



# County of El Dorado

## OFFICE OF AUDITOR-CONTROLLER

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Auditor-Controller

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November 6, 2017

El Dorado County  
Board of Supervisors  
330 Fair Lane  
Placerville, CA 95667

**RE: El Dorado County Community Facilities District No. 2014-1 (Carson Creek)**

Dear Board Members:

**Recommendation:**

The Auditor-Controller recommending the Board adopt “Resolution to Reapportion Special Tax Rate for Certain Land Within Community Facilities District No. 2014-1 (Carson Creek)”

**Reasons for Recommendation:**

The Board of Supervisors will recall that in 2015 it formed Community Facilities District No. 2014-1 (Carson Creek) under the Mello-Roos Community Facilities Act and authorized the levy of special taxes on land within the CFD. Shortly after formation, the County issued, on behalf of the CFD, \$12,850,000 original principal amount of County of El Dorado Community Facilities District No. 2014-1 (Carson Creek) Special Tax Bonds, Series 2016, secured by the CFD special taxes, with no general fund liability. The CFD is authorized to issue indebtedness in an amount not to exceed \$50,000,000 to finance authorized improvements; proceeds of the 2016 Bonds were used to finance the construction of certain major infrastructure improvements associated with projects of this nature.

Lennar has requested the issuance of a second series of bonds, as originally contemplated under the bond authorization for the CFD. The Carson Creek development plan recently underwent a change for its development of Unit 3, Lot 4 from commercial to residential use and for that reason has requested a change to the Rate and Method of Apportionment for the CFD (the “RMA”), which is the document setting forth the various tax rates for each land use. The terms of the RMA permit such a change by resolution of the Board and vote of the landowner. The vote has been received by staff.

Unit 3, Lot 4 property was anticipated at 19.459 acres when the RMA was written. The base year maximum tax was \$10,500 for total revenue (base year) of \$204,320. The land has now subdivided into 86 residential lots plus an additional 6.06 acre parcel that is anticipated to further

subdivide into 54 lots. Lennar has formally requested and voted to amend the RMA to change Unit 3, Lot 4 from a rate per acre to a rate per unit, and the RMA permits such a change. The Base Year Total Maximum Special Tax Revenue for Unit 3, Lot 4 is \$204,320. Spreading that over the 140 units results in a per unit Base Year Maximum Special Tax of \$1,459.43, making it consistent with other homes in the project and not reducing the overall total CFD tax.

The resolution seeks approval of a revision to the "Attachment 1" of the RMA, which sets forth the land use special tax rates. The attachment and mathematical calculations verifying there is no increase in the special tax on the property were prepared by the County's CFD administrator NBS Government Finance. Staff has reviewed the documents and found them to be in proper order and appropriate, and upon adoption of the resolution will be in a position to implement the revised rate in connection with the anticipated second series of bonds.

Members of the Board of Supervisors should note that the Special Tax Bonds are not an obligation of the County of El Dorado. The sole source of revenue to pay debt service on the Bonds comes only from the special tax levied within the District. The only foreseeable circumstance that would make the County partially responsible for debt service payments or damages to bond investors would be if an error or omission is made by the County in the formation of the district, in the preparation of the offering statement, in the ongoing SEC required disclosures, or in the administration of the CFD.

**Fiscal Impact:**

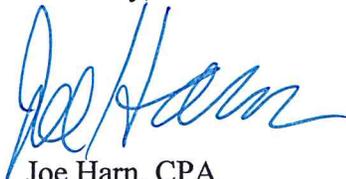
None.

**Action to be Taken Following Approval:**

Following Board approval:

1. Board Clerk's Office will forward one fully executed Resolution to the Auditor-Controller's Office.
2. The Clerk, in coordination with Special Counsel, will prepare and record an Amended Notice of Special Tax Lien with the County Recorder of the County of El Dorado within 15 days after the adoption of the resolution

Sincerely,



Joe Harn, CPA  
Auditor-Controller

cc: Janeth SanPedro, County Counsel