

CITY OF LAKE ELSINORE

Annual Report



FISCAL YEAR 2021-22
COMMUNITY FACILITIES DISTRICT NO. 2006-2
(VISCAYA)



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Community Facilities District No. 2006-2
(Viscaya)
Local Agency Revenue Refunding Bonds, 2015 Series

Bond Profile

Project Description

In April of 2006 the City of Lake Elsinore (the “City”) formed Community Facilities District No. 2006-2 (the “CFD No. 2006-2” or the “District”). CFD No. 2006-2 is authorized to issue bonds to fund the planning, design, permitting, acquisition and construction of public infrastructure consisting primarily of street, sewer, water, storm drain, and park facilities as well as the funding of certain City and Elsinore Valley Municipal Water District fees.

Location

CFD No. 2006-2 is generally located approximately 2 miles southwest of Interstate 15 Freeway near the southwest corner of Lakeshore Drive and Riverside Drive. The development within CFD No. 2006-2 is planned for 168 detached residential units on approximately 15.6 net acres.

Series 2015 Bonds

The CFD No. 2006-2 2015 Special Tax Refunding Bonds (the “CFD No. 2006-2 Bonds”) refunded the outstanding 2006 Series A Special Tax Bonds, previously issued by CFD No. 2006-2 on July 12, 2006. The CFD No. 2006-2 Bonds were issued in the aggregate principal amount of \$5,825,000, with interest rates ranging from 2.00% to 5.00%, and were issued on March 18, 2015. Interest on the CFD No. 2006-2 Bonds is payable semi-annually on March 1 and September 1. The final maturity of the CFD No. 2006-2 Bonds is September 1, 2036. The amount of CFD No. 2006-2 Bonds Outstanding as of September 30, 2021, is \$5,065,000.

CFD No. 2006-2 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, 2005-1, 2005-2, and 2005-6.

Fund Information

The Fund Balances for CFD No. 2006-2 as of September 30, 2021 are shown in the following table:

*Table 1-1
Fund Balances*

Account	Balance
LE 2006-2 VISCAYA 2015 SPEC TX	\$2.28
LE 2006-2 VISCAYA 2015 ADMIN	\$18.16
LE 2006-2 VISCAYA 2015 INT ACCT	\$0.09
LE 2006-2 VISCAYA 2015 PRIN ACCT	\$0.10
LE 2006-2 VISCAYA 2015 SURPLUS	\$106.68
Total	\$127.31

Reserve Requirement

CFD No. 2006-2 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. 2006-2 are held by the 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.**

Special Tax Information

Special Tax

A Special Tax is collected each year to pay the principal and interest obligations on the CFD No. 2006-2 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 \$506,881.32. 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 1-2
Assigned Special Tax Rates (Facilities)*

Land Use Category	Assigned Special Tax
Developed Residential (Less than 1,550 sq. ft.)	\$3,291.94
Developed Residential (1,550 - 1,949 sq. ft.)	\$3,537.67
Developed Residential (1,950 - 2,349 sq. ft.)	\$3,721.62
Developed Residential (More than 2,349 sq. ft.)	\$3,992.06
Non-Residential Property (per Acre)	\$39,893.15

*Table 1-3
Special Tax Breakdown (Facilities)*

Category	Parcels	Levied Amount	Assigned Special Tax	% of Assigned Special Tax
Residential (Less than 1,550 sq. ft.)	31	\$83,443.94	\$102,050.14	81.77%
Residential (1,550 - 1,949 sq. ft.)	33	\$95,457.78	\$116,743.07	81.77%
Residential (1,950 - 2,349 sq. ft.)	52	\$158,240.16	\$193,524.35	81.77%
Residential (More than 2,349 sq. ft.)	52	\$169,739.44	\$207,587.16	81.77%
Total	168	\$506,881.32	\$619,904.72	81.77%

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. 2006-2 for Fiscal Year 2020-21 is 0.32%.

Information Concerning Delinquent Parcels

CFD No. 2006-2 delinquency information as of July 2021 is illustrated in the table below:

*Table 1-4
Delinquency Summary (Facilities)*

Fiscal Year	Levied		Delinquency		
	Parcels	Amount	Parcels	Amount	Del. Rate
2016-17	168	\$444,842.06	4	\$3,119.18	0.70%
2017-18	168	\$455,960.24	4	\$6,394.26	1.40%
2018-19	168	\$467,359.84	4	\$6,554.20	1.40%
2019-20	168	\$479,042.26	4	\$6,718.02	1.40%
2020-21	168	\$494,518.36	1	\$1,592.30	0.32%
Total		\$2,341,722.76	5	\$24,377.96	1.04%

Foreclosure Covenant

CFD No. 2006-2 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. 2006-2 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.

