



Lesa Sobek, Committee Member
Dean Deines, Committee Member

Thursday, August 5, 2021
2:00 PM Regular Meeting

AGENDA

1. **CALL TO ORDER**
2. **ROLL CALL**
3. **FLAG SALUTE**
4. **PRESENTATIONS – None**
5. **PUBLIC COMMENTS**
6. **APPROVAL OF MEETING MINUTES**
 - 6.1 January 26, 2021 Finance Committee Minutes
7. **DISCUSSION ITEMS**
 - 7.1 Proposed Bond Issue for Community Facilities District No. 2019-1 (Meadow Run)
Recommended Action:
 1. Review the proposed bond issue request for Community Facilities District No. 2019-1 (Meadow Run) by Meritage Homes to finance the costs of certain public improvements for the development of a residential tract containing 65 proposed lots within the City; and
 2. Recommend the finance team to proceed with preparation of the Official Statement and other legal documents related to the transaction for presentation to the City Council at a future City Council Meeting.
 - 7.2 Proposed Bond Issue for Community Facilities District No. 2020-1 (McCall Mesa)
Recommended Action
 1. Review the proposed bond issue request for Community Facilities District No. 2020-1 (McCall Mesa) by Lennar Homes to finance the costs of certain public improvements for the development of a residential tract containing 258 units within the City; and
 2. Recommend the finance team to proceed with preparation of the Official Statement and other legal documents related to the transaction for presentation to the City Council at a future City Council Meeting.
8. **STAFF COMMENTS**
9. **COMMITTEE REPORTS/COMMENTS ON COMMITTEE ACTIVITIES**
10. **FUTURE AGENDA ITEMS**
11. **ADJOURNMENT**

Decorum Policy Notes

Please use a speaker request form when you wish to address the Committee. The Committee anticipates and encourages public participation at its Committee meetings, both on agenda items and during the public comments period. Please use respect by not having your cell phones on, refrain from talking in the audience or outbursts that may be disruptive. While we encourage participation, we ask there be a mutual respect for the proceedings.

Agenda Materials

Materials related to an item on this Agenda, including those submitted to the Committee after distribution of the agenda packet, are available for public inspection by contacting the City Clerk, at (951) 672-6777 during normal business hours.

Compliance with the Americans with Disabilities Act

If you need special assistance to participate in this meeting, you should contact Sarah Manwaring, City Clerk, at (951) 672-6777. Notification 72 hours prior to the meeting will enable the City to make reasonable arrangements to assure accessibility to this meeting.

City Council Chambers
Via Zoom (see below)
Menifee, CA 92586



City of Menifee
Finance Committee
Special Meeting Minutes

Lesa Sobek, Committee Member
Dean Deines, Committee Member

Tuesday, January 26, 2021
2:00 PM Special Meeting

MINUTES

1. CALL TO ORDER

The meeting was called to order at 2:07 p.m.

2. ROLL CALL

Committee Members Deines and Sobek were present.

3. FLAG SALUTE

The Committee recited the pledge of allegiance.

4. PRESENTATIONS – None

5. PUBLIC COMMENTS

There were no public comments.

6. APPROVAL OF MEETING MINUTES – None

7. DISCUSSION ITEMS

7.1 Proposed Community Facilities District No. 2021-1 (Banner Park)

Deputy City Manager Rochelle Clayton introduced the item and City Consultant Shane Spicer to present the report. Mr. Spicer stated Pulte Homes was asking for assistance in forming a Community Facilities District (CFD). Mr. Spicer presented the project details and the proposed formation of the CFD. He reported on the proforma, financing assumptions, interest rates and financing terms, project location, and proposed boundary map.

The Committee asked questions about maintenance on the property, the aesthetics, the maintenance CFD, project description and the tax rate.

The Committee further discussed CFD premiums (Item No. 7.3) and whether to fund a citywide benefit, or the CFD area only. The Committee agreed by that a citywide facility, such as a City Hall or Maintenance Operation Center, would also benefit the residents in the CFD area. They agreed to prioritize funds to the local CFD first and fund a citywide facility only if staff could certify that everything was built out in the CFD area. Ms. Clayton said that she would put something together more structured with the Committee's request for staff to identify a project in the CFD area before it goes to a citywide benefit.

The Committee unanimously (2-0) approved the recommended action.

