Capistrano Unified School District

CFD 90-2 (Talega)
Tax Levy Requirements and Reductions as a Result of 2006 Bond Refinancing

Government Financial Strategies inc.

Presented by Lori Raineri

March 7, 2014

Tonight's Agenda

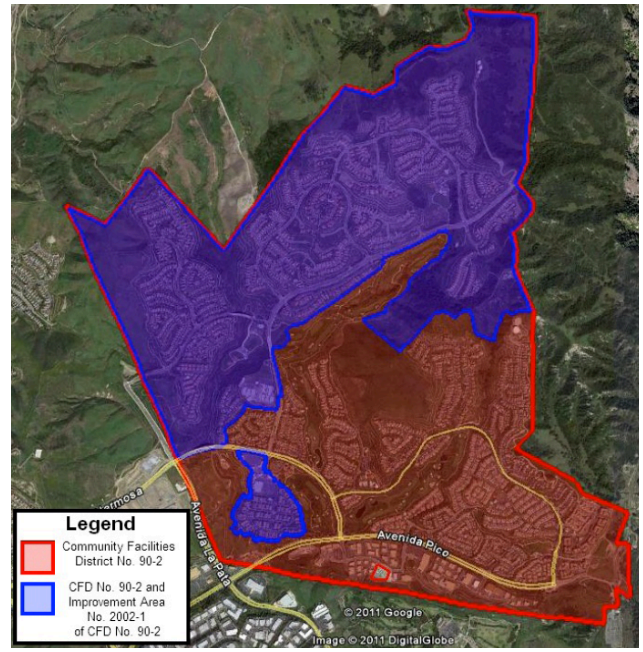
- Review of CFD 90-2 (Talega)
- Refinancing Savings Achieved in 2006
  - Satisfaction of Tax Reduction Requirement
- Mechanics of a Future Tax Reduction
- Recommended Next Steps

Analytical Process

- Reviewed over 1,700 pages of relevant documents
- Analyzed the CFD special taxes and debt service
- Prepared detailed memorandums regarding:
  – Satisfaction of Tax Reduction Requirement
  – Mechanics of a Future Tax Reduction
- The presentation tonight is a summary of the memorandums
  – Memorandums are available on the District website

CFD 90-2 (Talega)

- Formed in 1990
  - One-time tax at building permit
  - $10 million of bonds authorized
- Amended in 1999
  - Annual tax
  - Expires FY 2041-42
  - $50 million of bonds authorized
- Improvement Area added in 2002



Community Facilities District 90-2 (Talega)

Series	Bond Structure	New Money Issuance	Refunding Issuance	Remaining Authorization	Total Net Debt Service
				$50,000,000	
2001	CIBs	$23,050,000	$0	$26,950,000	$52,609,979
2002	CIBs	$17,605,000	$0	$9,345,000	$42,521,519
2006	CIBs	$0	$44,980,000	$9,345,000	$81,094,992
		$40,655,000	$44,980,000		

2006 Refinancing

- **Board Resolution No. 0506-73 adopted April 24, 2006 contained the following paragraph in Section 3:**

  "In satisfaction of the requirements contained in Section 53364.2 of the Act, the Board hereby determines that any savings achieved through the issuance of the Bonds shall be used to reduce special taxes of the District, and such reductions shall be made in accordance with the Act."

✔ **Was this directive accomplished?**

Mello-Roos Community Facilities Act

- **Section 53364.2 of the Act was <u>different</u> in 2006 than it is today, due to substantial amendments as of January 1, 2008.**
- **At the time of refinancing in 2006, the Section read as follows:**

  "Any savings achieved through the issuance of refunding bonds shall be used by the legislative body to reduce the special taxes which were levied to retire the bonds being refunded. At the time the legislative body makes a determination to issue the refunding bonds, it shall determine and cause to be made any reductions in the annual tax levy in the district, which reductions shall be made on a pro rata basis."

