



County of El Dorado

OFFICE OF AUDITOR-CONTROLLER

360 FAIR LANE
PLACERVILLE, CALIFORNIA 95667-4193
Phone: (530) 621-5487 Fax: (530) 295-2535

JOE HARN, CPA
Auditor-Controller

BOB TOSCANO
Assistant Auditor-Controller

August 13, 2018

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

Subject: **El Dorado County Community Facilities District No. 2018-1 (Bass Lake Hills)**

Dear Board Members:

Recommendation:

The Auditor-Controller recommends that the Board of Supervisors adopt the following resolutions that are on file in the Board Clerk's Office related to the formation of El Dorado County Community Facilities District No. 2018-1 (Bass Lake Hills):

1. Resolution of Formation of Community Facilities District 171-2018, to which are attached two exhibits as follows:
 - a. Exhibit A - List of Authorized Facilities;
 - b. Exhibit B - Rate and Method of Apportionment;
2. Resolution 172-2018 Determining Necessity to Incur Bonded Indebtedness;
3. Resolution 173-2018 Calling Election, to which is attached a form of the Ballot;
4. Resolution 174-2018 Declaring Results of Special Landowner Election and Directing Recording of Notice of Special Tax Lien, to which is a form for the Board Clerk's use in canvassing the election results;
5. Ordinance No. 5089 to Levy Special Taxes

Reasons for Recommendation:

In accordance with the County's Development Agreements with Lennar Winncrest, LLC (the Developer), the County is required to assist the Developer in obtaining community facilities district (CFD) financing for a portion of the infrastructure needed for the Bass Lake Hills subdivisions.

On July 17, 2018, the Board adopted Resolution No. 147-2018 (Resolution of Intention to Form) and Resolution No. 148-2018 (Resolution Declaring Intention to Incur Bonded Indebtedness) setting forth the intention to establish Community Facilities District 2018-1 (Bass Lake Hills) and stating the County's intention to levy a special tax to pay for the acquisition, construction, and associated costs of the public facilities, and to issue bonds in an amount not to exceed \$25,000,000 for the CFD. The boundary of the CFD showing the area initially to be taxed, the formula for calculation of the special tax and the list of authorized facilities were specified in the Resolution No. 147-2018 and are shown on a recorded boundary map. Resolution No. 148-2018 set August 28, 2018 as the date for a hearing on the matters set forth therein, and on that date the CFD formation process is eligible for completion.

El Dorado County
Board of Supervisors
RE: CFD 2018-1
August 13, 2018

On the August 28th public hearing date the Board has the opportunity to finally form the CFD and create a bond authorization. At the same time an election of the property owners can be completed. The election results will unanimously favor the District taxes and bonds, as Lennar Homes of California and Lennar Winncrest LLC, the Developers, are the only property owners within the District boundaries, that will be voting. The Developers have waived a number of noticing and election procedures, which makes it possible for the proposed district to be formed immediately after the public hearing. Notice of the Public Hearing was published in the same manner as the County's other public hearing notifications at least seven days prior to the hearing date.

At the public hearing on the CFD, protests against the establishment of the CFD, the extent of the CFD, or the furnishing of specified types of public facilities within the CFD may be made orally or in writing by any interested persons or taxpayers. All written protests need to be filed with the Board Clerk on or before the time fixed for the hearing. For protests to legally affect the Board's decision to form the CFD they have to be protests by property owners in the CFD; such protests are not expected. If the Board determines at the conclusion of the hearing to proceed with the establishment of the CFD, the proposed voting procedure will be by landowners. Per waivers of time requirements and other voting formalities, the election can be held the same day, and the Board Clerk will be in possession of the Developers' ballot indicating 100% votes in favor.

The resolutions and Ordinance address the following:

The Resolution of Formation - This officially forms the CFD, authorizes the Special Tax to be collected and establishes an appropriations limit for the CFD (under Article XIII B of the Constitution). The exhibits to this resolution show the facilities to be financed and the formula by which the Special Tax will be levied in the CFD. This includes the *List of Facilities (Exhibit A)* listing the improvements (including impact fees) that are authorized to be funded from special tax revenues generated within the CFD, and the *Rate & Method of the Special Tax (Exhibit B)* providing for the security for the funding of the CFD and showing how the revenues from the CFD are to be collected and also sets forth the purpose and level of the taxes from the various different types of properties.

The Resolution Calling Special Landowner Election - This sets the election for the same Board meeting date and provides the form of the special ballot to be used by the landowner-voter. The election may be held at the same meeting because the property owner-voters have all asked for it. Ballots have been previously mailed and have been returned directly the Board Clerk by the meeting time.

The Resolution Declaring Results of Special Landowner Election - This is for adoption by the Board after the vote is announced by the Board Clerk. It confirms the outcome of the property owner election for the CFD as 100% in favor. Attached to it is a copy of the official Canvass and Statement of Result of Election to be completed by the Board Clerk after the vote is announced. This resolution also directs the filing of the Notice of Special Tax Lien against the

El Dorado County
Board of Supervisors
RE: CFD 2018-1
August 13, 2018

lands in the CFD to evidence a lien securing the tax.

Ordinance Levying Special Taxes -Under the law, the Board must levy the special taxes by an ordinance. Under this ordinance, the levy is made once by the adoption of this ordinance, and, in each year hereafter, the process of determining the special taxes and processing the collection is done by the County's financial official (or a consultant) and no further Board action is needed.

Once the above actions are completed, the Board Clerk is authorized to record with the County Recorder a Notice of Special Tax Lien pertaining to each of the parcels in the CFD subject to a special tax.

Just prior to the time a first series of bonds are to be issued, the Board will be asked to approve the bond documents and authorize the series; this is still several weeks away.

In order to complete the CFD formation process and to legally authorize the future levy a special tax, and to authorize bonds to finance the costs of certain public facilities of benefit to the properties within the CFD, the Auditor-Controller recommends that the County adopt the above listed Resolutions and Ordinance.

Fiscal Impact:

None.

Net County Cost:

None.

Action to be Taken Following Approval:

Board Clerk will work with Auditor-Controller to record a Notice of Special Tax Lien with the County Recorder's Office.

Sincerely,



Joe Harn, CPA
Auditor-Controller

tc