

CITY OF LAKE ELSINORE

Annual Continuing Disclosure Report



FISCAL YEAR 2020-21

COMMUNITY FACILITIES DISTRICT NO. 2006-1
IMPROVEMENT AREA KK (SUMMERLY)
SPECIAL TAX BONDS, SERIES 2021

FEBRUARY 2022



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\$5,265,000
City of Lake Elsinore
Community Facilities District No. 2006-1 IA KK
Special Tax Bonds, Series 2021
(CUSIP 50963N)

Maturity Date September 1	Principal	Interest Rate	CUSIP Suffix
2022	\$30,000	3.000%	TM1
2023	\$35,000	3.000%	TN9
2024	\$40,000	3.000%	TP4
2025	\$45,000	4.000%	TQ2
2026	\$50,000	4.000%	TR0
2027	\$60,000	4.000%	TS8
2028	\$70,000	4.000%	TT6
2029	\$75,000	4.000%	TU3
2030	\$85,000	4.000%	TV1
2031	\$95,000	4.000%	TW9
2032	\$105,000	4.000%	TX7
2033	\$115,000	4.000%	TY5
2034	\$125,000	4.000%	TZ2
2035	\$135,000	4.000%	UA5
2036	\$145,000	4.000%	UB3

\$1,160,000 4.000% Term Bonds Due September 1, 2042 – Yield 2.550% CUSIP UC1

\$1,085,000 4.000% Term Bonds Due September 1, 2046 – Yield 2.650% CUSIP UD9

\$1,810,000 4.000% Term Bonds Due September 1, 2051 – Yield 2.700% CUSIP UE7

This Annual Continuing Disclosure Report (the “Report”) for Community Facilities District No. 2006-1 Improvement Area KK Special Tax Bonds, Series 2021 of the City of Lake Elsinore (the “District” or “CFD No. 2006-1 IA KK”), has been prepared by Spicer Consulting Group, LLC. using data as of June 30, 2021, unless noted otherwise. The information referenced by parenthesis complies with the various sections required from the Form of Continuing Disclosure Agreement for the Bonds. If you have any questions regarding the information provided in this report, please contact the City’s Special Tax Consultant, Spicer Consulting Group, LLC., at (866) 504-2067.

Community Facilities District No. 2006-1
Improvement Area KK (Summerly)
Special Tax Bonds, Series 2021

Project Description

Community Facilities District No. 2006-1 (the “CFD No. 2006-1”) was formed in 2006 and initially consisted of three Improvement Areas. In 2011, the City of Lake Elsinore (the “City”) reconfigured the CFD No. 2006-1 into six Improvement Areas (Improvement Areas A, B, C through F), and one remainder Improvement Area (Improvement Area 1), which consisted of nine existing homes which prepaid its Special Taxes. The resolution for dissolving existing Improvement Areas C through F and designating new ones, Improvement Areas CC, DD, EE, FF, GG, HH, and II, was adopted on February 25, 2014. Subsequently, on March 28, 2017, the City adopted resolutions establishing Improvement Areas JJ and KK. In total, the Summerly Community Facilities District No. 2006-1 IA KK development is expected to include 133 homes. The net proceeds of the bonds will be used to finance certain public improvements to be owned by the City and water and sewer facilities to be owned and operated by the Elsinore Valley Municipal Water District, to pay the cost of issuing the bonds, to fund capitalized interest on a portion of the bonds through September 1, 2021, and to fund the Reserve Account established under the Indenture.

Location

The CFD No. 2006-1 IA KK is located within Summerly and is located west of Diamond Drive and north of Summerly Place, on the southwest corner of Diamond Drive and Hidden Trail. Improvement Area KK is adjacent to the south end of the City.

Series 2021 Bonds (Section 4b (i))

The Special Tax Bonds, Series 2021 (the “2021 Bonds”) in the amount of \$5,265,000 were issued May 16, 2021, with interest rates ranging from 3.000% to 4.000%. Interest is payable semi-annually on March 1 and September 1. The date for the final maturity of the 2021 Bonds is September 1, 2051. The principal amount of the Bonds Outstanding as of September 2, 2021, was \$5,265,000.

