

CITY OF LAKE ELSINORE

Annual Report



FISCAL YEAR 2021-22
COMMUNITY FACILITIES DISTRICT NO. 2007-4
(MAKENNA COURT)



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Community Facilities District No. 2007-4 (Makenna Court) 2021 Special Tax Refunding Bonds

Bond Profile

Project Description

Community Facilities District No. 2007-4 (the “CFD No. 2007-4” or the “District”) was formed to finance the acquisition and/or construction of road improvements, City improvements, City fees, fees and improvements of the Elsinore Valley Municipal Water District and fees of the Lake Elsinore Unified School District. CFD No. 2007-4 encompasses approximately 23.46 gross acres, of this acreage, 15.81 acres are expected to be developed for residential uses.

Location

CFD No. 2007-4 is located in the northern portion of the City of Lake Elsinore. CFD No. 2007-4 is southwest of Lakeshore Drive and northwest of Machado Street.

Series 2021 Bonds

CFD No. 2007-4 2021 Special Tax Refunding Bonds (the “CFD No. 2007-4 Bonds”) refunded the outstanding Special Tax Bonds, Series 2018, previously issued by CFD No. 2007-4 on November 7, 2018. The CFD No. 2007-4 Bonds were issued in the principal amount of \$2,390,000 with an interest rate of 4.000% and were issued August 5, 2021. Interest is payable semi-annually on March 1 and September 1. The date for the final maturity of the CFD No. 2007-4 Bonds is September 1, 2047. The amount of the CFD No. 2007-4 Bonds Outstanding as of September 30, 2021, is \$2,390,000.

CFD No. 2007-4 is one of the four districts of the Local Obligations of the City of Lake Elsinore Facilities Financing Authority Local Agency Revenue Refunding, Series 2021B (the “Series 2021B Bonds”). The City of Lake Elsinore FFA Marks-Roos Revenue Pool is also comprised of Community Facilities District Nos. 2006-1 IA B, 2006-1 IA FF, and 2015-5.

Fund Information

The Fund Balances for CFD No. 2007-4 as of September 30, 2021 are shown in the following table:

*Table 1-1
Fund Balances*

Account	Balance
LE CFD2007-4 MAKENNA IMPRV	\$266,190.73
Total	\$266,190.73

Reserve Requirement

CFD No. 2007-4 is one of four districts of the Local Obligations of the City of Lake Elsinore Facilities Financing Authority Local Agency Revenue Refunding, Series 2021B. 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 2021B Bonds, (ii) Maximum Annual Debt Service on the Outstanding Series 2021B Bonds, or (iii) 125% of the average Annual Debt Service on the Outstanding Series 2021B Bonds. Notwithstanding the foregoing, in no event will the Reserve Requirement exceed the initial deposit, \$827,400, except in connection with any increase associated with the issuance of Additional Bonds. **The Reserve Requirement for the Series 2021B Bonds will be satisfied by a Reserve Policy in the amount of \$620,550.00, effective as of the date of issuance of the Series 2021B Bonds, plus the cash balance in the Reserve Fund. As of September 30, 2021, the cash balance in the Reserve Fund was \$206,850.00, resulting in a total Reserve Fund balance of \$827,400.00, and the Reserve Requirement is \$827,400.00.**

Table 1-2
Reserve Fund (Facilities Financing Authority Series 2021B)

Account	Surety ¹	Cash ²	Balance as of September 30, 2021	Reserve Requirement
LAKE ELSINORE FFA CFD2006-1 IAB RES	\$160,430.51	\$53,476.84	\$213,907.35	\$213,907.35
LAKE ELSINORE FFA CFD2006-1 IAFF RES	\$203,967.42	\$67,989.14	\$271,956.56	\$271,956.56
LAKE ELSINORE FFA CFD2007-4 RES	\$142,538.64	\$47,512.88	\$190,051.52	\$190,051.52
LAKE ELSINORE FFA CFD2015-5 RES	\$113,613.43	\$37,871.14	\$151,484.57	\$151,484.57
Total	\$620,550.00	\$206,850.00	\$827,400.00	\$827,400.00

Assured Guaranty Municipal Corp. ("AGM") has made a commitment to issue, simultaneously with the initial issuance of the Series 2021B Bonds, the Reserve Policy in the amount equal to 75% of the Reserve Requirement for deposit in the Reserve Fund, effective as of the date of issuance of the Series 2021B Bonds. Under the terms of the Reserve Policy, AGM will unconditionally and irrevocably guarantee to pay that portion of the scheduled payments of principal of and interest on the Series 2021B Bonds that become due for payment but shall be unpaid by reason of nonpayment by the Authority, to the extent set forth in the Reserve Policy and in the Indenture.