  ✔ ***This is a "gateway" statute.***

  ✔ ***The language is challenging.***

Legal Opinion

- **The District received a legal opinion from the law firm Stradling, Yocca, Carlson & Rauth dated July 8, 2006 that said:**

  "The bonds have been duly and validly authorized by the District and are legal, valid and binding…"

✔ ***The District was advised by legal counsel that it had complied with all legal requirements.***

Possible Method for Achieving Savings

- **Board Resolution No. 0506-73 adopted April 24, 2006 contained the following paragraph in Section 6:**

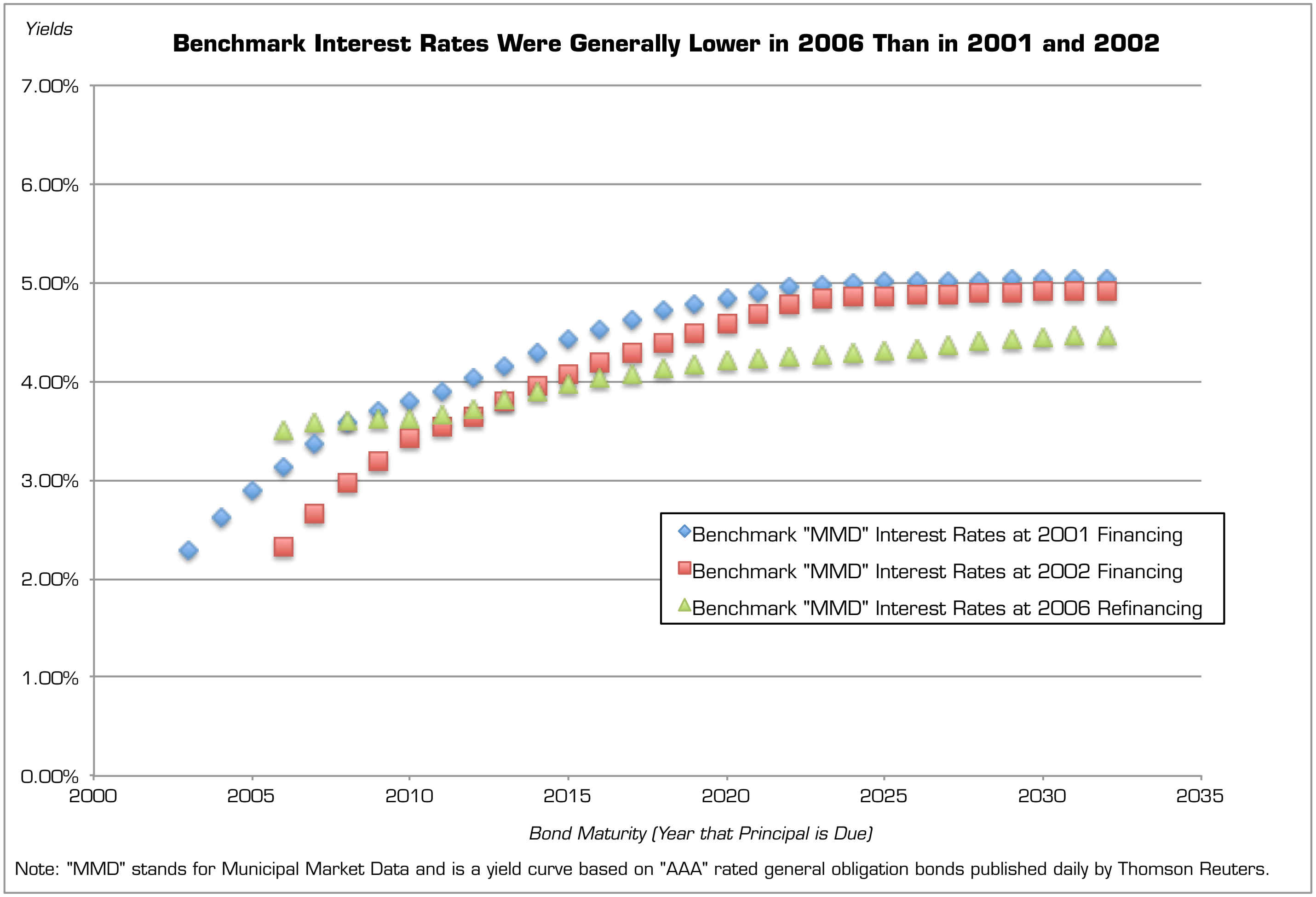
  "The District bond authorization is hereby reduced by $9,345,000 and the final term of the District special tax levy is shortened from fiscal year 2041-42 to fiscal year 2036-37, provided that, notwithstanding the foregoing, the District special tax term shall not be reduced, and the District special tax shall continue to be levied, for so long as the District special tax is needed to pay debt service on bonds of the District."