Recommended Action:

Review the proposed Community Facilities District No. 2021-1 (Banner Park) by Pulte Homes Company, to finance the costs of certain public improvements for the development of a residential tract containing 256 units located east of Lindenberger Road, north of Domenigoni Parkway and west of Briggs Road, and recommend submittal to the City Council for approval at the March 3, 2021 City Council Meeting.

7.2 Draft Revised Investment Policy

Rochelle reviewed the recent amendments to the policy. The Committee discussed the changes and asked questions of staff. The Committee talked about the maximum time allowance for investments and agreed on the standard, 5 years.

The Committee unanimously (2-0) approved the recommended action. Ms. Clayton stated that she would finalize the policy and take it to Council for final approval.

Recommended Action:

Review and provide comment on the Draft Revised Investment Policy and investment alternatives.

7.3 City Community Facilities District Premium – Discussion Only

This item was discussed with Item No. 7.1.

Recommended Action:

Discuss the options of premium application and reporting.

8. STAFF COMMENTS

There were no staff comments.

9. COMMITTEE REPORTS/COMMENTS ON COMMITTEE ACTIVITIES

There were no reports on Committee activities.

10. FUTURE AGENDA ITEMS

There were no future agenda items.

11. ADJOURNMENT

The meeting was adjourned at 3:04 p.m.



CITY OF MENIFEE

SUBJECT: Proposed Bond Issue for Community Facilities District No. 2019-1 (Meadow Run)

MEETING DATE: August 5, 2021

TO: Finance Committee

PREPARED BY: Rochelle Clayton, Assistant City Manager

RECOMMENDED ACTION

1. Review the proposed bond issue request for Community Facilities District No. 2019-1 (Meadow Run) by Meritage Homes to finance the costs of certain public improvements for the development of a residential tract containing 65 proposed lots within the City; and
2. Recommend the finance team to proceed with preparation of the Official Statement and other legal documents related to the transaction for presentation to the City Council at a future City Council Meeting.

DISCUSSION

The developer, Meritage Homes, owns a residential tract containing 65 proposed lots within the City. The proposed residential tract is located generally on the southeast corner of Bradley Road and Holland Road. On June 1st Meritage Homes has requested for the issuance of bonds for Community Facilities District No. 2019-1 (Meadow Run) ("CFD No. 2019-1") to fund eligible facilities.

Currently of the 65 proposed residential units, 48 lots have building permits issued, 15 sold & in escrow, and 19 Sold & Closed. Based on the builder's projections by the end of the year they should have 100% of their building permits issued and 83% of their units closed. The builder is requesting to issue the bonds on the entire development for an estimated \$2,875,000. The bond authorization limit for this District is not to exceed \$4M. Due to current interest rates it is anticipated that all the eligible facilities of approximately \$2.35M would be funded through the bond sale.

A preliminary bond analysis was prepared by Spicer Consulting Group to evaluate the viability of the bond issuance estimating the valuation, delinquency history, and effective tax rates (ETR). The development has a relatively strong value to lien ratio of 12:1, greater than the City's policy of 4:1 and an estimated ETR less than 2%. The current FY 2021-22 will be the first year the CFD taxes are levied for the CFD, therefore there are no prior year delinquencies. Based on current interest rates the CFD taxes levied could be reduced by at least 10% while fully funding the eligible improvements. The improvements proposed to be financed include:

- i) City Development Impact Fees and Facilities
- ii) EMWD Fees
- iii) Menifee Union School District Fees.

This item is to discuss bond issuance criteria and review the proposed bond issuance for CFD No. 2019-1.

ATTACHMENTS

1. Request for Issuance of Bonds Letter (Zimmerman Group)
2. Preliminary Bond Sale Analysis

June 1, 2021

Rochelle Clayton
Deputy City Manager
City of Menifee
29844 Haun Road
Menifee, CA 92586
T. (951) 723-3701
E. rclayton@cityofmenifee.us

RE: Request for Issuance of Bonds for CFD No. 2019-1 (Meadow Run)

Dear Ms. Clayton,

On behalf of Meritage Homes (“Developer”), we are submitting this letter to request that the City of Menifee (“City”) commence the process for the issuance of bonds (“Bonds”) for CFD No. 2019-1 (Meadow Run) (“CFD”). As you may be aware, the CFD is comprised of 65 lots within Tract Map No. 37576. Of the 65 lots, 42 building permits (65%) have been issued with the remaining 23 permits expected to be issued in the coming months. To date, twelve homes have closed and an additional 16 homes are in escrow. Developer expects to continue to close homes at a rate of approximately seven per month.

