

# CITY OF LAKE ELSINORE

Annual Report



FISCAL YEAR 2021-22  
COMMUNITY FACILITIES DISTRICT NO. 2005-1  
(SERENITY)



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Community Facilities District No. 2005-1  
(Serenity)  
Local Agency Revenue Refunding Bonds 2015 Series

## 1. Bond Profile

### *Project Description*

In January of 2005 the City formed Community Facilities District No. 2005-1 (the “CFD No. 2005-1”). CFD No. 2005-1 is authorized to issue bonds to fund the planning, design, permitting and construction of public infrastructure consisting primarily of street, sewer, water, storm drain, park facilities as well as the funding of certain City and Elsinore Valley Municipal Water District Fees.

### *Location*

The boundaries of CFD No. 2005-1 coincide with the development generally known as Serenity. CFD No. 2005-1 is located in the southern portion of the City, 3 miles west of Interstate 15 Freeway at Palomar Street. The Serenity residential community is planned for a total of 233 detached single-family homes on approximately 77.6 acres.

### *Series 2015 Bonds*

The CFD No. 2005-1 2015 Special Tax Refunding Bonds (the “CFD No. 2005-1 Bonds”) refunded the outstanding 2006 Series A Special Tax Bonds, previously issued by CFD No. 2005-1 on February 7, 2006. The CFD No. 2005-1 Bonds were issued in the aggregate principal amount of \$8,165,000, with interest rates ranging from 2.00% to 5.00%, and were issued March 18, 2015. Interest on the CFD No. 2005-1 Bonds is payable semi-annually on March 1 and September 1. The final maturity of the CFD No. 2005-1 Bonds is September 1, 2036. The amount of CFD No. 2005-1 Bonds Outstanding as of September 30, 2021, is \$6,445,000.

CFD No. 2005-1 is one of the eight districts of the Local Obligations of the City of Lake Elsinore Public Financing Authority Refunding Revenue Bonds Series of 2015. The City of Lake Elsinore PFA Marks-Roos Revenue Pool is also comprised of Community Facilities District Nos. 95-1, 2003-2 IA B, 2004-3 IA 1, 2004-3 IA 2, 2005-2 IA A, 2005-6, and 2006-2.

## 2. Fund Information

The Fund Balances for CFD No. 2005-1 as of September 30, 2021 are shown in the following table:

*Table 2-1*  
*Fund Balances*

Account	Balance
LE 2005-1 SERENITY 2015 SPEC TX	\$3.72
LE 2005-1 SERENITY 2015 ADMIN	\$20.74
LE 2005-1 SERENITY 2015 INT ACCT	\$0.12
LE 2005-1 SERENITY 2015 PRIN AC	\$0.20
LE 2005-1 SERENITY 2015 SURPLUS	\$194.12
<b>Total</b>	<b>\$218.90</b>

### Reserve Requirement

CFD No. 2005-1 is one of eight Districts of the Local Agency Revenue Refunding Bonds Series 2015 (the "Series 2015 Bonds"). The Reserve Requirement and Reserve Fund for CFD No. 2005-1 are held by the 2015 Authority. The Reserve Fund is established and maintained at the Authority level and 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 2015 Bonds, (ii) Maximum Annual Debt Service on the Outstanding Series 2015 Bonds, or (iii) 125% of the Average Annual Debt Service on the Outstanding Series 2015 Bonds. Notwithstanding the foregoing, in no event shall the Reserve Requirement exceed the initial deposit thereto except in connection with any increase associated with the issuance of Additional Bonds, the proceeds of which are used to acquire Local Obligations issued to finance the Project. The Reserve Requirement applies to the Authority and allocates a pro-rata share to each Local Obligation. **As of September 30, 2021, the balance in the Reserve Fund was \$8,599,462.55 and the Reserve Requirement was \$8,344,818.91.**

### 3. Special Tax Information

#### Special Tax

A Special Tax is collected each year to pay the principal and interest obligations on the CFD No. 2005-1 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 \$685,190.92. The Assigned Special Tax rates for Fiscal Year 2021-22 are as follows:

On each July 1, commencing July 1, 2006, the Assigned Special Tax rate for Developed Property, Undeveloped Property and Provisional Undeveloped Property shall be increased by two percent (2.00%) of the amount in effect in the prior Fiscal Year.