Hypothesis

- Given that only future levies could be reduced, and
- Given that increase in credit quality (from unrated to "AAA-insured") was significant to achieving refinancing savings:
  - To receive an increase in credit quality required
    - an increase in the debt service coverage ratio and
    - retention of future potential to levy taxes at maximum.
  - Tax levy reductions had to be caused at time of refinancing.
  - Tax levy reductions had to be pro rata.
  - Reductions could not impair the "AAA" credit opportunity
  - The method chosen was to:
    - Reduce future taxation by shortening term of tax AND
    - Eliminate possibility of additional bonds by cancelling authority

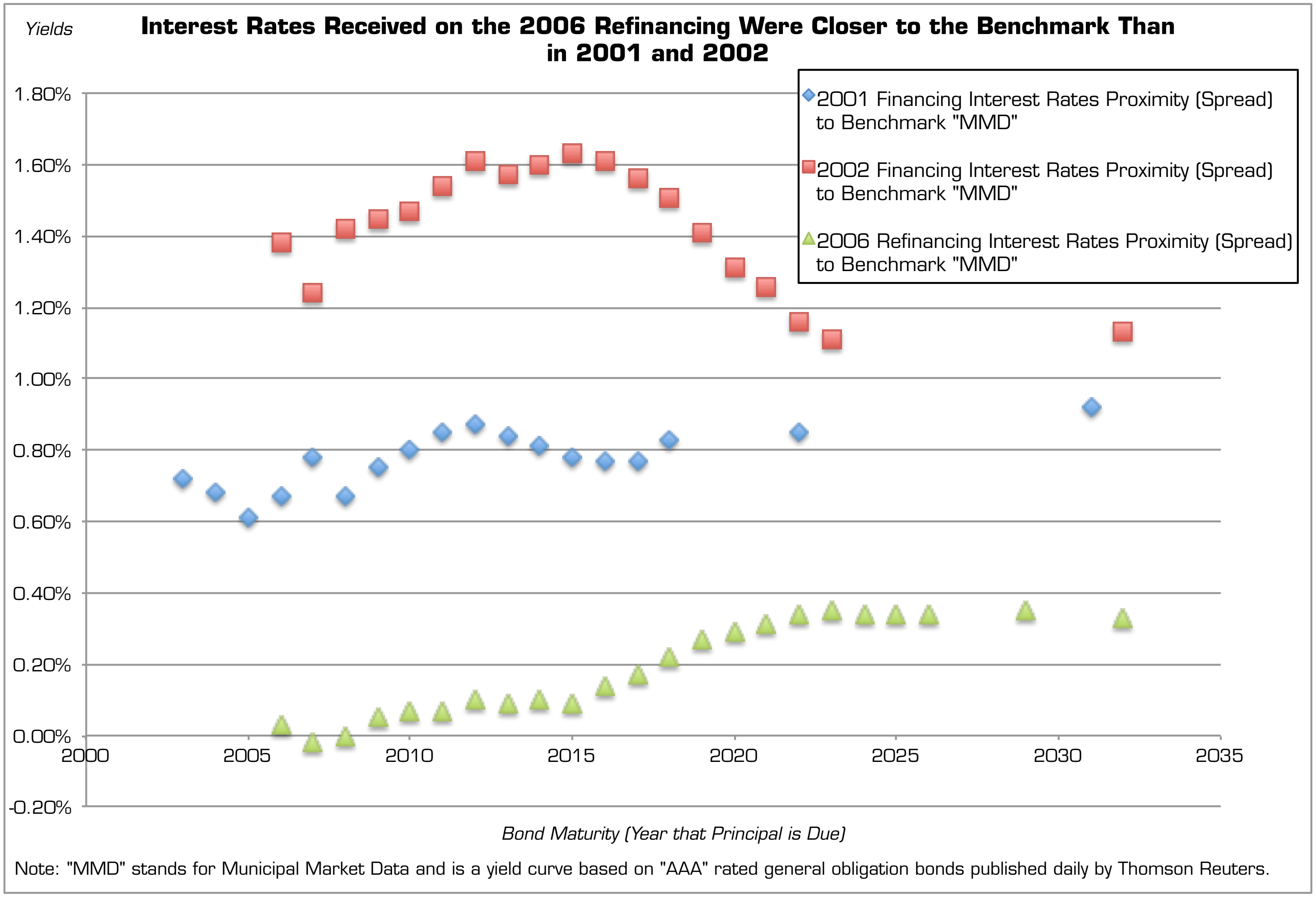
✔ *This hypothesis was tested mathematically.*