The foreclosure actions in CFD No. 2006-2 are as follows:

CFD No. 2006-2 filed Writs of Sale against the 13 parcels owned by Corman Leigh Tozai Lakeshore, LLC and the Superior Court of California issued the writs in July 2014.

The District covenants that it will deposit the net proceeds of any foreclosure and any other Delinquency Proceeds in the Special Tax Fund and will apply such proceeds remaining after the payment of Administrative Expenses to pay any delinquent installments of principal or interest due on the CFD No. 2006-2 Bonds and any Parity Bonds, to make current payments of principal and interest on the CFD No. 2006-2 Bonds and any Parity Bonds and to replenish any draw on the Reserve Account resulting from the delinquency in the payment of scheduled debt service on the CFD No. 2006-2 Bonds or any Parity Bonds.

Payment of Claims. The District will pay and discharge any and all lawful claims for labor, materials or supplies which, if unpaid, might become a lien or charge upon the Net Special Taxes or other funds in the Special Tax Fund, or which might impair the security of the CFD No. 2006-2 Bonds or any Parity Bonds then Outstanding; provided that nothing contained in the Indenture shall require the District to make any such payments so long as the District in good faith shall contest the validity of any such claims.

Community Facilities District No. 2006-2 (Viscaya) Services

District Profile

Project Description

Community Facilities District No. 2006-2 Services (the "CFD No. 2006-2 Services") was formed to maintain, replace and repair certain components of the Service Area which have been accepted and maintained or are reasonably expected to be accepted and maintained.

Bond Profile and Principal Amount of Bonds Outstanding

CFD No. 2006-2 Services is a nonbonded portion of the District.

Special Tax Information

Special Tax

A Special Tax is collected each year to pay service obligations for CFD No. 2006-2. 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 \$55,809.60. The Maximum Special Tax rates for Fiscal Year 2021-22 are as follows:

The Maximum Special Tax shall increase commencing July 1, 2006 and on July 1 of each Fiscal Year thereafter, by an amount equal to two percent (2.00%) of the amount in effect for the previous Fiscal Year.

Table 2-1
Maximum Special Tax Rates (Services)

Land Use Category	Maximum Special Tax
Developed Single Family	\$332.21
Developed Multi-family	\$166.11
Non-Residential (per Acre)	\$748.17

Table 2-2
Special Tax Breakdown (Services)

Category	Parcels	Levied Amount	Maximum Special Tax	% of Maximum Special Tax
Developed Single Family	168	\$55,809.60	\$55,811.98	100.00%

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. 2006-2 Services for Fiscal Year 2020-21 is 0.30%.

Information Concerning Delinquent Parcels

CFD No. 2006-2 Services delinquency information as of July 2021 is illustrated in the table below:

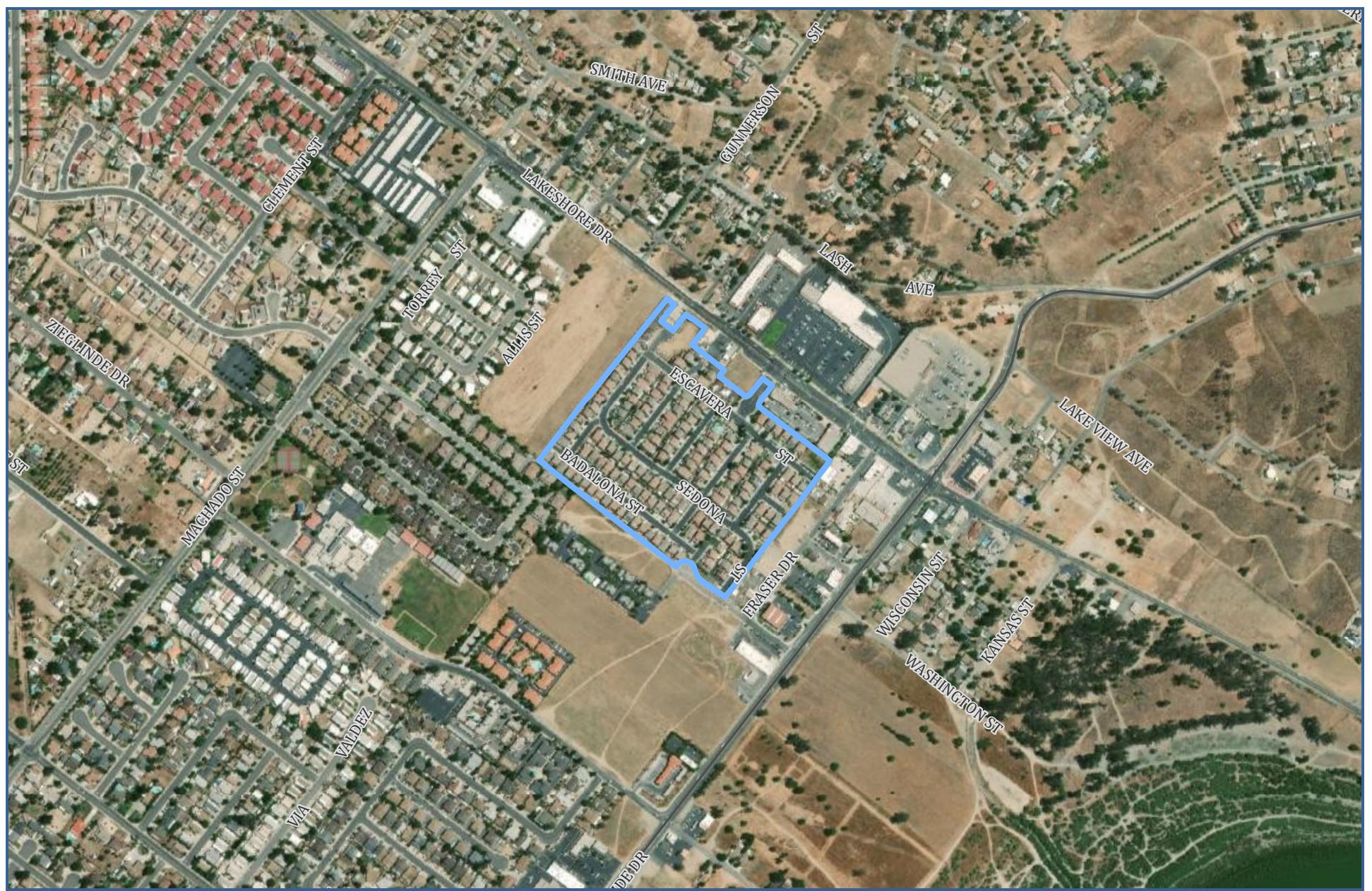
*Table 2-3
Delinquency Summary (Services)*

Fiscal Year	Levied		Delinquency		
	Parcels	Amount	Parcels	Amount	Del. Rate
2016-17	168	\$50,547.84	4	\$361.08	0.71%
2017-18	168	\$51,559.20	4	\$736.56	1.43%
2018-19	168	\$52,590.72	4	\$751.28	1.43%
2019-20	168	\$53,642.40	4	\$766.32	1.43%
2020-21	168	\$54,717.60	1	\$162.85	0.30%
Total		\$263,057.76	5	\$2,778.09	1.06%

APPENDIX A

Boundary Map





BOUNDARY MAP
COMMUNITY FACILITIES DISTRICT NO. 2006-2
(VISCAYA)

APPENDIX B

Debt Service Schedule



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CITY OF LAKE ELSINORE
CFD 2006-2 (VISCAYA)
LARB Series 2015