Special Tax Information

Special Tax

A Special Tax is collected each year to pay the principal and interest obligations on the CFD No. 2007-4 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 \$190,636.74. The Assigned Special Tax rates for Fiscal Year 2021-22 are as follows:

The Assigned Special Tax for Facilities shall increase by an amount equal to two percent (2.00%) of the amount in effect for the previous Fiscal Year.

Table 1-3
Assigned Special Tax Rates (Facilities)

Land Use Category	Assigned Special Tax
Single Family Residential (Less than 2,200 sq. ft.)	\$2,197.34
Single Family Residential (2,201 - 2,400 sq. ft.)	\$2,294.76
Single Family Residential (2,401 - 2,600 sq. ft.)	\$2,403.00
Single Family Residential (Greater than 2,600 sq. ft.)	\$2,522.07
Multi-Family Residential (per Acre)	\$13,389.69
Non-Residential (per Acre)	\$13,389.69

¹ AGM Reserve Policy (75% of Reserve Requirement) Balance as of September 30, 2021.

² Reserve Cash (25% of Reserve Requirement) Balance as of September 30, 2021.

Table 1-4
Special Tax Breakdown (Facilities)

Category	Parcels	Levied Amount	Assigned Special Tax	% of Assigned Special Tax
Single Family Residential (Less than 2,200 sq. ft.)	20	\$43,946.40	\$43,946.75	100.00%
Single Family Residential (2,201 - 2,400 sq. ft.)	21	\$48,189.54	\$48,189.88	100.00%
Single Family Residential (2,401 - 2,600 sq. ft.)	20	\$48,059.60	\$48,059.99	100.00%
Single Family Residential (Greater than 2,600 sq. ft.)	20	\$50,441.20	\$50,441.34	100.00%
Total	81	\$190,636.74	\$190,637.95	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. 2007-4 for Fiscal Year 2020-21 is 1.26%.

Information Concerning Delinquent Parcels

CFD No. 2007-4 delinquency information as of July 2021 is illustrated in the table below:

Table 1-5
Delinquency Summary (Facilities)

Fiscal Year	Levied		Delinquency		
	Parcels	Amount	Parcels	Amount	Del. Rate
2017-18	6	\$10,499.96	0	\$0.00	0.00%
2018-19	70	\$155,182.80	0	\$0.00	0.00%
2019-20	70	\$183,234.44	0	\$0.00	0.00%
2020-21	81	\$186,899.36	1	\$2,355.88	1.26%
Total		\$535,816.56	1	\$2,355.88	0.44%

Foreclosure Covenant

CFD No. 2007-4 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
- (iii) will diligently pursue such foreclosure proceedings until the delinquent Special Taxes are paid; provided that, notwithstanding the foregoing, CFD No. 2007-4 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 CFD No. 2007-4's Proportionate Share. CFD No. 2007-4 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. 2007-4 may treat any delinquent Special Tax sold to an independent third-party or to 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 There are no foreclosure actions at this time.

Community Facilities District No. 2007-4 (Makenna Court) Services

District Profile

Project Description

Community Facilities District No. 2007-4 Services (the “CFD No. 2007-4 Services”) was formed for the purpose of providing operation and maintenance of parks, open space, and storm drains.

Bond Profile and Principal Amount of Bonds Outstanding

CFD No. 2007-4 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. 2007-4 Services. 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 \$27,995.22. The Maximum Special Tax rates for Fiscal Year 2021-22 are as follows:

On each July 1, commencing on July 1, 2018 the Maximum Special Tax for Services for Developed Property shall increase by i) the cumulative percentage increase in the Consumer Price Index for all Urban Consumers (“CPI-U”) for the Riverside-San Bernardino-Ontario California Standard Metropolitan Statistical area as it stands on March of each year over the preceding Fiscal Year, as published by the Bureau of Labor Statistics of the United States Department of Labor, or ii) by two percent (2.0%), whichever is greater. The Bureau of Labor Statistics of the United States Department of Labor has discontinued the Los Angeles-Riverside-Orange County, CA Index. The Consumer Price Index rate for Fiscal Year 2021-22 is 3.56%.