Rate and Method of Apportionment (Section 4b (iv))

There were no changes to the Rate and Method of Apportionment during Fiscal Year 2020-21.

The following tables present certain property data and the development and ownership status of the District.

Table 2-1
Property Breakdown by Development Status¹ (Section 4b (iii))

Development Status	Parcels	Total Special Tax FY 2021-22	% of Total Special Tax	Total Appraised Value ²	% of Total AV
Developed Property	133	\$284,482.66	100.00%	\$41,235,980.00	100.00%

Table 2-2
Appraised Value-to-Lien Ratios by Property Owner³ (Table 2) (Section 4b (vii))

Property Owner	Parcels	Total Appraised Value	% of Total AV	Maximum Special Tax	% of Maximum Special Tax	Estimated Special Tax FY 2021-22 ⁴	% of Estimated Special Tax	Bonds Outstanding	Value-to-Lien Ratio
Developed Property									
Individually Owned	66	\$30,014,289.00	72.79%	\$151,196.00	50.37%	\$129,137.00	49.68%	\$2,615,528.00	11.48:1
Meritage	25	\$4,833,258.00	11.72%	\$59,708.00	19.89%	\$49,221.00	18.93%	\$996,909.00	4.85:1
Woodside	42	\$6,388,432.00	15.49%	\$89,268.00	29.74%	\$81,592.00	31.39%	\$1,652,564.00	3.87:1
Total	133	\$41,235,980.00	100.00%	\$300,170.00	100.00%	\$259,950.00	100.00%	\$5,265,000.00	7.83:1

¹ All Properties within CFD No. 2006-1 IA KK Area Developed.

² Appraised Value is based on information provided in the Official Statement as Riverside County Assessor data does not reflect updated valuation information.

³ Table data is from the Official Statement as Riverside County Assessor data does not reflect updated homeowner information.

⁴ Amounts were projected as of April 2, 2021.

Prepayments

There have been no prepayments of the Special Tax for the prior Fiscal Year.

Delinquencies are calculated through July 2021 and may reflect parcels that may already be on a payment plan. The delinquency summary table below provides an overview of delinquency rates on June 30 for previous years.

Table 3-1
Delinquency Summary (Section 4b (v))

Fiscal Year	Levied		Delinquency as of June 30			Current Delinquency		
	Parcels	Amount	Parcels	Amount	Del. Rate	Parcels	Amount	Del. Rate
2020-21	18	\$37,541.16	0	\$0.00	0.00%	0	\$0.00	0.00%
Total		\$37,541.16		\$0.00	0.00%	0	\$0.00	0.00%

Foreclosure Covenant (Section 4b (vi))

Pursuant to Section 53356.1 of the Act, in the event of any delinquency in the payment of any Special Tax or receipt by the District of Special Taxes in an amount which is less than the Special Taxes levied, the City Council, as the legislative body of the District, may order that Special Taxes be collected by a Superior Court action to foreclose the lien within specified time limits. In such an action, the real property subject to the unpaid amount may be sold at a judicial foreclosure sale. Under the Act, the commencement of judicial foreclosure following the nonpayment of a Special Tax is not mandatory. However, the District has covenanted for the benefit of the owners of the Bonds and any Parity Bonds that it will:

- (i) 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) 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) diligently pursue such foreclosure proceedings until the delinquent Special Taxes are paid; provided that, notwithstanding the foregoing, the District may elect to defer foreclosure proceedings on any parcel so long as the amount in the Reserve Account is at least equal to the Reserve Requirement.

There are no foreclosure actions at this time.