Issued

03/18/2015

Date	Coupon Rate	Principal	Principal Outstanding	Semi-Annual Interest	Semi-Annual Debt Service	Annual Debt Service
09/01/2015	2.000%	\$ 95,000.00	\$ 5,730,000.00	\$ 127,705.97	\$ 222,705.97	\$ 222,705.97
03/01/2016			\$ 5,730,000.00	\$ 140,075.00	\$ 140,075.00	
09/01/2016	2.000%	\$ 80,000.00	\$ 5,650,000.00	\$ 140,075.00	\$ 220,075.00	\$ 360,150.00
03/01/2017			\$ 5,650,000.00	\$ 139,275.00	\$ 139,275.00	
09/01/2017	3.000%	\$ 90,000.00	\$ 5,560,000.00	\$ 139,275.00	\$ 229,275.00	\$ 368,550.00
03/01/2018			\$ 5,560,000.00	\$ 137,925.00	\$ 137,925.00	
09/01/2018	4.000%	\$ 100,000.00	\$ 5,460,000.00	\$ 137,925.00	\$ 237,925.00	\$ 375,850.00
03/01/2019			\$ 5,460,000.00	\$ 135,925.00	\$ 135,925.00	
09/01/2019	4.000%	\$ 115,000.00	\$ 5,345,000.00	\$ 135,925.00	\$ 250,925.00	\$ 386,850.00
03/01/2020			\$ 5,345,000.00	\$ 133,625.00	\$ 133,625.00	
09/01/2020	5.000%	\$ 130,000.00	\$ 5,215,000.00	\$ 133,625.00	\$ 263,625.00	\$ 397,250.00
03/01/2021			\$ 5,215,000.00	\$ 130,375.00	\$ 130,375.00	
09/01/2021	5.000%	\$ 150,000.00	\$ 5,065,000.00	\$ 130,375.00	\$ 280,375.00	\$ 410,750.00
03/01/2022			\$ 5,065,000.00	\$ 126,625.00	\$ 126,625.00	
09/01/2022	5.000%	\$ 165,000.00	\$ 4,900,000.00	\$ 126,625.00	\$ 291,625.00	\$ 418,250.00
03/01/2023			\$ 4,900,000.00	\$ 122,500.00	\$ 122,500.00	
09/01/2023	5.000%	\$ 185,000.00	\$ 4,715,000.00	\$ 122,500.00	\$ 307,500.00	\$ 430,000.00
03/01/2024			\$ 4,715,000.00	\$ 117,875.00	\$ 117,875.00	
09/01/2024	5.000%	\$ 205,000.00	\$ 4,510,000.00	\$ 117,875.00	\$ 322,875.00	\$ 440,750.00
03/01/2025			\$ 4,510,000.00	\$ 112,750.00	\$ 112,750.00	
09/01/2025	5.000%	\$ 220,000.00	\$ 4,290,000.00	\$ 112,750.00	\$ 332,750.00	\$ 445,500.00
03/01/2026			\$ 4,290,000.00	\$ 107,250.00	\$ 107,250.00	
09/01/2026	5.000%	\$ 250,000.00	\$ 4,040,000.00	\$ 107,250.00	\$ 357,250.00	\$ 464,500.00
03/01/2027			\$ 4,040,000.00	\$ 101,000.00	\$ 101,000.00	
09/01/2027	5.000%	\$ 270,000.00	\$ 3,770,000.00	\$ 101,000.00	\$ 371,000.00	\$ 472,000.00
03/01/2028			\$ 3,770,000.00	\$ 94,250.00	\$ 94,250.00	
09/01/2028	5.000%	\$ 295,000.00	\$ 3,475,000.00	\$ 94,250.00	\$ 389,250.00	\$ 483,500.00
03/01/2029			\$ 3,475,000.00	\$ 86,875.00	\$ 86,875.00	
09/01/2029	5.000%	\$ 320,000.00	\$ 3,155,000.00	\$ 86,875.00	\$ 406,875.00	\$ 493,750.00
03/01/2030			\$ 3,155,000.00	\$ 78,875.00	\$ 78,875.00	
09/01/2030	5.000%	\$ 350,000.00	\$ 2,805,000.00	\$ 78,875.00	\$ 428,875.00	\$ 507,750.00
03/01/2031			\$ 2,805,000.00	\$ 70,125.00	\$ 70,125.00	
09/01/2031	5.000%	\$ 380,000.00	\$ 2,425,000.00	\$ 70,125.00	\$ 450,125.00	\$ 520,250.00
03/01/2032			\$ 2,425,000.00	\$ 60,625.00	\$ 60,625.00	
09/01/2032	5.000%	\$ 415,000.00	\$ 2,010,000.00	\$ 60,625.00	\$ 475,625.00	\$ 536,250.00
03/01/2033			\$ 2,010,000.00	\$ 50,250.00	\$ 50,250.00	
09/01/2033	5.000%	\$ 445,000.00	\$ 1,565,000.00	\$ 50,250.00	\$ 495,250.00	\$ 545,500.00
03/01/2034			\$ 1,565,000.00	\$ 39,125.00	\$ 39,125.00	
09/01/2034	5.000%	\$ 485,000.00	\$ 1,080,000.00	\$ 39,125.00	\$ 524,125.00	\$ 563,250.00
03/01/2035			\$ 1,080,000.00	\$ 27,000.00	\$ 27,000.00	

CITY OF LAKE ELSINORE
CFD 2006-2 (VISCAYA)
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%	\$ 520,000.00	\$ 560,000.00	\$ 27,000.00	\$ 547,000.00	\$ 574,000.00
03/01/2036			\$ 560,000.00	\$ 14,000.00	\$ 14,000.00	
09/01/2036	5.000%	\$ 560,000.00	\$ 0.00	\$ 14,000.00	\$ 574,000.00	\$ 588,000.00
Total		\$ 5,825,000.00		\$ 4,180,355.97	\$ 10,005,355.97	\$ 10,005,355.97



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