Benchmark Rates Mostly Down by 2006



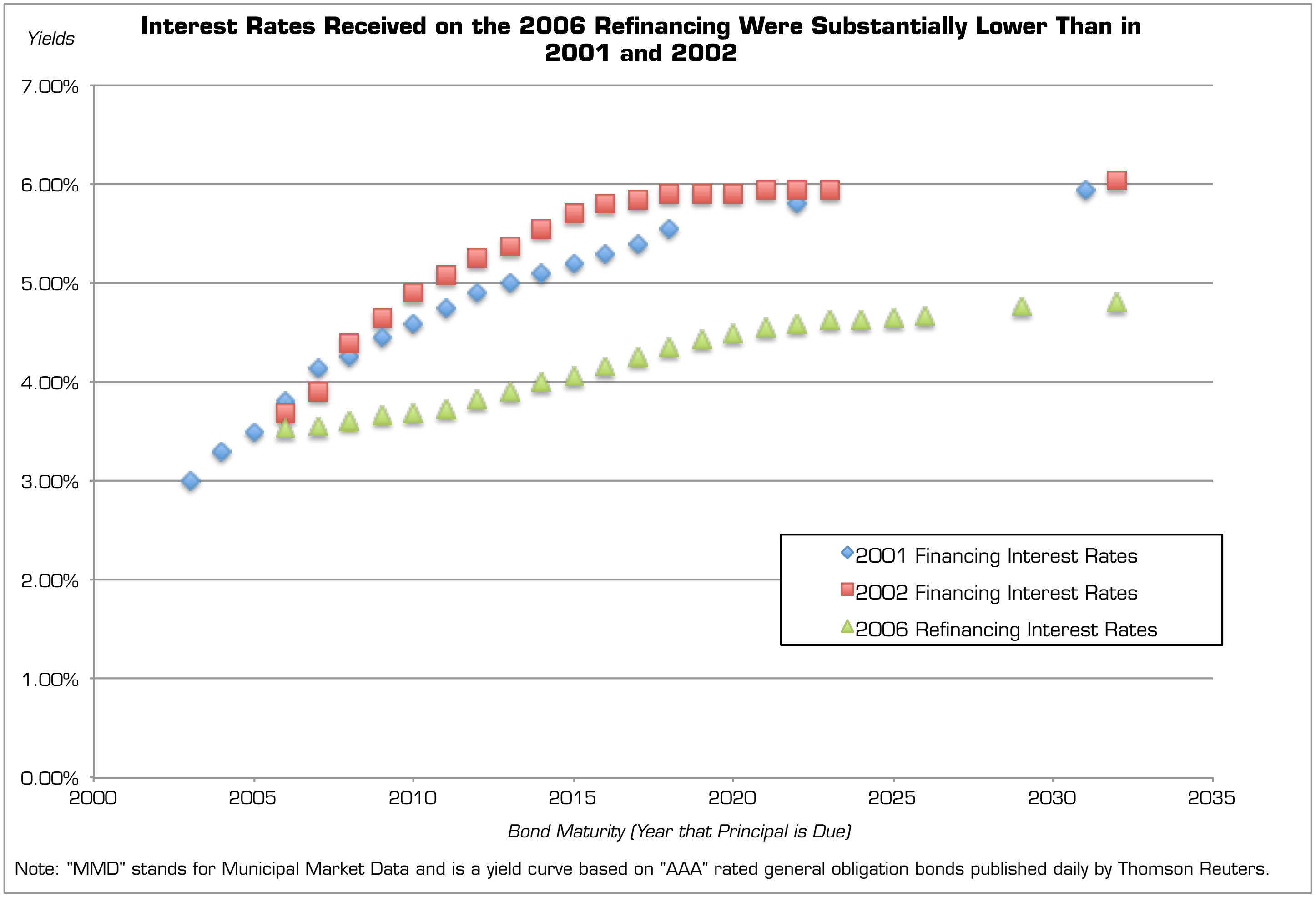
✔ ***Lower borrowing rates likely drove desire to refinance.***

2006 Bonds Better Relative to Benchmark



✔ ***Closer proximity to benchmark reflects improved credit.***

2006 Bonds Have Significantly Lower Rates



✔ ***Lower market + narrower spreads to benchmark ➔ savings.***

Why Improved Credit?