Reserve Account

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: (i) 10% of the initial principal amount of the Bonds and Parity Bonds, if any; (ii) Maximum Annual Debt Service on the then Outstanding Bonds and Parity Bonds, if any; (iii) 125% of average Annual Debt Service on the then Outstanding Bonds and Parity Bonds; and (iv) \$401,611.59, the initial Reserve Requirement. **As of September 2, 2021, the balance in the Reserve Fund was \$401,611.59 and the Reserve Requirement was \$401,611.59.**

Table 4-1
Fund Balances (Section 4b (ii))

Account	September 2, 2021 Balance
Acquisition and Construction Fund	\$0.00
Administrative Expense Account	\$0.00
City Facilities Account	\$0.00
Cost of Issuance Account	\$9,750.00
Interest Account	\$0.00
Principal Account	\$0.00
Rebate Fund	\$0.00
Redemption Account	\$0.00
Reserve Account	\$401,611.59
Special Tax Fund	\$0.00
Surplus Fund	\$0.00
Water Facilities Account	\$0.00
Total	\$411,361.59

Financial Statements (Section 4a)

PLEASE NOTE: The City of Lake Elsinore Fiscal Year ending June 30, 2021, Comprehensive Annual Financial Report (CAFR) is submitted to the Municipal Securities Rulemaking Board using EMMA (Electronic Municipal Market Access) under separate cover and is incorporated herein by reference.

Pursuant to the provisions of this Section 5, the District shall give, or cause the Dissemination Agent to give, notice to EMMA in a timely manner not in excess of ten (10) business days after the occurrence of any of the following events with respect to the Bonds: [\(Section 5\)](#)

1. principal and interest payment delinquencies;	Not Applicable
2. unscheduled draws on debt service reserves reflecting financial difficulties;	Not Applicable
3. unscheduled draws on credit enhancements reflecting financial difficulties;	Not Applicable
4. substitution of credit or liquidity providers, or their failure to perform;	Not Applicable
5. adverse tax opinions or the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds;	Not Applicable
6. defeasances;	Not Applicable
7. tender offers;	Not Applicable
8. bankruptcy, insolvency, receivership, or similar proceedings;	Not Applicable
9. ratings changes; and	Not Applicable
10. default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the obligated person, any of which reflect financial difficulties.	Not Applicable

Additionally, the District shall give or cause the Dissemination Agent to give notice to EMMA in a timely manner not in excess of ten (10) business days after the occurrence of any of the following events with respect to the Bonds, if material:

1. mergers, consolidations, acquisitions, the sale of all or substantially all of the assets of the obligated persons or their termination;	Not Applicable
2. appointment of a successor or additional fiscal agent or the change of the name of a fiscal agent;	Not Applicable
3. nonpayment related defaults;	Not Applicable
4. modifications to the rights of Bondholders;	Not Applicable
5. bond calls;	Not Applicable
6. release, substitution or sale of property securing repayment of the Bonds; and	Not Applicable
7. incurrence of a Financial Obligation of the obligated person, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the obligated person, any of which affect security holders.	Not Applicable

