

CITY OF LAKE ELSINORE

Annual Report



FISCAL YEAR 2021-22
REASSESSMENT DISTRICT NO. 2021-1
(CANYON HILLS)



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Reassessment District No. 2021-1
(Canyon Hills)
Limited Obligation Refunding Bonds

1. Bond Profile

Project Description

The Reassessment District No. 2021-1 (the “RAD No. 2021-1” or the “District”) was originally formed in 1993 as Assessment District No. 93-1 (the “AD No. 93-1”) to finance the acquisition of a portion of the improvements constructed for Railroad Canyon Road (the “Public Improvement”). By the adoption of ordinance No. 870 on November 14, 1989, the City of Lake Elsinore (the “City”) established Area of Benefit No. 89-1 for the improvement of Railroad Canyon Road. Only the costs identified in area 3 of the Benefit Reimbursement Fee (the “Public Improvement Costs”) were determined to be the AD No. 93-1 fair and equitable portion of the Railroad Canyon Road improvement. Pursuant to the 1913 Act, the assessments were assessed against properties in the AD No. 93-1 for the Public Improvement Costs.

Location

The RAD No. 2021-1 is comprised of Canyon Hills, a planned residential community in the western portion of Riverside County covering approximately 1,969 acres. Canyon Hills is located in the southeast portion of the City to the south of the City of Canyon Lake. The intersection of Canyon Hills Road and Railroad Canyon Road, at the entrance of Canyon Hills, is approximately 2 ½ miles east of the Corona Freeway (I-15).

RAD No. 2021 Bonds

The RAD No. 2021-1 Limited Obligation Refunding Bonds (the “RAD No. 2021-1 Bonds”) in the amount of \$10,390,000 were issued May 27, 2021, with interest rates ranging from 0.259% to 2.274%. Interest is payable semi-annually on March 2 and September 2. The date for the final maturity of the RAD No. 2021-1 Bonds is September 2, 2030. The principal amount of the RAD No. 2021-1 Bonds Outstanding as of September 30, 2021 is \$9,310,000. The RAD No. 2021-1 Bonds were issued to finance the refunding of the Local Agency Revenue Refunding Bonds, 2012 Series B of Assessment District No. 93-1.

2. Fund Information

The Fund Balances for RAD No. 2021-1 as of September 30, 2021 are shown below:

*Table 2-1
Fund Balances*

| Account | Balance |
|--------------------------------------|---------------------|
| LE REASMT DIST 2021-1 CH REASMT FD | \$9.24 |
| LE REASMT DIST 2021-1 CH INTEREST AC | \$8,728.20 |
| LE REASMT DIST 2021-1 CH PRINCIPAL A | \$0.74 |
| LE REASMT DIST 2021-1 CH RESERVE FD | \$519,521.96 |
| Total | \$528,260.14 |

Reserve Fund Requirement and Reserve Fund Balance

The Reserve Fund must be maintained at the Reserve Requirement which is defined as of any date of calculation as an amount equal to the least of: (a) 10% of the original aggregate principal amount of the RAD No. 2021-1 Bonds; (b) Maximum Annual Debt Service on the RAD No. 2021-1 Bonds; (c) 125% of average Annual Debt Service on the RAD No. 2021-1 Bonds and (d) \$1,039,000.00, the initial Reserve Requirement. **The Reserve Requirement for the RAD No. 2021-1 Bonds will be satisfied by a Reserve Policy in the amount of \$519,500.00, effective as of the date of issuance of the RAD No. 2021-1 Bonds, plus the cash balance in the Reserve Fund. As of September 30, 2021, the cash balance in the Reserve Fund was \$519,521.96, resulting in a total Reserve Fund of \$1,039,021.96, and the Reserve Requirement is \$1,039,000.00.**

3. Reassessment Information

Annual Reassessment

An annual Reassessment is levied and collected each year to pay the principal and interest obligations on the outstanding RAD No. 2021-1 Bonds. The amount collected each year is levied pursuant to the "Municipal Improvement Act of 1913" which provides that the costs and incidental expenses of a project be assessed in proportion to the estimated benefit received by each of the lots or parcels of land within RAD No. 2021-1. These rates vary from parcel to parcel. The amount levied for Fiscal Year 2021-22 tax year is \$1,193,856.02. The largest annual Assessment levy for Fiscal Year 2021-22 tax year is \$53,259.82.

Property Ownership

The following table presents certain development status of RAD No. 2021-1.

*Table 3-1
Assessment Based on Development Status*

| Category | Parcels | Special Assessment | % of Special Assessment |
|--------------|--------------|-----------------------|-------------------------|
| Developed | 3,412 | \$1,132,410.22 | 94.85% |
| Undeveloped | 2 | \$61,445.80 | 5.15% |
| Total | 3,414 | \$1,193,856.02 | 100.00% |

4. Payment History

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

Delinquency Rate for the Fiscal Year 2020-21

As of July 2021, the delinquency rate of the District for Fiscal Year 2020-21 is 0.57%.

