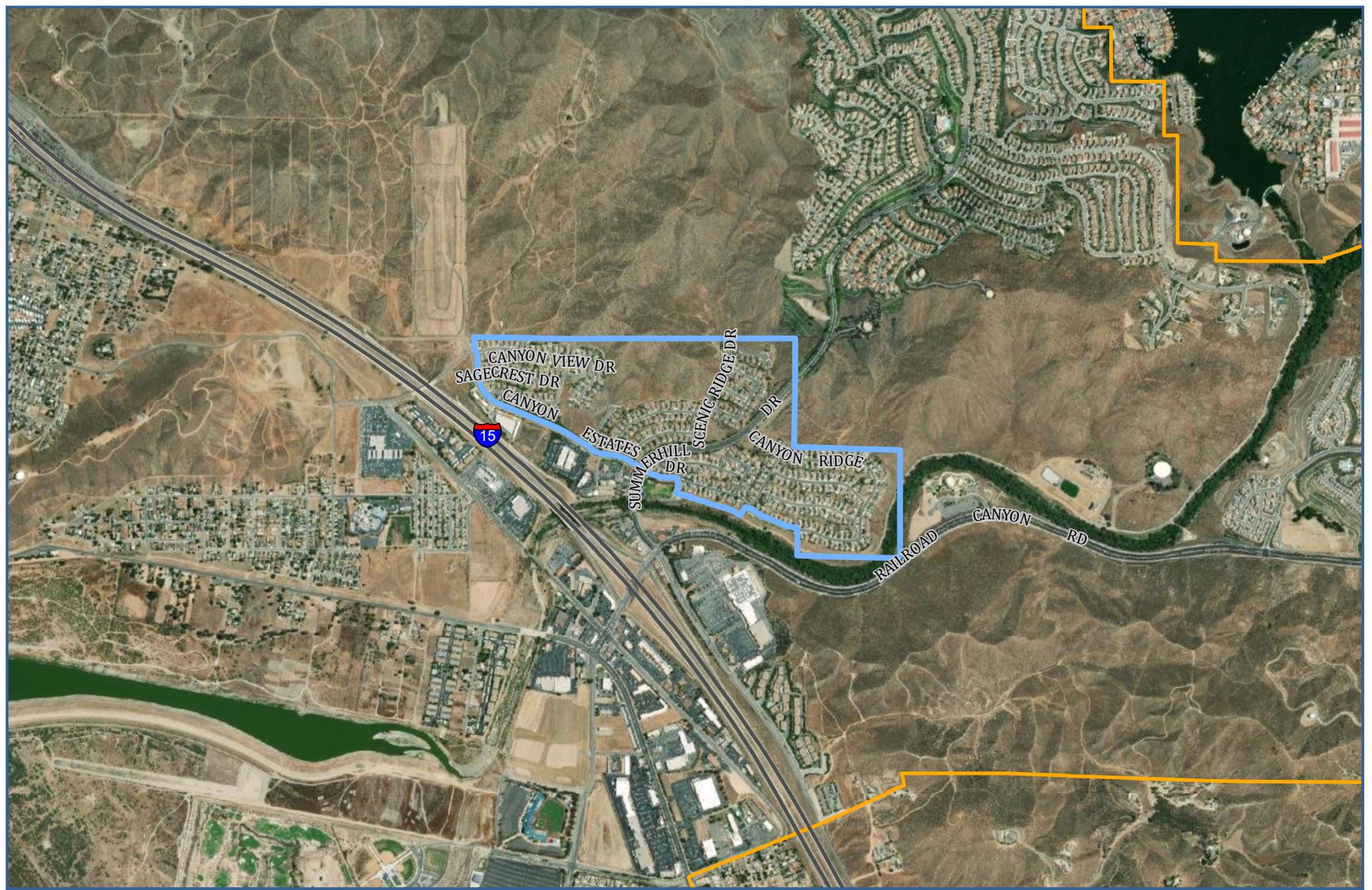
- (i) will commence judicial foreclosure proceedings against parcels with delinquent Special Taxes in excess of \$5,000 by the October 1 following the close of each Fiscal Year in which such Special Taxes were due, and
- (ii) will commence judicial foreclosure proceedings against all parcels with delinquent Special Taxes by the October 1 following the close of each Fiscal Year in which it receives Special Taxes in an amount which is less than 95% of the total Special Tax levied and the amount on deposit in the applicable Reserve Account is at less than the Proportionate Share of the Reserve Requirement, and
- (iii) will diligently pursue such foreclosure proceedings until the delinquent Special Taxes are paid; provided that, notwithstanding the foregoing, CFD No. 98-1 may elect to defer foreclosure proceedings on any parcel so long as the amount in the Reserve Fund is at least equal to the Reserve Requirement and amount in the Reserve Account is at least equal to the CFD No. 98-1's Proportionate Share. CFD No. 98-1 may, but shall not be obligated to, advance funds from any source of legally available funds in order to maintain the Reserve Account. CFD No. 98-1 may treat any delinquent Special Tax sold to an independent third-party or any funds of the City for at least 100% of the delinquent amount as having been paid. Proceeds of any such sale up to 100% of the delinquent amount will be deposited in the Special Tax Fund.