APPENDIX A

Debt Service Schedule



SPICER CONSULTING
G R O U P

CITY OF LAKE ELSINORE
CFD 2006-1 IA KK (SUMMERLY)
Special Tax Bonds, Series 2021



Issued

05/16/2021

Date	Coupon Rate	Principal	Principal Outstanding	Semi-Annual Interest	Semi-Annual Debt Service	Annual Debt Service
09/01/2021	3.000%		\$ 5,265,000.00	\$ 62,865.00	\$ 62,865.00	\$ 62,865.00
03/01/2022			\$ 5,265,000.00	\$ 104,775.00	\$ 104,775.00	
09/01/2022	3.000%	\$ 30,000.00	\$ 5,235,000.00	\$ 104,775.00	\$ 134,775.00	\$ 239,550.00
03/01/2023			\$ 5,235,000.00	\$ 104,325.00	\$ 104,325.00	
09/01/2023	3.000%	\$ 35,000.00	\$ 5,200,000.00	\$ 104,325.00	\$ 139,325.00	\$ 243,650.00
03/01/2024			\$ 5,200,000.00	\$ 103,800.00	\$ 103,800.00	
09/01/2024	3.000%	\$ 40,000.00	\$ 5,160,000.00	\$ 103,800.00	\$ 143,800.00	\$ 247,600.00
03/01/2025			\$ 5,160,000.00	\$ 103,200.00	\$ 103,200.00	
09/01/2025	4.000%	\$ 45,000.00	\$ 5,115,000.00	\$ 103,200.00	\$ 148,200.00	\$ 251,400.00
03/01/2026			\$ 5,115,000.00	\$ 102,300.00	\$ 102,300.00	
09/01/2026	4.000%	\$ 50,000.00	\$ 5,065,000.00	\$ 102,300.00	\$ 152,300.00	\$ 254,600.00
03/01/2027			\$ 5,065,000.00	\$ 101,300.00	\$ 101,300.00	
09/01/2027	4.000%	\$ 60,000.00	\$ 5,005,000.00	\$ 101,300.00	\$ 161,300.00	\$ 262,600.00
03/01/2028			\$ 5,005,000.00	\$ 100,100.00	\$ 100,100.00	
09/01/2028	4.000%	\$ 70,000.00	\$ 4,935,000.00	\$ 100,100.00	\$ 170,100.00	\$ 270,200.00
03/01/2029			\$ 4,935,000.00	\$ 98,700.00	\$ 98,700.00	
09/01/2029	4.000%	\$ 75,000.00	\$ 4,860,000.00	\$ 98,700.00	\$ 173,700.00	\$ 272,400.00
03/01/2030			\$ 4,860,000.00	\$ 97,200.00	\$ 97,200.00	
09/01/2030	4.000%	\$ 85,000.00	\$ 4,775,000.00	\$ 97,200.00	\$ 182,200.00	\$ 279,400.00
03/01/2031			\$ 4,775,000.00	\$ 95,500.00	\$ 95,500.00	
09/01/2031	4.000%	\$ 95,000.00	\$ 4,680,000.00	\$ 95,500.00	\$ 190,500.00	\$ 286,000.00
03/01/2032			\$ 4,680,000.00	\$ 93,600.00	\$ 93,600.00	
09/01/2032	4.000%	\$ 105,000.00	\$ 4,575,000.00	\$ 93,600.00	\$ 198,600.00	\$ 292,200.00
03/01/2033			\$ 4,575,000.00	\$ 91,500.00	\$ 91,500.00	
09/01/2033	4.000%	\$ 115,000.00	\$ 4,460,000.00	\$ 91,500.00	\$ 206,500.00	\$ 298,000.00
03/01/2034			\$ 4,460,000.00	\$ 89,200.00	\$ 89,200.00	
09/01/2034	4.000%	\$ 125,000.00	\$ 4,335,000.00	\$ 89,200.00	\$ 214,200.00	\$ 303,400.00
03/01/2035			\$ 4,335,000.00	\$ 86,700.00	\$ 86,700.00	
09/01/2035	4.000%	\$ 135,000.00	\$ 4,200,000.00	\$ 86,700.00	\$ 221,700.00	\$ 308,400.00
03/01/2036			\$ 4,200,000.00	\$ 84,000.00	\$ 84,000.00	
09/01/2036	4.000%	\$ 145,000.00	\$ 4,055,000.00	\$ 84,000.00	\$ 229,000.00	\$ 313,000.00
03/01/2037			\$ 4,055,000.00	\$ 81,100.00	\$ 81,100.00	
09/01/2037	4.000%	\$ 160,000.00	\$ 3,895,000.00	\$ 81,100.00	\$ 241,100.00	\$ 322,200.00
03/01/2038			\$ 3,895,000.00	\$ 77,900.00	\$ 77,900.00	
09/01/2038	4.000%	\$ 170,000.00	\$ 3,725,000.00	\$ 77,900.00	\$ 247,900.00	\$ 325,800.00
03/01/2039			\$ 3,725,000.00	\$ 74,500.00	\$ 74,500.00	
09/01/2039	4.000%	\$ 185,000.00	\$ 3,540,000.00	\$ 74,500.00	\$ 259,500.00	\$ 334,000.00
03/01/2040			\$ 3,540,000.00	\$ 70,800.00	\$ 70,800.00	
09/01/2040	4.000%	\$ 200,000.00	\$ 3,340,000.00	\$ 70,800.00	\$ 270,800.00	\$ 341,600.00