The attached Exhibit A shows the estimated bond sizing and debt service schedule for the proposed bond issue. We have also attached Exhibit B to show the uses for the proceeds. As illustrated in Exhibit A, improvement fund proceeds are estimated to be approximately \$2.35M to fund the eligible facilities. Interest rates for CFD bonds are very low right now, and if they stay low, a bond sale to fund the \$2.35M will allow for funding of all eligible facilities while maintaining a debt service coverage in excess of 120% rather than the typical 110%. This will benefit residents living within the CFD by enabling the City to levy lower special taxes for the life of the Bonds.

We appreciate your consideration of this request and look forward to working with you and your team on this transaction. If you have any questions, please contact me at (949) 542-7071.

Sincerely,



Jim Zimmerman

CC: Shane Spicer, Spicer Consulting Group
Efrem Joelson, Meritage Homes

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Exhibit A
Meritage Homes - Tract No. 37576 (Meadow Run)
City of Menifee CFD No. 2019-1
Estimated Debt Service & Bond Sizing Schedule
June 1, 2021

ISSUANCE ASSUMPTIONS		ESTIMATED SOURCES AND USES		ALLOCATION OF IMPROVEMENT FUND		
Estimated Closing Date	9/1/2021	Sources		Agency	Per Unit	Total
Special Tax Rev. Escalation	2.000%	Par Bond Amount	\$ 2,875,000	City Fees	\$ 12,164	\$ 790,656
Annual Admin. Expense	\$ 25,000	Uses		EMWD Fees	15,246	990,990
Admin. Expense Escalation	2.000%	Reserve Fund	\$ 207,448	MUSD Fees	8,850	575,265
Average Debt Service Coverage Ratio	125%	Capitalized Interest	25,000	Total	\$ 36,260	\$ 2,356,911
Underwriter Discount Est.	2.000%	Underwriter Discount	57,500			
Issuance Costs Est.	228,141	Costs Of Issuance	228,141			
Capitalized Interest	25,000	Construction Fund	2,356,911			
		Total Uses	<u>\$ 2,875,000</u>			

BOND DEBT SERVICE									
Period Ending	Fiscal Year	Dev. Prop. Revenues	Priority Admin	Principal	Yield	Interest	Capitalized Interest	Net Debt Service	Debt Service Coverage
9/1/2022	2021/2022	\$ 112,407	\$ 25,000	\$ -	1.050%	\$ 90,484	\$ 25,000	\$ 65,484	124.23%
9/1/2023	2022/2023	177,763	25,500	30,000	1.270%	90,484	-	120,484	126.38%
9/1/2024	2023/2024	181,318	26,010	35,000	1.430%	90,103	-	125,103	124.14%
9/1/2025	2024/2025	184,944	26,530	35,000	1.590%	89,602	-	124,602	127.14%
9/1/2026	2025/2026	188,643	27,061	40,000	1.760%	89,046	-	129,046	125.21%
9/1/2027	2026/2027	192,416	27,602	45,000	1.900%	88,342	-	133,342	123.60%
9/1/2028	2027/2028	196,264	28,154	45,000	2.070%	87,487	-	132,487	126.89%
9/1/2029	2028/2029	200,189	28,717	50,000	2.229%	86,555	-	136,555	125.57%
9/1/2030	2029/2030	204,193	29,291	55,000	2.444%	85,441	-	140,441	124.54%
9/1/2031	2030/2031	208,277	29,877	60,000	2.619%	84,097	-	144,097	123.81%
9/1/2032	2031/2032	212,443	30,475	65,000	2.747%	82,525	-	147,525	123.35%
9/1/2033	2032/2033	216,692	31,084	65,000	2.833%	80,740	-	145,740	127.36%
9/1/2034	2033/2034	221,025	31,706	70,000	2.911%	78,898	-	148,898	127.15%
9/1/2035	2034/2035	225,446	32,340	75,000	2.989%	76,861	-	151,861	127.16%
9/1/2036	2035/2036	229,955	32,987	85,000	3.057%	74,619	-	159,619	123.40%
9/1/2037	2036/2037	234,554	33,647	90,000	3.260%	72,020	-	162,020	124.00%
9/1/2038	2037/2038	239,245	34,320	95,000	3.260%	69,086	-	164,086	124.89%
9/1/2039	2038/2039	244,030	35,006	100,000	3.260%	65,989	-	165,989	125.93%
9/1/2040	2039/2040	248,910	35,706	105,000	3.260%	62,729	-	167,729	127.11%
9/1/2041	2040/2041	253,889	36,420	115,000	3.260%	59,306	-	174,306	124.76%
9/1/2042	2041/2042	258,966	37,149	120,000	3.404%	55,557	-	175,557	126.35%
9/1/2043	2042/2043	264,146	37,892	130,000	3.404%	51,473	-	181,473	124.68%
9/1/2044	2043/2044	269,429	38,649	140,000	3.404%	47,047	-	187,047	123.38%
9/1/2045	2044/2045	274,817	39,422	145,000	3.404%	42,282	-	187,282	125.69%
9/1/2046	2045/2046	280,314	40,211	155,000	3.404%	37,346	-	192,346	124.83%
9/1/2047	2046/2047	285,920	41,015	165,000	3.467%	32,070	-	197,070	124.27%
9/1/2048	2047/2048	291,638	41,835	175,000	3.467%	26,349	-	201,349	124.06%
9/1/2049	2048/2049	297,471	42,672	185,000	3.467%	20,282	-	205,282	124.12%
9/1/2050	2049/2050	303,420	43,526	195,000	3.467%	13,868	-	208,868	124.43%
9/1/2051	2050/2051	309,489	44,396	205,000	3.467%	7,107	-	212,107	124.98%
Total			1,014,202	2,875,000	3.317%	1,937,796	25,000	4,787,796	123.35%

