

County of El Dorado

OFFICE OF AUDITOR-CONTROLLER

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April 29, 2021

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

RE: El Dorado County Community Facilities District No. 2014-1 (Bass Lake Hills)

Dear Board Members:

Recommendation:

The Auditor-Controller recommends the Board adopt "Resolution Authorizing the Issuance and Sale of Special Tax Bonds and Approving and Authorizing Forms of a Supplement to Fiscal Agent Agreement, Official Statement and Bond Purchase Agreement and Authorizing Additional Actions in Connection Therewith for Community Facilities District No. 2018-1 (Bass Lake Hills)."

Reasons for Recommendation:

The Board of Supervisors will recall that the developer of Bass Lake Hills (Lennar) submitted an application to the County to form a Community Facilities District for the Bass Lake Hills project. In accordance with the County's Development Agreement for the Bass Lake Hills project, the County is required to assist the Developer in obtaining community facilities district or assessment district financing for infrastructure needed for the Bass Lake Hills subdivision. The purpose of the CFD is to fund the construction of certain major infrastructure improvements, and to pay certain impact fees associated with projects of this nature. The CFD is authorized to issue total indebtedness in an amount not to exceed \$25,000,000 to finance the authorized improvements and fees.

In connection with the request, the Board previously formed its Community Facilities District No. 2018-1 (Bass Lake Hills) (the "CFD").

The Board also subsequently approved the first series of bonds for the CFD and on May 9, 2019, the County issued an initial series of special tax bonds for the CFD in the initial principal amount of \$12,000,000 pursuant to a Fiscal Agent Agreement. Today's resolution seeks approval of the second series of bonds and authorizes the issuance of bonds for the CFD in an amount not to exceed \$7,500,000, and approves the form of certain documents and matters related thereto, including a supplement to the 2019 Fiscal Agent Agreement which is the document that sets forth the terms and conditions for the bonds prior to determination of interest rates. The Resolution here also approves the Preliminary Official Statement and Bond Purchase Agreement. The Bond Purchase Agreement contemplates sale of the Bonds to Stifel, Nicolaus & Company, as underwriter, and the Preliminary Official Statement, which includes a continuing disclosure obligation of the CFD similar to an obligation already in place for the 2019 bonds, is

the offering document used by the underwriter to market the bonds. Issuance of the second series of bonds continues the bonding plan originally put in place for the CFD.

Members of the Board of Supervisors should note that the bonds are not an obligation of the County of El Dorado. The sole source of revenue to pay debt service on the Bonds comes from the special taxes levied on taxable property within the CFD. Approval of the issuance of the bonds is recommended.

Fiscal Impact:

None.

Action to be Taken Following Approval:

Following Board approval:

1. Board Clerk's Office will forward a fully executed Resolution to the Auditor-Controller's

Sincerely,

A handwritten signature in blue ink, appearing to read "Joe Harn".

Joe Harn, CPA
Auditor-Controller