CITY OF LAKE ELSINORE
CFD 2006-1 IA KK (SUMMERLY)
Special Tax Bonds, Series 2021



Issued

05/16/2021

<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>
03/01/2041			\$ 3,340,000.00	\$ 66,800.00	\$ 66,800.00	
09/01/2041	4.000%	\$ 215,000.00	\$ 3,125,000.00	\$ 66,800.00	\$ 281,800.00	\$ 348,600.00
03/01/2042			\$ 3,125,000.00	\$ 62,500.00	\$ 62,500.00	
09/01/2042	4.000%	\$ 230,000.00	\$ 2,895,000.00	\$ 62,500.00	\$ 292,500.00	\$ 355,000.00
03/01/2043			\$ 2,895,000.00	\$ 57,900.00	\$ 57,900.00	
09/01/2043	4.000%	\$ 245,000.00	\$ 2,650,000.00	\$ 57,900.00	\$ 302,900.00	\$ 360,800.00
03/01/2044			\$ 2,650,000.00	\$ 53,000.00	\$ 53,000.00	
09/01/2044	4.000%	\$ 260,000.00	\$ 2,390,000.00	\$ 53,000.00	\$ 313,000.00	\$ 366,000.00
03/01/2045			\$ 2,390,000.00	\$ 47,800.00	\$ 47,800.00	
09/01/2045	4.000%	\$ 280,000.00	\$ 2,110,000.00	\$ 47,800.00	\$ 327,800.00	\$ 375,600.00
03/01/2046			\$ 2,110,000.00	\$ 42,200.00	\$ 42,200.00	
09/01/2046	4.000%	\$ 300,000.00	\$ 1,810,000.00	\$ 42,200.00	\$ 342,200.00	\$ 384,400.00
03/01/2047			\$ 1,810,000.00	\$ 36,200.00	\$ 36,200.00	
09/01/2047	4.000%	\$ 320,000.00	\$ 1,490,000.00	\$ 36,200.00	\$ 356,200.00	\$ 392,400.00
03/01/2048			\$ 1,490,000.00	\$ 29,800.00	\$ 29,800.00	
09/01/2048	4.000%	\$ 340,000.00	\$ 1,150,000.00	\$ 29,800.00	\$ 369,800.00	\$ 399,600.00
03/01/2049			\$ 1,150,000.00	\$ 23,000.00	\$ 23,000.00	
09/01/2049	4.000%	\$ 360,000.00	\$ 790,000.00	\$ 23,000.00	\$ 383,000.00	\$ 406,000.00
03/01/2050			\$ 790,000.00	\$ 15,800.00	\$ 15,800.00	
09/01/2050	4.000%	\$ 385,000.00	\$ 405,000.00	\$ 15,800.00	\$ 400,800.00	\$ 416,600.00
03/01/2051			\$ 405,000.00	\$ 8,100.00	\$ 8,100.00	
09/01/2051	4.000%	\$ 405,000.00	\$ 0.00	\$ 8,100.00	\$ 413,100.00	\$ 421,200.00
Total		\$ 5,265,000.00		\$ 4,470,065.00	\$ 9,735,065.00	\$ 9,735,065.00

APPENDIX B

California Debt and Investment Advisory Commission



STATE OF CALIFORNIA
MELLO-ROOS COMMUNITY FACILITIES DISTRICT (CFD)
YEARLY FISCAL STATUS REPORT

Submitted:
 Thursday, October 28, 2021
 5:21:44PM
 CDIAC #: 2021-0609

California Debt and Investment Advisory Commission
 915 Capitol Mall, Room 400, Sacramento, CA 95814
 P.O. Box 942809, Sacramento, CA 94209-0001
 (916) 653-3269 Fax (916) 654-7440