Information Concerning Delinquent Parcels

The District's 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 | 2,961 | \$1,503,381.84 | 3 | \$238.79 | 0.02% |
| 2017-18 | 3,098 | \$1,514,979.12 | 4 | \$1,331.32 | 0.09% |
| 2018-19 | 3,330 | \$1,513,345.16 | 5 | \$1,664.02 | 0.11% |
| 2019-20 | 3,414 | \$1,513,127.24 | 12 | \$3,160.20 | 0.21% |
| 2020-21 | 3,414 | \$1,508,264.00 | 29 | \$8,622.34 | 0.57% |
| Total | | \$7,553,097.36 | 37 | \$15,016.67 | 0.20% |

Foreclosure Covenant

The 1913 Act provides that in the event any assessment or installment thereof or any interest thereon is not paid when due, the City may order the institution of a court action to foreclose the lien of the unpaid assessment. In such an action, the real property subject to the unpaid assessment may be sold at judicial foreclosure sale. This foreclosure sale procedure is not mandatory. However, pursuant to the Indenture, the City will covenant for the benefit of the Bondholders that it will determine or cause to be determined, not later than August 15 of each fiscal year in which Bonds are Outstanding, whether or not any owners of the real property within the Reassessment District are delinquent in the payment of Reassessment Installments. If such delinquencies exist, the City will order and cause to be commenced an action in the superior court to foreclose the lien of the Reassessment Installment(s) not paid when due, not later than the next following November 1, against any parcel that is subject to delinquencies of \$5,000 or more and against any group of parcels under common ownership with an aggregate delinquencies of \$5,000 or more, provided that during any period in which the amount on deposit in the Reserve Fund is less than the Reserve Requirement, the City shall commence foreclosure proceedings against any parcel that is subject to any amount of delinquency. Pursuant to the Indenture, the City will further covenant to diligently prosecute any such foreclosure action to judgment and foreclosure sale. Upon the redemption or sale of the real property responsible for such delinquencies, the City will first deposit to the Reserve Fund the amount of any delinquency advanced therefrom and then disburse the remaining amount as set forth in the judgment of foreclosure or as required by law.