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Exhibit B
Meritage Homes - Tract No. 37576 (Meadow Run)
Proposed List of CFD Eligible Facilities
June 1, 2021

	<u>Per Unit</u>	<u>Total</u>
Units		65
City of Menifee Development Impact Fees [a]		
Law Enforcement	\$ 231	\$ 15,015
Fire Facilities	614	39,910
Circulation	4,670	303,550
Storm Drainage	2,286	148,590
General Government	1,021	66,365
Public Use Facilities	154	10,010
Parks - Land Acquisition	215	13,975
Parks - Improvements	661	42,965
Subtotal - City DIF	<u>\$ 9,852</u>	<u>\$ 640,380</u>
City Projects	1,970	128,076
Fair Share Traffic Impact Fee [c]	342	22,200
Total	<u>\$ 12,164</u>	<u>\$ 790,656</u>
EMWD Fees [b]		
Sewer Financial Participation Charge	\$ 2,958	\$ 192,270
Sewer Treatment Plant Capacity Charge	6,027	391,755
Water Financial Participation Charge	5,584	362,960
Water Supply Development Fee	300	19,500
1" Meter Drop-In Fee	377	24,505
Total	<u>\$ 15,246</u>	<u>\$ 990,990</u>
Menifee Union School District		
Square Footage	2,509	163,057
Estimated School Fees [d]	\$3.53 / SF	\$ 8,850
		\$ 575,265
Total Eligible Fees	\$ 36,260	\$ 2,356,911

Footnotes:

[a] City of Menifee DIF amounts per the City of Menifee DIF schedule effective July 1, 2020. City Projects fee represents special CFD benefit to the City equivalent to 20% of the City impact fees that are eligible to be financed through the CFD.

[b] EMWD fee amounts per the EMWD connection fee schedule effective January 1, 2021.

[c] Based on development budget provided by developer.

[d] Per the executed JCFA with MUSD.

CITY OF MENIFEE
Community Facilities District No. 2019-1
(Meadow Run)
Preliminary Bond Analysis
As of 7/28/2021

Preliminary Bond Compliance Table

Criteria	Requirement	2019-1
1. Value to Lien ⁽¹⁾	4.00:1	12.07:1
2. Delinquency Levels	Less than 5%	N/A
3. Effective Tax Rate ⁽²⁾	2.00%	1.79% - 1.81%

⁽¹⁾ Value to Lien is based upon estimated sizing information and Proposed Home Prices.

⁽²⁾ Range includes FY 2021-22 enrollment.

1. General Information & Development Status

District Formation Date	November 6, 2019
District Assessed Value ⁽¹⁾	N/A
Bond Structure	91% Assigned
Estimated Preliminary Par Amount ⁽²⁾	\$2,875,000
Preliminary Value to Lien ⁽³⁾	12.07:1

⁽¹⁾ District Assessed Value information not available via Riverside County as of 6/4/2021

⁽²⁾ Par amount estimated based on estimated 3.3% Interest Rate.