For Office Use Only
Fiscal Year _____

I. GENERAL INFORMATION

A. Issuer	Lake Elsinore CFD No 2006-1		
B. Project Name	IA Area KK (Summerly)		
C. Name/ Title/ Series of Bond Issue	2021 Special Tax Bonds		
D. Date of Bond Issue	4/27/2021		
E. Original Principal Amount of Bonds	\$5,265,000.00		
F. Reserve Fund Minimum Balance Required	Yes <input checked="" type="checkbox"/>	Amount	\$401,611.59
	No <input type="checkbox"/>		

II. FUND BALANCE FISCAL STATUS

Balances Reported as of:	6/30/2021
A. Principal Amount of Bonds Outstanding	\$5,265,000.00
B. Bond Reserve Fund	\$401,611.59
C. Capitalized Interest Fund	\$46,932.97
D. Construction Fund(s)	\$0.00

III. ASSESSED VALUE OF ALL PARCELS IN CFD SUBJECT TO SPECIAL TAX

A. Assessed or Appraised Value Reported as of:	1/1/2021
<input checked="" type="checkbox"/> From Equalized Tax Roll <input type="checkbox"/> From Appraisal of Property <small>(Use only in first year or before annual tax roll billing commences)</small>	
B. Total Assessed Value of All Parcels	\$33,481,442.00

IV. TAX COLLECTION INFORMATION

A. Total Amount of Special Taxes Due <u>Annually</u>	\$37,541.16
B. Total Amount of Unpaid Special Taxes <u>Annually</u>	\$0.00
C. Does this agency participate in the County's Teeter Plan?	N

V. DELINQUENT REPORTING INFORMATION

Delinquent Parcel Information Reported as of Equalized Tax Roll of: 7/5/2021

A. Total Number of Delinquent Parcels:	0
B. Total Amount of Taxes Due on Delinquent Parcels:	\$0.00
(Do not include penalties, penalty interest, etc.)	

VI. FORECLOSURE INFORMATION FOR FISCAL YEAR

(Aggregate totals, if foreclosure commenced on same date) (Attach additional sheets if necessary.)

Date Foreclosure Commenced	Total Number of Foreclosure Parcels	Total Amount of Tax Due on Foreclosure Parcels
		\$0.00
		\$0.00
		\$0.00
		\$0.00
		\$0.00

STATE OF CALIFORNIA
MELLO-ROOS COMMUNITY FACILITIES DISTRICT (CFD)
YEARLY FISCAL STATUS REPORT

Submitted:
Thursday, October 28, 2021
5:21:44PM
CDIAC #: 2021-0609

California Debt and Investment Advisory Commission
915 Capitol Mall, Room 400, Sacramento, CA 95814
P.O. Box 942809, Sacramento, CA 94209-0001
(916) 653-3269 Fax (916) 654-7440

For Office Use Only

Fiscal Year _____

VII. ISSUE RETIRED

This issue is retired and no longer subject to the Yearly Fiscal Status report filing requirements.
(Indicate reason for retirement)

Matured Redeemed Entirely Other

If Matured, indicate final maturity date:

If Redeemed Entirely, state refunding bond title & CDIAC #:

and redemption date:

If Other:

and date:

VIII. NAME OF PARTY COMPLETING THIS FORM

Name	Melissa Bellitire		
Title	Managing Director		
Firm/ Agency	Spicer Consulting Group		
Address	41619 Margarita Road, Suite 101		
City/ State/ Zip	Temecula, CA 92591		
Phone Number	(866) 504-2067	Date of Report	10/28/2021
E-Mail	contact@spicercg.com		

IX. ADDITIONAL COMMENTS:

Completion and submittal of this form to the California Debt and Investment Advisory Commission will assure your compliance with California State law. Section 53359.5 of the California Government Code requires that all agencies issuing Mello-Roos Community Facilities bonds after January 1, 1993 to report specific information to the Commission by October 30th of each year.

APPENDIX C

Boundary Map





BOUNDARY MAP
COMMUNITY FACILITIES DISTRICT NO. 2006-1
IMPROVEMENT AREA KK (SUMMERLY)



SPICER CONSULTING
G R O U P