



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

June 24, 2016

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, on behalf of the Assessment and Community Facilities District Screening Committee ("Committee"), recommending the Board adopt "Resolution Reaffirming the Issuance and Sale of Special Tax Bonds and Approving and Authorizing An Official Statement, Bond Purchase Agreement and Related Documents and Actions 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 a portion of the infrastructure needed for the Carson Creek subdivision. 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 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 indebtedness in an amount not to exceed \$50,000,000 to finance the authorized improvements and fees.

On March 22, 2016 the Board adopted Resolution No. 051-2016, the first of two required resolutions authorizing the issuance of bonds for the CFD, and approved the form of certain documents and matters related thereto, including the Fiscal Agent Agreement which is the document that sets forth the terms and conditions for the bonds prior to determination of interest

El Dorado County
Board Of Supervisors
RE: CFD 2014-1 Carson Creek
June 24, 2016
Page Two

rates.

Completion of the issuance authorization process requires approval of a form of Preliminary Official Statement and Bond Purchase Agreement.

The Resolution here gives the Chief Administrative Officer, the Auditor-Controller, Treasurer-Tax Collector, County Counsel, or any person duly authorized by your board, the authority to make, after consultation with counsel and members of the Bond Screening Committee, de minimis changes, additions, or deletions to the Preliminary Official Statement and the Bond Purchase Agreement.

This Resolution also approves the issuance of bonds in accordance with the previous resolution and approves the Preliminary Official Statement and Bond Purchase Agreement as the final issuance documents, the form of each of which is approved by the Resolution. 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, is the offering document used by the underwriter to market the 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 from the special tax levied within the District. The only foreseeable circumstances 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 state, in the ongoing SEC required disclosures, or in the administration of the CFD.

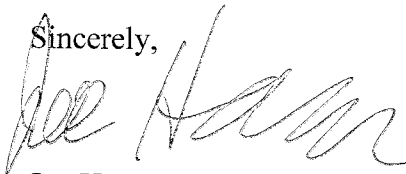
Fiscal Impact:

None.

Action to be Taken Following Approval:

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

Sincerely,



Joe Harn
Auditor-Controller