*Table 2-1
Maximum Special Tax Rates (Services)*

Land Use Category	Maximum Special Tax
Developed Single Family Residential	\$345.63
Developed Multi-Family Residential (per Unit)	\$173.38
Developed Non-Residential (per Acre)	\$771.20

*Table 2-2
Special Tax Breakdown (Services)*

Category	Parcels	Levied Amount	Maximum Special Tax	% of Maximum Special Tax
Single Family Residential	81	\$27,995.22	\$27,996.24	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. 2007-4 Services for Fiscal Year 2020-21 is 1.23%.

Information Concerning Delinquent Parcels

CFD No. 2007-4 Services delinquency information as of July 2021 is illustrated in the table below:

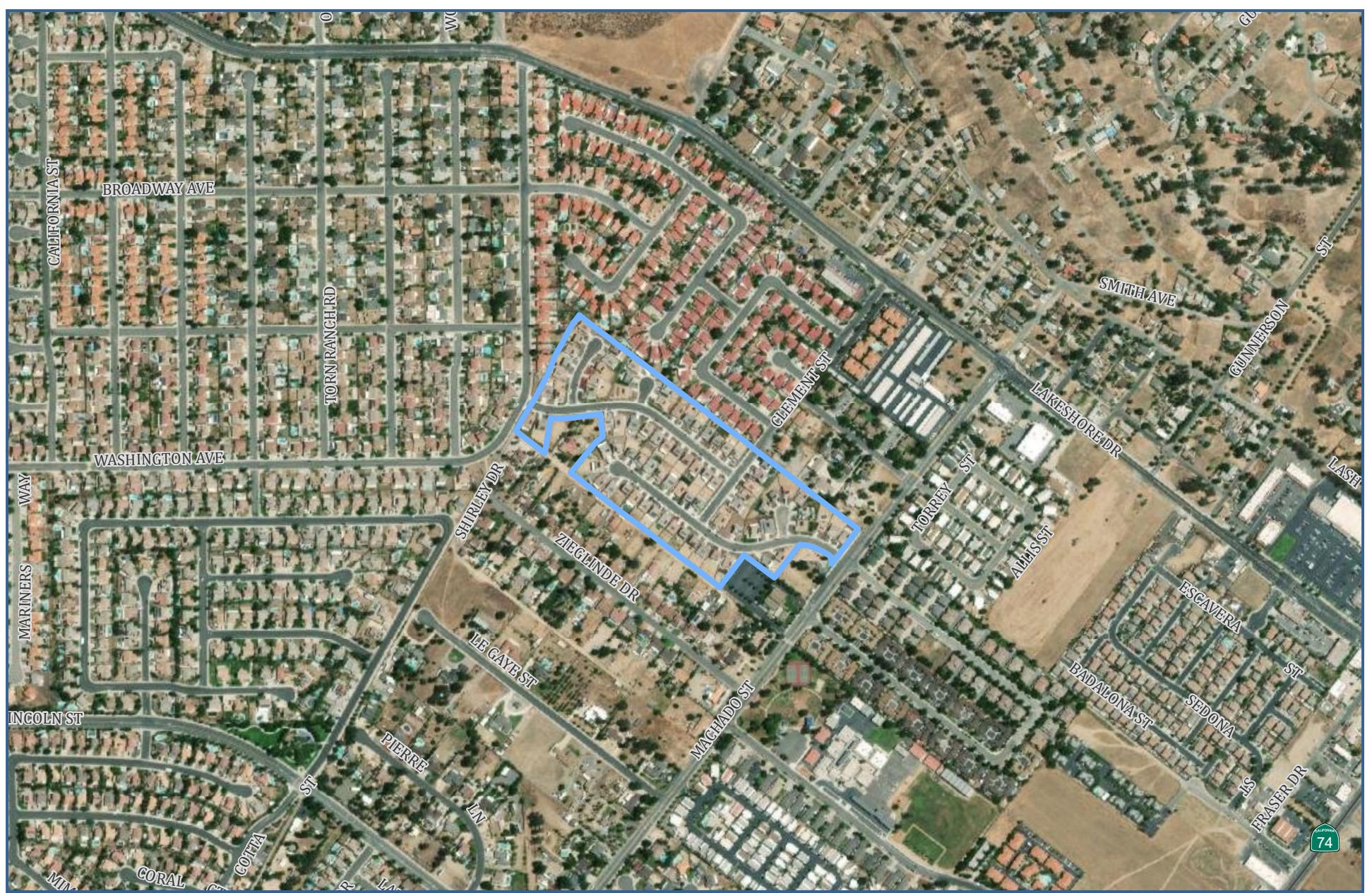
*Table 2-3
Delinquency Summary (Services)*