*Table 3-1  
Assigned Special Tax Rates*

Land Use Category	Assigned Special Tax
Developed Residential (Less than 1,801 sq. ft.)	\$2,671.44
Developed Residential (1,801 - 2,050 sq. ft.)	\$2,917.17
Developed Residential (2,051 - 2,300 sq. ft.)	\$3,566.50
Developed Residential (2,301 - 2,550 sq. ft.)	\$4,008.53
Developed Residential (Greater than 2,550 sq. ft.)	\$4,572.75
Non-Residential Property (per Acre)	\$24,380.67

*Table 3-2  
Special Tax Breakdown*

Development Status	Parcels	Levied Amount	Assigned Special Tax	% of Assigned Tax
Developed Property	233	\$685,190.92	\$817,738.24	83.79%

### 4. Payment History

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

As of July 2021, the delinquency rate of CFD No. 2005-1 for Fiscal Year 2020-21 is 0.00%.

#### Information Concerning Delinquent Parcels

CFD No. 2005-1 delinquency information as of July 2021 is illustrated in the table below:

*Table 4-1  
Delinquency Summary*

Fiscal Year	Levied		Delinquency		
	Parcels	Amount	Parcels	Amount	Del. Rate
2016-17	233	\$664,407.04	1	\$1,894.60	0.29%
2017-18	233	\$678,692.78	1	\$1,935.34	0.29%
2018-19	232	\$679,692.96	1	\$1,946.68	0.29%
2019-20	233	\$685,190.92	2	\$2,931.61	0.43%
2020-21	233	\$685,190.92	0	\$0.00	0.00%
<b>Total</b>		<b>\$3,393,174.62</b>	<b>2</b>	<b>\$8,708.23</b>	<b>0.26%</b>

*Foreclosure Covenant*

CFD No. 2005-1 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. 2005-1 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.

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

# APPENDIX A

## Boundary Map



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## BOUNDARY MAP

COMMUNITY FACILITIES DISTRICT NO. 2005-1  
(SERENITY)



# APPENDIX B

## Debt Service Schedule



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**CITY OF LAKE ELSINORE**  
**CFD 2005-1 (SERENITY)**  
**LARB Series 2015**