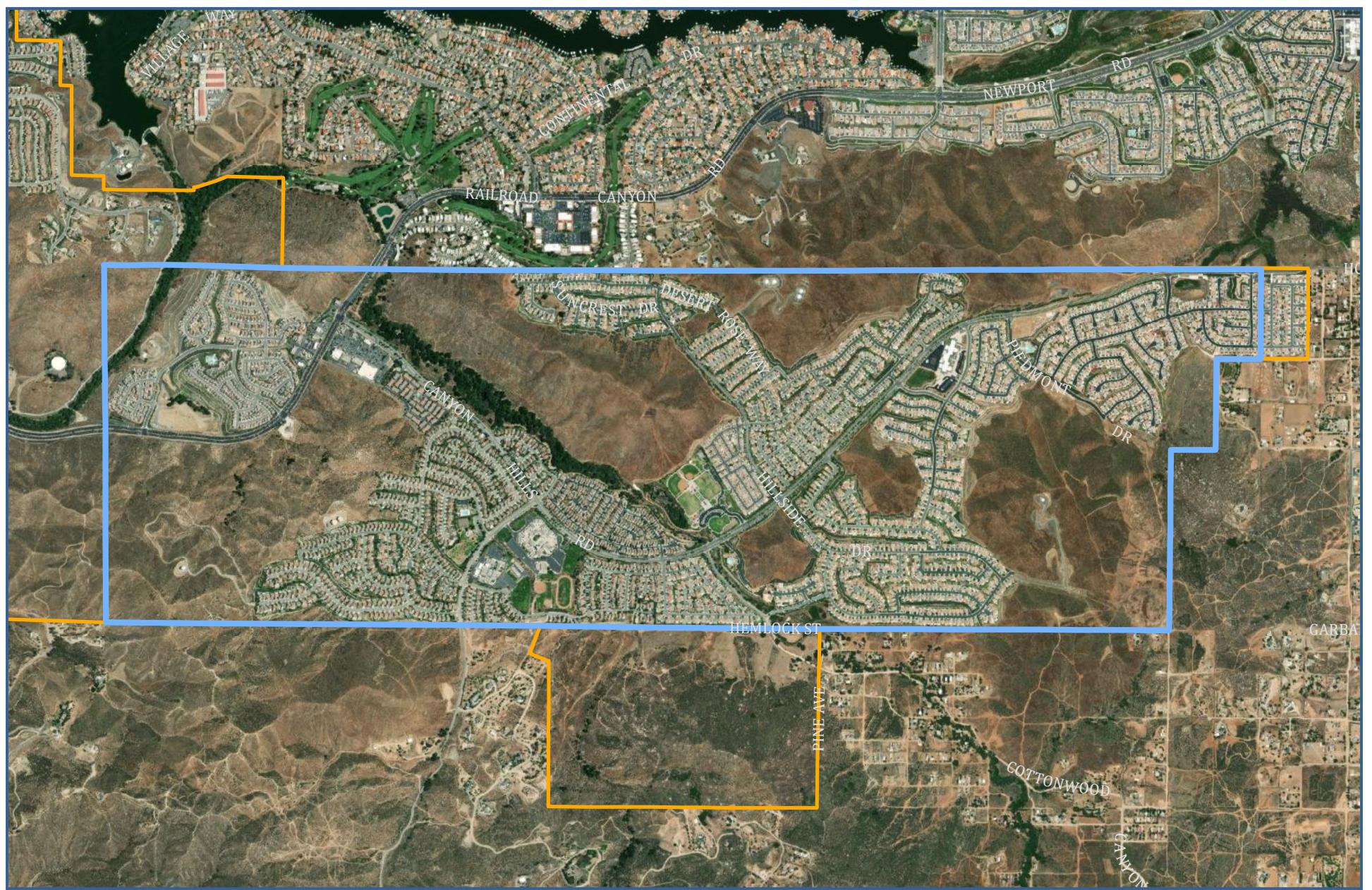
Collection and Foreclosure Actions

There are no foreclosure actions at this time.

APPENDIX A

Boundary Map





BOUNDARY MAP
REASSESSMENT DISTRICT NO. 2021-1
(CANYON HILLS)

APPENDIX B

Debt Service Schedule



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CITY OF LAKE ELSINORE
RAD 2021-1 (Canyon Hills)
Limited Obligation Refunding Bonds, Series 2021



Issued

05/27/2021

| Date | Coupon Rate | Principal | Principal Outstanding | Semi-Annual Interest | Semi-Annual Debt Service | Annual Debt Service |
|--------------|--------------------|-------------------------|------------------------------|-----------------------------|---------------------------------|----------------------------|
| 09/01/2021 | 0.259% | \$ 1,080,000.00 | \$ 9,310,000.00 | \$ 35,035.18 | \$ 1,115,035.18 | \$ 1,115,035.18 |
| 03/01/2022 | | | \$ 9,310,000.00 | \$ 64,983.85 | \$ 64,983.85 | |
| 09/01/2022 | 0.409% | \$ 995,000.00 | \$ 8,315,000.00 | \$ 64,983.85 | \$ 1,059,983.85 | \$ 1,124,967.70 |
| 03/01/2023 | | | \$ 8,315,000.00 | \$ 62,949.08 | \$ 62,949.08 | |
| 09/01/2023 | 0.559% | \$ 1,000,000.00 | \$ 7,315,000.00 | \$ 62,949.08 | \$ 1,062,949.08 | \$ 1,125,898.16 |
| 03/01/2024 | | | \$ 7,315,000.00 | \$ 60,154.08 | \$ 60,154.08 | |
| 09/01/2024 | 0.805% | \$ 1,005,000.00 | \$ 6,310,000.00 | \$ 60,154.08 | \$ 1,065,154.08 | \$ 1,125,308.16 |
| 03/01/2025 | | | \$ 6,310,000.00 | \$ 56,108.95 | \$ 56,108.95 | |
| 09/01/2025 | 1.153% | \$ 1,015,000.00 | \$ 5,295,000.00 | \$ 56,108.95 | \$ 1,071,108.95 | \$ 1,127,217.90 |
| 03/01/2026 | | | \$ 5,295,000.00 | \$ 50,257.48 | \$ 50,257.48 | |
| 09/01/2026 | 1.403% | \$ 1,025,000.00 | \$ 4,270,000.00 | \$ 50,257.48 | \$ 1,075,257.48 | \$ 1,125,514.96 |
| 03/01/2027 | | | \$ 4,270,000.00 | \$ 43,067.10 | \$ 43,067.10 | |
| 09/01/2027 | 1.676% | \$ 1,040,000.00 | \$ 3,230,000.00 | \$ 43,067.10 | \$ 1,083,067.10 | \$ 1,126,134.20 |
| 03/01/2028 | | | \$ 3,230,000.00 | \$ 34,351.90 | \$ 34,351.90 | |
| 09/01/2028 | 1.926% | \$ 1,055,000.00 | \$ 2,175,000.00 | \$ 34,351.90 | \$ 1,089,351.90 | \$ 1,123,703.80 |
| 03/01/2029 | | | \$ 2,175,000.00 | \$ 24,192.25 | \$ 24,192.25 | |
| 09/01/2029 | 2.174% | \$ 1,075,000.00 | \$ 1,100,000.00 | \$ 24,192.25 | \$ 1,099,192.25 | \$ 1,123,384.50 |
| 03/01/2030 | | | \$ 1,100,000.00 | \$ 12,507.00 | \$ 12,507.00 | |
| 09/01/2030 | 2.274% | \$ 1,100,000.00 | \$ 0.00 | \$ 12,507.00 | \$ 1,112,507.00 | \$ 1,125,014.00 |
| Total | | \$ 10,390,000.00 | | \$ 852,178.56 | \$ 11,242,178.56 | \$ 11,242,178.59 |



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