⁽³⁾ Value to Lien is based upon estimated sizing information and Proposed Home Prices.

6/4/2021 Ownership Status As Of

Tract No.	Land Owner	Map Recordation
37576	Meritage Homes	11/12/2020

No. Lots @ Buildout	Permits Issued as of 7/28/2021	Developed Percentage	Sold & In Escrow to Date	Sold & Closed to Date	Ave Monthly Absorption	Five Month Projection
65 Lots	48 Lots	74%	15	19	7	54 Lots
					<i>Closed</i>	83%
					<i>Permitted</i>	100%

2. Special Tax Levy & Delinquency Status

No. Parcels	FY 2020-21 Levy	Delinquencies ⁽¹⁾
0	\$0.00	N/A

⁽¹⁾ Delinquency information is unavailable as the FY 2021-22 levy is the district's inaugural levy.

3. Bond Issuance Impact to Property Owners

Avg Home Value ⁽¹⁾	Estimated Average Tax Bill for FY 21-22				
	Ad-Valorem Tax	Other Taxes	CFD Tax	Total Tax	ETR
\$533,698	\$6,210	\$902	\$2,670	\$9,781	1.83%

⁽¹⁾ Based upon Sales Price of the 12 Closed Homes by June 1, 2021.

4. Proposed Use of Proceeds (Preliminary)

Estimated Project Fund Capacity:	\$2,356,911
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Sources	Total
Bond Proceeds: Par Amount	\$ 2,875,000
Facilities Special Tax Levy FY 21-22 ⁽¹⁾	\$ 114,322
Total Sources	\$ 2,989,322

Uses	Total
Project Fund Proceeds	\$ 2,353,359
Capitalized Interest	\$ 35,000
Debt Service Reserve Fund	\$ 214,141
Cost of Issuance	\$ 282,500
Total Uses	\$ 2,885,000

Rounding	\$ 104,322
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⁽¹⁾ Allocation of Proceeds yet to be determined.



CITY OF MENIFEE

SUBJECT: Proposed Bond Issue for Community Facilities District No. 2020-1 (McCall Mesa)

MEETING DATE: August 5, 2021

TO: Finance Committee

PREPARED BY: Rochelle Clayton, Assistant City Manager

RECOMMENDED ACTION

1. Review the proposed bond issue request for Community Facilities District No. 2020-1 (McCall Mesa) by Lennar Homes to finance the costs of certain public improvements for the development of a residential tract containing 258 units within the City; and
2. Recommend the finance team to proceed with preparation of the Official Statement and other legal documents related to the transaction for presentation to the City Council at a future City Council Meeting.

DISCUSSION

The developer, Lennar Homes, owns a residential tract containing 258 proposed lots within the City. The proposed residential tract is located north of Rouse Road, west of Palomar Street, and east of Menifee Road. On June 4th Lennar Homes had requested for the issuance of bonds for Community Facilities District No. 2020-1 (McCall Mesa) ("CFD No. 2020-1") to fund eligible facilities.

Currently of the 258 proposed residential units, 165 lots have building permits issued, 60 sold & in escrow, and 69 Sold & Closed. Based on the builder's projections by the end of the year they should have 64% of their building permits issued and 48% of their units closed for the entire development. However, for their first 165 lots they have 100% of their units with building permits issued and 75% of the 165 lots will be closed by the end of the year. The builder is requesting to issue the bonds on half of the development for an estimated \$7,115,000. The bond authorization limit for this District is not to exceed \$18M. It is anticipated that the eligible facilities of approximately \$6.2M would be funded through the bond sale.

A preliminary bond analysis was prepared by Spicer Consulting Group to evaluate the viability of the bond issuance estimating the valuation, delinquency history, and effective tax rates (ETR). The development has a relatively strong value to lien ratio of nearly 11:1, greater than the City's policy of 4:1 and an estimated ETR less than 2%. The current year FY 2021-22 will be the first year the CFD taxes are levied for the CFD, therefore there are no prior year delinquencies. Based on current interest rates the CFD taxes levied could be reduced by at

least 10% while fully funding the eligible improvements. The improvements eligible to be financed include:

- i) City Development Impact Fees and Facilities
- ii) EMWD Fees
- iii) Perris Union High School District Fees
- iv) Menifee Union School District Fees
- v) Dry Utilities

This item is to discuss bond issuance criteria and review the proposed bond issuance for CFD No. 2020-1.