CFD 90-2 (Talega) 2006 Debt Service Coverage Prior to Refinancing

Year Ending	Projected Special Taxes	Combined Prior Debt Service	Coverage Ratio Prior to Refinancing
Sep 1, 2006	$2,304,702	$2,465,574	93%
Sep 1, 2007	$2,796,820	$2,510,664	111%
Sep 1, 2008	$2,852,757	$2,563,316	111%
Sep 1, 2009	$2,909,812	$2,613,116	111%
Sep 1, 2010	$2,968,008	$2,664,726	111%
Sep 1, 2011	$3,027,368	$2,717,779	111%
Sep 1, 2012	$3,087,916	$2,771,779	111%
Sep 1, 2013	$3,149,674	$2,831,459	111%
Sep 1, 2014	$3,212,668	$2,886,109	111%
Sep 1, 2015	$3,276,921	$2,940,371	111%
Sep 1, 2016	$3,342,459	$3,004,184	111%
Sep 1, 2017	$3,409,309	$3,061,391	111%
Sep 1, 2018	$3,477,495	$3,122,051	111%
Sep 1, 2019	$3,547,045	$3,185,226	111%
Sep 1, 2020	$3,617,985	$3,250,364	111%
Sep 1, 2021	$3,690,345	$3,312,756	111%
Sep 1, 2022	$3,764,152	$3,382,263	111%
Sep 1, 2023	$3,839,435	$3,447,888	111%
Sep 1, 2024	$3,916,224	$3,516,550	111%
Sep 1, 2025	$3,994,548	$3,588,981	111%
Sep 1, 2026	$4,074,439	$3,660,156	111%
Sep 1, 2027	$4,155,928	$3,734,481	111%
Sep 1, 2028	$4,239,047	$3,806,063	111%
Sep 1, 2029	$4,323,828	$3,884,313	111%
Sep 1, 2030	$4,410,304	$3,963,044	111%
Sep 1, 2031	$4,498,510	$4,041,369	111%
Sep 1, 2032	$4,588,480	$4,123,400	111%
Sep 1, 2033	$0	$0	
	$96,476,179	$87,049,371	

CFD 90-2 (Talega) 2006 Debt Service Coverage After Refinancing

Year Ending	Projected Special Taxes	Debt Service After Series 2006 Refi*	Coverage Ratio After Refinancing
Sep 1, 2006	$2,304,702	$2,395,089	96%
Sep 1, 2007	$2,796,820	$2,369,564	118%
Sep 1, 2008	$2,852,757	$2,418,764	118%
Sep 1, 2009	$2,909,812	$2,465,364	118%
Sep 1, 2010	$2,968,008	$2,514,364	118%
Sep 1, 2011	$3,027,368	$2,565,564	118%
Sep 1, 2012	$3,087,916	$2,618,764	118%
Sep 1, 2013	$3,149,674	$2,673,764	118%
Sep 1, 2014	$3,212,668	$2,725,364	118%
Sep 1, 2015	$3,276,921	$2,773,564	118%
Sep 1, 2016	$3,342,459	$2,835,851	118%
Sep 1, 2017	$3,409,309	$2,890,901	118%
Sep 1, 2018	$3,477,495	$2,946,226	118%
Sep 1, 2019	$3,547,045	$3,004,914	118%
Sep 1, 2020	$3,617,985	$3,071,914	118%
Sep 1, 2021	$3,690,345	$3,128,226	118%
Sep 1, 2022	$3,764,152	$3,193,646	118%
Sep 1, 2023	$3,839,435	$3,252,906	118%
Sep 1, 2024	$3,916,224	$3,319,031	118%
Sep 1, 2025	$3,994,548	$3,388,181	118%
Sep 1, 2026	$4,074,439	$3,454,906	118%
Sep 1, 2027	$4,155,928	$3,528,981	118%
Sep 1, 2028	$4,239,047	$3,596,419	118%
Sep 1, 2029	$4,323,828	$3,670,069	118%
Sep 1, 2030	$4,410,304	$3,739,238	118%
Sep 1, 2031	$4,498,510	$3,818,694	118%
Sep 1, 2032	$4,588,480	$3,902,513	118%
Sep 1, 2033	$0	$0	
	$96,476,179	$82,262,779	