**There are no foreclosure actions at this time.**

# APPENDIX A

## Boundary Map





**BOUNDARY MAP**  
**COMMUNITY FACILITIES DISTRICT NO. 98-1**  
**(SUMMERHILL)**

# APPENDIX B

## Debt Service Schedule



SPICER CONSULTING  
G R O U P

**CITY OF LAKE ELSINORE**  
**CFD 98-1 (SUMMERHILL)**  
**LARRB Series 2021**



**Issued**

05/27/2021

| <i>Date</i>  | <i>Coupon Rate</i> | <i>Principal</i>        | <i>Principal Outstanding</i> | <i>Semi-Annual Interest</i> | <i>Semi-Annual Debt Service</i> | <i>Annual Debt Service</i> |
|--------------|--------------------|-------------------------|------------------------------|-----------------------------|---------------------------------|----------------------------|
| 09/01/2021   | 0.212%             | \$ 765,000.00           | \$ 10,930,000.00             | \$ 47,688.83                | \$ 812,688.83                   | \$ 812,688.83              |
| 03/01/2022   |                    |                         | \$ 10,930,000.00             | \$ 90,508.13                | \$ 90,508.13                    |                            |
| 09/01/2022   | 0.312%             | \$ 860,000.00           | \$ 10,070,000.00             | \$ 90,508.13                | \$ 950,508.13                   | \$ 1,041,016.26            |
| 03/01/2023   |                    |                         | \$ 10,070,000.00             | \$ 89,166.53                | \$ 89,166.53                    |                            |
| 09/01/2023   | 0.512%             | \$ 855,000.00           | \$ 9,215,000.00              | \$ 89,166.53                | \$ 944,166.53                   | \$ 1,033,333.06            |
| 03/01/2024   |                    |                         | \$ 9,215,000.00              | \$ 86,977.73                | \$ 86,977.73                    |                            |
| 09/01/2024   | 0.719%             | \$ 865,000.00           | \$ 8,350,000.00              | \$ 86,977.73                | \$ 951,977.73                   | \$ 1,038,955.46            |
| 03/01/2025   |                    |                         | \$ 8,350,000.00              | \$ 83,868.05                | \$ 83,868.05                    |                            |
| 09/01/2025   | 1.114%             | \$ 865,000.00           | \$ 7,485,000.00              | \$ 83,868.05                | \$ 948,868.05                   | \$ 1,032,736.10            |
| 03/01/2026   |                    |                         | \$ 7,485,000.00              | \$ 79,050.00                | \$ 79,050.00                    |                            |
| 09/01/2026   | 1.314%             | \$ 880,000.00           | \$ 6,605,000.00              | \$ 79,050.00                | \$ 959,050.00                   | \$ 1,038,100.00            |
| 03/01/2027   |                    |                         | \$ 6,605,000.00              | \$ 73,268.40                | \$ 73,268.40                    |                            |
| 09/01/2027   | 1.614%             | \$ 890,000.00           | \$ 5,715,000.00              | \$ 73,268.40                | \$ 963,268.40                   | \$ 1,036,536.80            |
| 03/01/2028   |                    |                         | \$ 5,715,000.00              | \$ 66,086.10                | \$ 66,086.10                    |                            |
| 09/01/2028   | 1.864%             | \$ 905,000.00           | \$ 4,810,000.00              | \$ 66,086.10                | \$ 971,086.10                   | \$ 1,037,172.20            |
| 03/01/2029   |                    |                         | \$ 4,810,000.00              | \$ 57,651.50                | \$ 57,651.50                    |                            |
| 09/01/2029   | 2.130%             | \$ 920,000.00           | \$ 3,890,000.00              | \$ 57,651.50                | \$ 977,651.50                   | \$ 1,035,303.00            |
| 03/01/2030   |                    |                         | \$ 3,890,000.00              | \$ 47,853.50                | \$ 47,853.50                    |                            |
| 09/01/2030   | 2.230%             | \$ 940,000.00           | \$ 2,950,000.00              | \$ 47,853.50                | \$ 987,853.50                   | \$ 1,035,707.00            |
| 03/01/2031   |                    |                         | \$ 2,950,000.00              | \$ 37,372.50                | \$ 37,372.50                    |                            |
| 09/01/2031   | 2.330%             | \$ 960,000.00           | \$ 1,990,000.00              | \$ 37,372.50                | \$ 997,372.50                   | \$ 1,034,745.00            |
| 03/01/2032   |                    |                         | \$ 1,990,000.00              | \$ 26,188.50                | \$ 26,188.50                    |                            |
| 09/01/2032   | 2.430%             | \$ 985,000.00           | \$ 1,005,000.00              | \$ 26,188.50                | \$ 1,011,188.50                 | \$ 1,037,377.00            |
| 03/01/2033   |                    |                         | \$ 1,005,000.00              | \$ 14,220.75                | \$ 14,220.75                    |                            |
| 09/01/2033   | 2.830%             | \$ 1,005,000.00         | \$ 0.00                      | \$ 14,220.75                | \$ 1,019,220.75                 | \$ 1,033,441.50            |
| <b>Total</b> |                    | <b>\$ 11,695,000.00</b> |                              | <b>\$ 1,552,112.21</b>      | <b>\$ 13,247,112.21</b>         | <b>\$ 13,247,112.21</b>    |



SPICER CONSULTING  
G R O U P