



# County of El Dorado

OFFICE OF AUDITOR-CONTROLLER

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December 12, 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 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. 2014-1 (Carson Creek)."

**Reasons for Recommendation:**

The Board of Supervisors will recall that the developer of Carson Creek (Lennar) 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.

The Board subsequently approved the first series of bonds for the CFD and on September 15, 2016 the County issued \$12,850,000 principal amount of CFD bonds. 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 \$20,000,000, and approve the form of certain documents and matters related thereto, including a supplement to the 2016 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 2016 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 CFD's 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 from the special tax levied within the District. Approval of the issuance of the bonds is recommended. 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:**

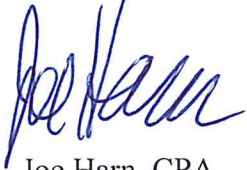
None.

**Action to be Taken Following Approval:**

Following Board approval:

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

Sincerely,



Joe Harn, CPA  
Auditor-Controller

cc: Janeth SanPedro, County Counsel