Fiscal Year	Levied		Delinquency		
	Parcels	Amount	Parcels	Amount	Del. Rate
2018-19	70	\$22,302.00	0	\$0.00	0.00%
2019-20	81	\$26,503.20	0	\$0.00	0.00%
2020-21	81	\$27,032.94	1	\$333.74	1.23%
Total		\$75,838.14	1	\$333.74	0.44%

APPENDIX A

Boundary Map





BOUNDARY MAP
COMMUNITY FACILITIES DISTRICT NO. 2007-4
(MAKENNA COURT)

APPENDIX B

Debt Service Schedule



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CITY OF LAKE ELSINORE
CFD 2007-4 (MAKENNA COURT)
LARRB, SERIES 2021B



Issued

08/06/2021

Date	Coupon Rate	Principal	Principal Outstanding	Semi-Annual Interest	Semi-Annual Debt Service	Annual Debt Service
03/01/2022			\$ 2,390,000.00	\$ 54,704.45	\$ 54,704.45	
09/01/2022	4.000%	\$ 15,000.00	\$ 2,375,000.00	\$ 47,800.00	\$ 62,800.00	\$ 117,504.45
03/01/2023			\$ 2,375,000.00	\$ 47,500.00	\$ 47,500.00	
09/01/2023	4.000%	\$ 25,000.00	\$ 2,350,000.00	\$ 47,500.00	\$ 72,500.00	\$ 120,000.00
03/01/2024			\$ 2,350,000.00	\$ 47,000.00	\$ 47,000.00	
09/01/2024	4.000%	\$ 30,000.00	\$ 2,320,000.00	\$ 47,000.00	\$ 77,000.00	\$ 124,000.00
03/01/2025			\$ 2,320,000.00	\$ 46,400.00	\$ 46,400.00	
09/01/2025	4.000%	\$ 35,000.00	\$ 2,285,000.00	\$ 46,400.00	\$ 81,400.00	\$ 127,800.00
03/01/2026			\$ 2,285,000.00	\$ 45,700.00	\$ 45,700.00	
09/01/2026	4.000%	\$ 40,000.00	\$ 2,245,000.00	\$ 45,700.00	\$ 85,700.00	\$ 131,400.00
03/01/2027			\$ 2,245,000.00	\$ 44,900.00	\$ 44,900.00	
09/01/2027	4.000%	\$ 40,000.00	\$ 2,205,000.00	\$ 44,900.00	\$ 84,900.00	\$ 129,800.00
03/01/2028			\$ 2,205,000.00	\$ 44,100.00	\$ 44,100.00	
09/01/2028	4.000%	\$ 45,000.00	\$ 2,160,000.00	\$ 44,100.00	\$ 89,100.00	\$ 133,200.00
03/01/2029			\$ 2,160,000.00	\$ 43,200.00	\$ 43,200.00	
09/01/2029	4.000%	\$ 50,000.00	\$ 2,110,000.00	\$ 43,200.00	\$ 93,200.00	\$ 136,400.00
03/01/2030			\$ 2,110,000.00	\$ 42,200.00	\$ 42,200.00	
09/01/2030	4.000%	\$ 55,000.00	\$ 2,055,000.00	\$ 42,200.00	\$ 97,200.00	\$ 139,400.00
03/01/2031			\$ 2,055,000.00	\$ 41,100.00	\$ 41,100.00	
09/01/2031	4.000%	\$ 60,000.00	\$ 1,995,000.00	\$ 41,100.00	\$ 101,100.00	\$ 142,200.00
03/01/2032			\$ 1,995,000.00	\$ 39,900.00	\$ 39,900.00	
09/01/2032	4.000%	\$ 65,000.00	\$ 1,930,000.00	\$ 39,900.00	\$ 104,900.00	\$ 144,800.00
03/01/2033			\$ 1,930,000.00	\$ 38,600.00	\$ 38,600.00	
09/01/2033	4.000%	\$ 70,000.00	\$ 1,860,000.00	\$ 38,600.00	\$ 108,600.00	\$ 147,200.00
03/01/2034			\$ 1,860,000.00	\$ 37,200.00	\$ 37,200.00	
09/01/2034	4.000%	\$ 80,000.00	\$ 1,780,000.00	\$ 37,200.00	\$ 117,200.00	\$ 154,400.00
03/01/2035			\$ 1,780,000.00	\$ 35,600.00	\$ 35,600.00	
09/01/2035	4.000%	\$ 90,000.00	\$ 1,690,000.00	\$ 35,600.00	\$ 125,600.00	\$ 161,200.00
03/01/2036			\$ 1,690,000.00	\$ 33,800.00	\$ 33,800.00	
09/01/2036	4.000%	\$ 90,000.00	\$ 1,600,000.00	\$ 33,800.00	\$ 123,800.00	\$ 157,600.00
03/01/2037			\$ 1,600,000.00	\$ 32,000.00	\$ 32,000.00	
09/01/2037	4.000%	\$ 100,000.00	\$ 1,500,000.00	\$ 32,000.00	\$ 132,000.00	\$ 164,000.00
03/01/2038			\$ 1,500,000.00	\$ 30,000.00	\$ 30,000.00	
09/01/2038	4.000%	\$ 105,000.00	\$ 1,395,000.00	\$ 30,000.00	\$ 135,000.00	\$ 165,000.00
03/01/2039			\$ 1,395,000.00	\$ 27,900.00	\$ 27,900.00	
09/01/2039	4.000%	\$ 115,000.00	\$ 1,280,000.00	\$ 27,900.00	\$ 142,900.00	\$ 170,800.00
03/01/2040			\$ 1,280,000.00	\$ 25,600.00	\$ 25,600.00	
09/01/2040	4.000%	\$ 125,000.00	\$ 1,155,000.00	\$ 25,600.00	\$ 150,600.00	\$ 176,200.00
03/01/2041			\$ 1,155,000.00	\$ 23,100.00	\$ 23,100.00	