ATTACHMENTS

1. Request for Issuance of Bonds Letter (Zimmerman Group)
2. Preliminary Bond Sale Analysis

June 4, 2021

Rochelle Clayton
Deputy City Manager
City of Menifee
29844 Haun Road
Menifee, CA 92586
T. (951) 723-3701
E. rclayton@cityofmenifee.us

RE: Request for Issuance of Bonds for CFD No. 2020-1 (McCall Mesa)

Dear Ms. Clayton,

On behalf of Lennar Homes (“Developer”), we are requesting the City of Menifee (“City”) to move forward with the issuance of bonds (“Bonds”) for CFD No. 2020-1 (McCall Mesa) (“CFD”). As you may be aware, the CFD is comprised of 258 lots within Tract Map No. 31098 (the “Project”). We would like to issue a series of bonds secured by 128 permitted lots within Project (“Series 1 Bonds”) or explore issuing the full amount of Bonds for the Project. A summary of the development status for the scenario in which only the Series 1 Bonds are issued is included in the table below.

<u>Development Status</u>	<u>Units</u>	<u>% of Total</u>
Permitted Homes	128	100%
Closings	44	34%
Models	5	4%
Under Construction	79	62%
Sold	47	37%
Total Units	128	100%

The attached Exhibit A shows the estimated bond sizing and debt service schedule for the Series 1 Bonds, which results in approximately \$6.2M in construction proceeds. This \$6.2M would fund approximately 50% of the CFD eligible facilities shown in the attached Exhibit B. If it is determined that the full amount of the CFD Bonds cannot be issued, the remainder of the CFD eligible facilities would be funded with the proceeds from a second series of bonds, which would be anticipated to be issued 12 months after the issuance off the Series 1 Bonds. The purpose of issuing two series of bond is to limit the special taxes to be levied on property owned by the Developer. However, given the low interest rate environment it may make sense to issue all the bonds for the Project. We can review these options further with your finance team.

We appreciate your consideration of this request and look forward to working with the City team to issue at least the Series 1 Bonds for the Project. If you have any questions, please contact me at (949) 542-7072.

Sincerely,



John Zimmerman
Principal

CC: Shane Spicer, Spicer Consulting Group
Jeremiah Acayturri, Lennar Homes

Exhibit A
Lennar Homes - McCall (Tract 31098)
City of Menifee CFD No. 2020-1
Debt Service & Bond Sizing Schedule
June 4, 2021

ISSUANCE ASSUMPTIONS	
Closing Date	9/1/2021
Special Tax Revenue Escalation	2.000%
Annual Administration Expense	\$ 30,000
Debt Service Coverage Ratio	110.000%
Underwriter Discount Estimate	1.750%
Issuance Costs Estimate	\$ 270,000
Months of Capitalized Interest	-
Administration Expense Escalation	2.000%

ESTIMATED SOURCES AND USES	
Sources	
Par Bond Amount	\$ 7,115,000
Uses	
Reserve Fund	\$ 524,425
Capitalized Interest	-
Underwriter Discount	124,513
Costs Of Issuance	270,000
Improvement Fund	6,196,063
Total Uses	<u>\$ 7,115,000</u>