✔ ***Higher coverage ratio ➔ improved credit ➔ Lower interest rates***

Savings from Refinancing was $4.8 Million

CFD 90-2 (Talega) 2006 Refinancing Savings

Year Ending	Series 2001 Debt Service	Series 2002 Debt Service	Combined Prior Debt Service	Debt Service After Series 2006 Refi*	Series 2006 Refi Savings
Sep 1, 2006	$1,410,468	$1,055,106	$2,465,574	$2,395,089	$70,485
Sep 1, 2007	$1,436,098	$1,074,566	$2,510,664	$2,369,564	$141,100
Sep 1, 2008	$1,465,080	$1,098,236	$2,563,316	$2,418,764	$144,553
Sep 1, 2009	$1,497,430	$1,115,686	$2,613,116	$2,465,364	$147,753
Sep 1, 2010	$1,527,640	$1,137,086	$2,664,726	$2,514,364	$150,363
Sep 1, 2011	$1,555,680	$1,162,099	$2,717,779	$2,565,564	$152,215
Sep 1, 2012	$1,586,430	$1,185,349	$2,771,779	$2,618,764	$153,015
Sep 1, 2013	$1,619,525	$1,211,934	$2,831,459	$2,673,764	$157,695
Sep 1, 2014	$1,649,775	$1,236,334	$2,886,109	$2,725,364	$160,745
Sep 1, 2015	$1,682,080	$1,258,291	$2,940,371	$2,773,564	$166,808
Sep 1, 2016	$1,716,080	$1,288,104	$3,004,184	$2,835,851	$168,333
Sep 1, 2017	$1,751,400	$1,309,991	$3,061,391	$2,890,901	$170,490
Sep 1, 2018	$1,787,650	$1,334,401	$3,122,051	$2,946,226	$175,825
Sep 1, 2019	$1,824,425	$1,360,801	$3,185,226	$3,004,914	$180,313
Sep 1, 2020	$1,861,113	$1,389,251	$3,250,364	$3,071,914	$178,450
Sep 1, 2021	$1,898,300	$1,414,456	$3,312,756	$3,128,226	$184,530
Sep 1, 2022	$1,935,706	$1,446,556	$3,382,263	$3,193,646	$188,616
Sep 1, 2023	$1,973,050	$1,474,838	$3,447,888	$3,252,906	$194,981
Sep 1, 2024	$2,012,250	$1,504,300	$3,516,550	$3,319,031	$197,519
Sep 1, 2025	$2,055,281	$1,533,700	$3,588,981	$3,388,181	$200,800
Sep 1, 2026	$2,096,556	$1,563,600	$3,660,156	$3,454,906	$205,250
Sep 1, 2027	$2,135,781	$1,598,700	$3,734,481	$3,528,981	$205,500
Sep 1, 2028	$2,177,663	$1,628,400	$3,806,063	$3,596,419	$209,644
Sep 1, 2029	$2,221,613	$1,662,700	$3,884,313	$3,670,069	$214,244
Sep 1, 2030	$2,267,044	$1,696,000	$3,963,044	$3,739,238	$223,806
Sep 1, 2031	$2,313,369	$1,728,000	$4,041,369	$3,818,694	$222,675
Sep 1, 2032	$0	$4,123,400	$4,123,400	$3,902,513	$220,888
Sep 1, 2033	$0	$0	$0	$0	$0
	$47,457,485	$39,591,886	$87,049,371	$82,262,779	$4,786,593

*2005-06 payment includes both refinancing debt service due 9/1/06 and prior bonds debt service due 3/1/06.
Totalling of debt service is only for years shown (beginning 2005-06).

The Board Took 2 Actions to Reduce Taxes

- **Reduce future taxation by shortening term of tax**
  - **This saved $26.9 million**

CFD 90-2 (Talega) Special Tax Savings
As Estimated at Time of 2006 Refinancing

Year Ending	***Savings***
Sep 1, 2038	$5,167,374
Sep 1, 2039	$5,270,721
Sep 1, 2040	$5,376,136
Sep 1, 2041	$5,483,658
Sep 1, 2042	$5,593,332
	$26,891,220

*At time of Series 2006 Refinancing, special taxes were assumed to increase 2% annually with no additional development beyond permits issued as of March 1, 2006 per Official Statement. For Years Ending September 1, 2038 through September 1, 2042, the assumed increase of 2% annually was extended.

- **Eliminated possibility of additional bonds**
  - **$9,345,000 in cancelled principal**
  - **$14.0 to $18.7 million in estimated total debt service**

Each Board Action Saved > $4.8 Million

CFD 90-2 Estimated Taxpayer Savings

Series 2006 Refinancing Savings	Bonds Cancelled	Low Estimate of Debt Service Savings(1)	High Estimate of Debt Service Savings(2)	Estimated Special Tax Savings(3)
$4,786,593	$9,345,000	$14,017,500	$18,690,000	$26,891,220
Ratio of Taxpayer Savings to Debt Service Savings	1.95	2.93	3.90	5.62

Notes:
(1) Based on bonds cancelled and debt service ratio of 1.5
(2) Based on bonds cancelled and debt service ratio of 2.0
(3) As estimated at time of 2006 refinancing.

