



***County of El Dorado***  
OFFICE OF AUDITOR-CONTROLLER

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September 22, 2023

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 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, Preliminary Official Statement and Bond Purchase Agreement and Authorizing Additional Actions in Connection Therewith for Community Facilities District No. 2014-1 (Carson Creek)."

**Reasons for Recommendation:**

The Board of Supervisors will recall that the developer of Carson Creek (Lennar) previously submitted an application to the County to form a Community Facilities District for the Carson Creek project. In accordance with the County's Development Agreement for the Carson Creek Specific Plan Public Facilities Financing Plan, the County is required to assist the Developer in obtaining community facilities district or assessment district financing for infrastructure needed for the Carson Creek 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 \$50,000,000 to finance the authorized improvements and fees.

In connection with the request, on January 27, 2015, the Board, by resolution, formed its Community Facilities District No. 2014-1 (Carson Creek) (the "CFD"). At the same meeting, the Board held a public hearing and conducted a special election in which unanimous approval was given to the levy of a special tax of the CFD and the issuance of bonds for the CFD.

In 2016, the Board approved the issuance of a first series of bonds for the CFD, which were issued on September 15, 2016 in the amount of \$12,850,000. In 2018, the Board approved the issuance of a second series of bonds for the CFD, which were issued on February 22, 2018 in the amount of \$20,000,000. Today's resolution seeks approval of a third and final "new money" series of special tax bonds for the CFD in an amount not to exceed \$7,000,000 and approve the form of certain documents and matters related thereto, including a supplement to the Fiscal

Agent Agreement, which is the document that sets forth the terms and conditions for the issuance and payment of bonds for the CFD. 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, Incorporated, as underwriter, and the Preliminary Official Statement, which includes a continuing disclosure obligation of the County related to the CFD (similar to an obligation already in place for the 2016 bonds and 2018 bonds), is the offering document used by the underwriter to market the bonds. Issuance of this third series of bonds continues the bonding plan originally put in place for the CFD back in 2015. The developer has agreed not to request an additional series of "new money" bonds for the CFD, although "refunding" bonds may be issued in the future to generate debt service savings for the CFD taxpayers.

On September 14, 2023, the County's Assessment and Community Facilities District Screening Committee met and voted to recommend your Board issue these bonds. The Screening Committee's recommendation was contingent on this being the last bond sale for CFD 2014-1 and the 2023 bond sizing leveraging the tax capacity of the current and planned homes, excluding any estimated revenues from a planned assisted living facility.

Members of the Board of Supervisors should note that special tax bonds issued for the CFD 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 tax levied within the CFD.

**Fiscal Impact:**

No impact to the County General Fund.

In accordance with Government Code Section 5852.1, the following information has been obtained and disclosed: (i) the estimated true interest cost of the Bonds (being the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for the Bonds) is 5.45%, (ii) the estimated finance charge of the Bonds (being the sum of all fees and charges paid to third parties) is \$315,550, (iii) the estimated proceeds of the Bonds expected to be received, net of proceeds for finance charges in (ii) above to paid from the principal amount of the Bonds and any reserves or capitalized interest paid or funded with Bonds is \$5,220,932, and (iv) the estimated total payment amount of the Bonds (being the sum of debt service plus finance to be paid to final maturity, plus any financing costs not paid from proceeds of the Bonds) is \$12,968,400. This information is based on good-faith estimates provided by the County's underwriter for the Bonds.

**Action to be Taken Following Approval:**

Following Board approval:

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

Sincerely,



Joe Harn  
Auditor-Controller