BOND DEBT SERVICE											
Period Ending	Fiscal Year	Series 1 Revenues	Priority Admin	Principal	Coupon	Interest	Capitalized Interest	Net Debt Service	Surplus Taxes	Debt Service Coverage	
9/1/2022	2021/2022	\$ 373,263	\$ 30,000	\$ 55,000	1.102%	\$ 252,253	\$ -	\$ 307,253	\$ -	111.72%	
9/1/2023	2022/2023	380,728	30,600	65,000	1.232%	251,647	-	316,647	-	110.57%	
9/1/2024	2023/2024	388,343	31,212	70,000	1.472%	250,846	-	320,846	36,285	111.31%	
9/1/2025	2024/2025	396,110	31,836	80,000	1.732%	249,816	-	329,816	34,458	110.45%	
9/1/2026	2025/2026	404,032	32,473	85,000	1.982%	248,430	-	333,430	38,129	111.44%	
9/1/2027	2026/2027	412,113	33,122	95,000	2.202%	246,745	-	341,745	37,245	110.90%	
9/1/2028	2027/2028	420,355	33,785	105,000	2.382%	244,653	-	349,653	36,916	110.56%	
9/1/2029	2028/2029	428,762	34,461	115,000	2.552%	242,152	-	357,152	37,149	110.40%	
9/1/2030	2029/2030	437,337	35,150	125,000	2.712%	239,218	-	364,218	37,970	110.43%	
9/1/2031	2030/2031	446,084	35,853	135,000	2.876%	235,828	-	370,828	39,404	110.63%	
9/1/2032	2031/2032	455,006	36,570	145,000	3.098%	231,945	-	376,945	41,491	111.01%	
9/1/2033	2032/2033	464,106	37,301	160,000	3.122%	227,453	-	387,453	39,352	110.16%	
9/1/2034	2033/2034	473,388	38,047	170,000	3.262%	222,458	-	392,458	42,883	110.93%	
9/1/2035	2034/2035	482,855	38,808	185,000	3.322%	216,912	-	401,912	42,135	110.48%	
9/1/2036	2035/2036	492,513	39,584	200,000	3.452%	210,767	-	410,767	42,162	110.26%	
9/1/2037	2036/2037	502,363	40,376	215,000	3.512%	203,863	-	418,863	43,124	110.30%	
9/1/2038	2037/2038	512,410	41,184	230,000	3.572%	196,312	-	426,312	44,915	110.54%	
9/1/2039	2038/2039	522,658	42,007	245,000	3.622%	188,096	-	433,096	47,555	110.98%	
9/1/2040	2039/2040	533,111	42,847	265,000	3.662%	179,222	-	444,222	46,042	110.36%	
9/1/2041	2040/2041	543,774	43,704	285,000	3.682%	169,518	-	454,518	45,551	110.02%	
9/1/2042	2041/2042	554,649	44,578	300,000	3.812%	159,024	-	459,024	51,047	111.12%	
9/1/2043	2042/2043	565,742	45,470	325,000	3.812%	147,588	-	472,588	47,684	110.09%	
9/1/2044	2043/2044	577,057	46,379	345,000	3.812%	135,199	-	480,199	50,478	110.51%	
9/1/2045	2044/2045	588,598	47,307	365,000	3.812%	122,048	-	487,048	54,243	111.14%	
9/1/2046	2045/2046	600,370	48,253	390,000	3.812%	108,134	-	498,134	53,983	110.84%	
9/1/2047	2046/2047	612,378	49,218	415,000	3.952%	93,267	-	508,267	54,892	110.80%	
9/1/2048	2047/2048	624,625	50,203	445,000	3.952%	76,866	-	521,866	52,556	110.07%	
9/1/2049	2048/2049	637,118	51,207	470,000	3.952%	59,280	-	529,280	56,631	110.70%	
9/1/2050	2049/2050	649,860	52,231	500,000	3.952%	40,706	-	540,706	56,924	110.53%	
9/1/2051	2050/2051	662,857	53,275	530,000	3.952%	20,946	-	550,946	58,636	110.64%	
Total		15,142,563	1,217,042	7,115,000	3.750%	5,471,190	-	12,586,190	1,269,839	110.02%	

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EXHIBIT B
Lennar Homes - McCall (Tract 31098)
City of Menifee CFD No. 2020-1
Preliminary List of CFD Eligible Facilities
June 4, 2021

Total Units

258

	Per Unit	Total
City of Menifee Fees (a)		
Law Enforcement	\$ 231	\$ 59,598
Fire Facilities	614	158,412
Circulation	4,670	1,204,860
General Government	1,021	263,418
Public Use Facilities	154	39,732
Parks - Land Acquisition	215	55,470
Parks - Improvements	661	170,538
Master Planning	23	5,934
Subtotal City DIF fees (b)	<u>\$ 7,589</u>	<u>\$ 1,957,962</u>
City Fee Premium	1,518	391,592
Total City Fees	<u>\$ 9,107</u>	<u>\$ 2,349,554</u>
City of Menifee Improvements		
Traffic Signals (Menifee Rd./Heritage Lake Dr. and Menifee Rd./Rouse Rd.) (f)	\$ 3,014	\$ 777,500
Utility Undergrounding (b)	4,058	1,046,921
Total City Improvements	<u>\$ 7,071</u>	<u>\$ 1,824,421</u>
Total City of Menifee Facilities	<u>\$ 16,178</u>	<u>\$ 4,173,975</u>
Romoland School District Fees (c)		
School District Fees	<u>\$ 12,413</u>	<u>\$ 3,202,559</u>
Perris Union High School District Fees		
Square Footage	2,721	701,900
Estimated School Fees (d)	\$1.06 / SF <u>\$ 2,884</u>	<u>\$ 744,014</u>
EMWD Fees (e)		
Water Financial Participation Charge	\$ 5,501	\$ 1,419,258
Sewer Financial Participation Charge	2,914	751,812
Sewer Treatment Plant Capacity Charge	5,938	1,532,004
Meter Fee	377	97,266
Water Development Fee	300	77,400
Irrigation Meter Fees 1.5" (Qty: 6 Meters)	581	149,820
Total EMWD Fees	<u>\$ 15,611</u>	<u>\$ 4,027,560</u>
Dry Utilities (Subject to 5% Limitation)	<u>\$ 3,101</u>	<u>\$ 800,000</u>
Total Eligible Facilities	<u><u>\$ 50,186</u></u>	<u><u>\$ 12,948,108</u></u>