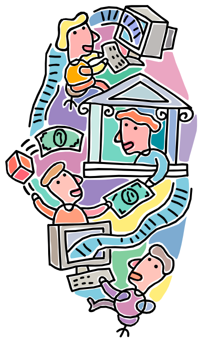
✔ ***The Board's action <u>at the time</u> of refinancing to reduce remaining bond authorization to $0 and shorten term of tax by 5 years saved well in excess of the $4.8 million of debt service savings from refinancing.***

Conclusion

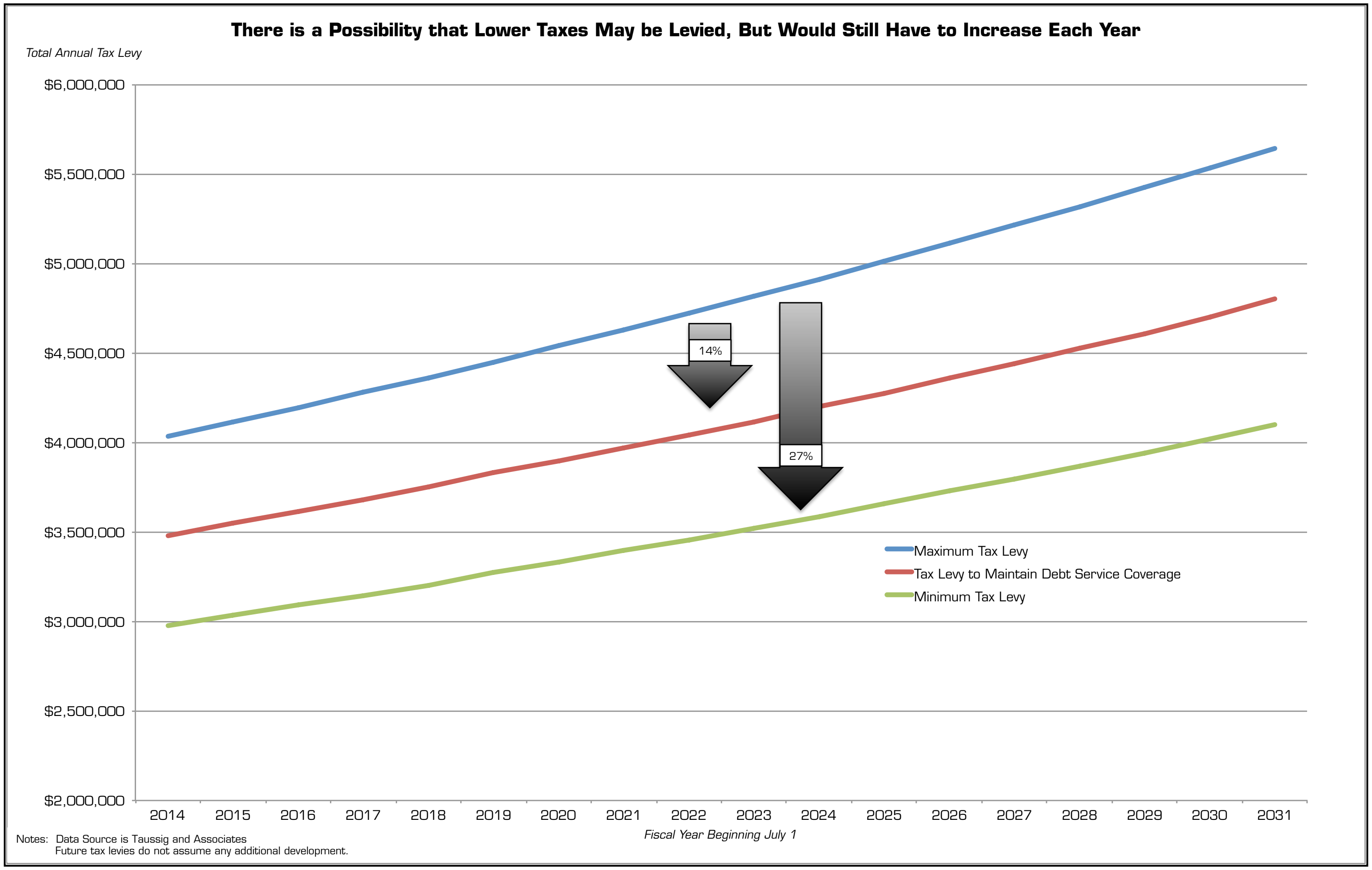
- The District satisfied the tax reduction requirement at the time.