**CITY OF LAKE ELSINORE
CFD 2007-4 (MAKENNA COURT)
LARRB, SERIES 2021B**



Issued

08/06/2021

<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>
09/01/2041	4.000%	\$ 135,000.00	\$ 1,020,000.00	\$ 23,100.00	\$ 158,100.00	\$ 181,200.00
03/01/2042			\$ 1,020,000.00	\$ 20,400.00	\$ 20,400.00	
09/01/2042	4.000%	\$ 140,000.00	\$ 880,000.00	\$ 20,400.00	\$ 160,400.00	\$ 180,800.00
03/01/2043			\$ 880,000.00	\$ 17,600.00	\$ 17,600.00	
09/01/2043	4.000%	\$ 150,000.00	\$ 730,000.00	\$ 17,600.00	\$ 167,600.00	\$ 185,200.00
03/01/2044			\$ 730,000.00	\$ 14,600.00	\$ 14,600.00	
09/01/2044	4.000%	\$ 165,000.00	\$ 565,000.00	\$ 14,600.00	\$ 179,600.00	\$ 194,200.00
03/01/2045			\$ 565,000.00	\$ 11,300.00	\$ 11,300.00	
09/01/2045	4.000%	\$ 180,000.00	\$ 385,000.00	\$ 11,300.00	\$ 191,300.00	\$ 202,600.00
03/01/2046			\$ 385,000.00	\$ 7,700.00	\$ 7,700.00	
09/01/2046	4.000%	\$ 185,000.00	\$ 200,000.00	\$ 7,700.00	\$ 192,700.00	\$ 200,400.00
03/01/2047			\$ 200,000.00	\$ 4,000.00	\$ 4,000.00	
09/01/2047	4.000%	\$ 200,000.00	\$ 0.00	\$ 4,000.00	\$ 204,000.00	\$ 208,000.00
Total		\$ 2,390,000.00		\$ 1,705,304.45	\$ 4,095,304.45	\$ 4,095,304.45



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