Footnotes

- (a) Represents the City of Menifee DIF Fees dated July 1, 2018.
(b) Represents the Menifee Road electric utility conversion costs per budget from Utility Specialists dated December 4, 2018.
(c) Represents the estimated Romoland School District mitigation fees for the project.
(d) Represents the Level 1 school fee for Perris Union High School District.
(e) Represents EMWD's connection and capacity fees effective 1/1/2020.
(f) Amount per bid package submitted by Belco Electric for offsite traffic signal, fiber optic, and signing and striping improvements.

CITY OF MENIFEE
Community Facilities District No. 2020-1
(McCall Mesa)
Preliminary Bond Analysis
As of 7/28/2021

Preliminary Bond Compliance Table

Criteria	Requirement	2020-1
1. Value to Lien ⁽¹⁾	4.00:1	10.94:1
2. Delinquency Levels	Less than 5%	N/A
3. Effective Tax Rate ⁽²⁾	2.00%	1.68% - 1.77%

⁽¹⁾ Value to Lien is based upon estimated sizing information and Proposed Home Prices.

⁽²⁾ Range includes FY 2021-22 enrollment.

1. General Information & Development Status

District Formation Date	July 15, 2020
District Assessed Value ⁽¹⁾	N/A
Bond Structure	100% Assigned
Estimated Preliminary Par Amount ⁽²⁾	\$7,235,000
Preliminary Value to Lien ⁽³⁾	10.94:1

⁽¹⁾ District Assessed Value information not available via Riverside County as of 6/4/2021

⁽²⁾ Par amount estimated based on estimated 3.3% Interest Rate.

⁽³⁾ Value to Lien is based upon estimated sizing information and Proposed Home Prices.

6/4/2021 Ownership Status As Of

Tract No.	Land Owner	Map Recordation
31098	Lennar Homes	3/26/2020

No. Lots @ Buildout	Permits Issued as of 7/28/2021	Developed Percentage	Sold & In Escrow to Date	Sold & Closed to Date	Ave Monthly Absorption	Six Month Projection
256 Lots	165 Lots	64.45%	60	69	9	123 Lots
<i>Remaining</i>	91 Lots				<i>Closed of 165 Lots</i>	75%
					<i>Permitted of 165 Lots</i>	100%

2. Special Tax Levy & Delinquency Status

No. Parcels	FY 2020-21 Levy	Delinquencies ⁽¹⁾
0	\$0.00	N/A

⁽¹⁾ Delinquency information is unavailable as the FY 2021-22 levy is the district's inaugural levy.

3. Bond Issuance Impact to Property Owners

Avg Home Value ⁽¹⁾	Estimated Average Tax Bill for FY 21-22				
	Ad-Valorem Tax	Other Taxes	CFD Tax	Total Tax	ETR
\$618,493	\$6,798	\$938	\$2,974	\$10,710	1.73%

⁽¹⁾ Based upon Sales Price of the 44 Closed Homes by June 1, 2021.

4. Proposed Use of Proceeds (Preliminary)

Estimated Project Fund Capacity:	Total

Sources	Total
Bond Proceeds: Par Amount	\$ 7,235,000
Facilities Special Tax Levy FY 21-22 ⁽¹⁾	\$ -
Total Sources	\$ 7,235,000

Uses	Total
Project Fund Proceeds	\$ 6,299,344
Underwriter's Discount	\$ 144,700
Debt Service Reserve Fund	\$ 540,956
Cost of Issuance	\$ 250,000
Total Uses	\$ 7,235,000

Rounding	\$ -
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⁽¹⁾ Allocation to bonds.