Issued

03/18/2015

<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>
09/01/2015	2.000%	\$ 205,000.00	\$ 7,960,000.00	\$ 174,749.58	\$ 379,749.58	\$ 379,749.58
03/01/2016			\$ 7,960,000.00	\$ 190,925.00	\$ 190,925.00	
09/01/2016	2.000%	\$ 215,000.00	\$ 7,745,000.00	\$ 190,925.00	\$ 405,925.00	\$ 596,850.00
03/01/2017			\$ 7,745,000.00	\$ 188,775.00	\$ 188,775.00	
09/01/2017	3.000%	\$ 230,000.00	\$ 7,515,000.00	\$ 188,775.00	\$ 418,775.00	\$ 607,550.00
03/01/2018			\$ 7,515,000.00	\$ 185,325.00	\$ 185,325.00	
09/01/2018	4.000%	\$ 250,000.00	\$ 7,265,000.00	\$ 185,325.00	\$ 435,325.00	\$ 620,650.00
03/01/2019			\$ 7,265,000.00	\$ 180,325.00	\$ 180,325.00	
09/01/2019	4.000%	\$ 260,000.00	\$ 7,005,000.00	\$ 180,325.00	\$ 440,325.00	\$ 620,650.00
03/01/2020			\$ 7,005,000.00	\$ 175,125.00	\$ 175,125.00	
09/01/2020	5.000%	\$ 275,000.00	\$ 6,730,000.00	\$ 175,125.00	\$ 450,125.00	\$ 625,250.00
03/01/2021			\$ 6,730,000.00	\$ 168,250.00	\$ 168,250.00	
09/01/2021	5.000%	\$ 285,000.00	\$ 6,445,000.00	\$ 168,250.00	\$ 453,250.00	\$ 621,500.00
03/01/2022			\$ 6,445,000.00	\$ 161,125.00	\$ 161,125.00	
09/01/2022	5.000%	\$ 295,000.00	\$ 6,150,000.00	\$ 161,125.00	\$ 456,125.00	\$ 617,250.00
03/01/2023			\$ 6,150,000.00	\$ 153,750.00	\$ 153,750.00	
09/01/2023	5.000%	\$ 315,000.00	\$ 5,835,000.00	\$ 153,750.00	\$ 468,750.00	\$ 622,500.00
03/01/2024			\$ 5,835,000.00	\$ 145,875.00	\$ 145,875.00	
09/01/2024	5.000%	\$ 330,000.00	\$ 5,505,000.00	\$ 145,875.00	\$ 475,875.00	\$ 621,750.00
03/01/2025			\$ 5,505,000.00	\$ 137,625.00	\$ 137,625.00	
09/01/2025	5.000%	\$ 345,000.00	\$ 5,160,000.00	\$ 137,625.00	\$ 482,625.00	\$ 620,250.00
03/01/2026			\$ 5,160,000.00	\$ 129,000.00	\$ 129,000.00	
09/01/2026	5.000%	\$ 365,000.00	\$ 4,795,000.00	\$ 129,000.00	\$ 494,000.00	\$ 623,000.00
03/01/2027			\$ 4,795,000.00	\$ 119,875.00	\$ 119,875.00	
09/01/2027	5.000%	\$ 385,000.00	\$ 4,410,000.00	\$ 119,875.00	\$ 504,875.00	\$ 624,750.00
03/01/2028			\$ 4,410,000.00	\$ 110,250.00	\$ 110,250.00	
09/01/2028	5.000%	\$ 400,000.00	\$ 4,010,000.00	\$ 110,250.00	\$ 510,250.00	\$ 620,500.00
03/01/2029			\$ 4,010,000.00	\$ 100,250.00	\$ 100,250.00	
09/01/2029	5.000%	\$ 420,000.00	\$ 3,590,000.00	\$ 100,250.00	\$ 520,250.00	\$ 620,500.00
03/01/2030			\$ 3,590,000.00	\$ 89,750.00	\$ 89,750.00	
09/01/2030	5.000%	\$ 440,000.00	\$ 3,150,000.00	\$ 89,750.00	\$ 529,750.00	\$ 619,500.00
03/01/2031			\$ 3,150,000.00	\$ 78,750.00	\$ 78,750.00	
09/01/2031	5.000%	\$ 465,000.00	\$ 2,685,000.00	\$ 78,750.00	\$ 543,750.00	\$ 622,500.00
03/01/2032			\$ 2,685,000.00	\$ 67,125.00	\$ 67,125.00	
09/01/2032	5.000%	\$ 485,000.00	\$ 2,200,000.00	\$ 67,125.00	\$ 552,125.00	\$ 619,250.00
03/01/2033			\$ 2,200,000.00	\$ 55,000.00	\$ 55,000.00	
09/01/2033	5.000%	\$ 510,000.00	\$ 1,690,000.00	\$ 55,000.00	\$ 565,000.00	\$ 620,000.00
03/01/2034			\$ 1,690,000.00	\$ 42,250.00	\$ 42,250.00	
09/01/2034	5.000%	\$ 535,000.00	\$ 1,155,000.00	\$ 42,250.00	\$ 577,250.00	\$ 619,500.00
03/01/2035			\$ 1,155,000.00	\$ 28,875.00	\$ 28,875.00	

**CITY OF LAKE ELSINORE**  
**CFD 2005-1 (SERENITY)**  
**LARB Series 2015**



Issued

03/18/2015

<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>
09/01/2035	5.000%	\$ 565,000.00	\$ 590,000.00	\$ 28,875.00	\$ 593,875.00	\$ 622,750.00
03/01/2036			\$ 590,000.00	\$ 14,750.00	\$ 14,750.00	
09/01/2036	5.000%	\$ 590,000.00	\$ 0.00	\$ 14,750.00	\$ 604,750.00	\$ 619,500.00
<b>Total</b>		<b>\$ 8,165,000.00</b>		<b>\$ 5,220,699.58</b>	<b>\$ 13,385,699.58</b>	<b>\$ 13,385,699.58</b>



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