- The District can now consider levying taxes in the future at a level sufficient to comply with bond covenants rather than the maximum.

✔ *Let's look at the mechanics of reducing future tax levies.*



Taxes Could be Levied Lower than the Max.



✔ ***However, caution is advised given legal complexity.***

Levy of Special Tax Related to Bonds

- **The Bond Indenture states on page 34:**

- ***"… the District covenants to levy the Special Tax in an amount sufficient, together with other amounts on deposit in the Special Tax Fund and deemed available for such purpose, to pay (1) the principal (including Sinking Fund Payments) of and interest on the bonds when due, (2) to the extent permitted by law, the Administrative Expenses, and (3) any amounts required to replenish the Reserve Account..."***

✔ ***The annual tax levy needs to be sufficient, not maximum.***

✔ ***There are also bond covenants that the District will not reduce the maximum tax.***

Bond Indenture Covenants re: Max Tax

- **From Page 36:**
  - ***"... the District hereby does covenant, that it will take no action that would discontinue or cause the discontinuance of the Special Tax levy or the District's authority to levy the Special Tax, including the initiation of proceedings to reduce the maximum Special Tax rates for the District."***
  - ***"... Covenants to Defend. The District covenants that in the event that any initiative is adopted ... which purports to reduce the maximum Special Tax ... or to limit the power of the District to levy the Special Taxes ... it will commence and pursue legal action in order to preserve its ability to comply with such covenants."***

Taxes Required for More Than Bonds?

- **The Amended and Restated Rate and Method of Apportionment states:**

  "Special Tax Requirement" means that amount required in any Fiscal Year for CFD No. 90-2 to: (i) pay debt service on all Outstanding Bonds; (ii) pay periodic costs on the Bonds, including but not limited to, credit enhancement and rebate payments on the Bonds; (iii) pay reasonable Administrative Expenses; (iv) pay any amounts required to establish or replenish any reserve funds for all Outstanding Bonds; (v) pay directly for construction of CFD No. 90-2 facilities eligible under the Act to the extent that the inclusion of such amount does not increase the Special Tax levy on Undeveloped Property or Undeveloped Non-Residential Property; and (vi) pay for reasonably anticipated delinquent Special Taxes based on the delinquency rate for Special Taxes levied in the previous Fiscal Year; (vii) less a credit for funds available to reduce the annual Special Tax levy, as determined by the CFD Administrator pursuant to the Indenture

✔ ***We recommend the District obtain a legal opinion determining whether there is an obligation to use all possible resources to complete the eligible facilities projects.***

Possible Claims?

- **The Amendment No. 1 To Mitigation Agreement states:**

> ***"… the Purchase Price therefor shall be payable solely from CFD No. 90-2 Bond proceeds and 50% of Surplus Special Taxes, if any, which may be available therefor pursuant to the terms of this Section… The parties hereto agree that when the District is no longer permitted to levy special taxes any obligation hereunder, including without limitation the <u>obligation to pay the Purchase Price</u>, shall terminate."***

✔ ***We recommend the District obtain a legal opinion determining twhether there are possible claims by the party to this contract (Talega Associates) or its successors.***

How Much Can Tax Levies Be Reduced?

- Two approaches
  - reduce taxation to the <u>minimum level of sufficiency</u> each year when taxes are levied.
  - Because the 2006 bonds were issued with AAA-insured rating and there was a projection of debt service coverage through maturity, it seems like sufficiency should include maintaining the debt service coverage at the initial level.

✔ *We recommend the District obtain a legal opinion addressing whether there is legal exposure stemming from past disclosures to the bond market.*

Sufficiency with Debt Service Coverage

Tax Levy if DSC Maintained at Level Similar to When 2006 Bonds Were Issued

Fiscal Year	Annual Debt Service	Administrative Expenses	Subtotal	Pay-As-You-Go	Total Levy	Debt Service Coverage (Total Levy ÷ Gross D.S.)
2006 -07	$2,369,564	$208,748	$2,578,312	$332,526	$2,910,838	123%
2007 -08	$2,418,764	$197,727	$2,616,491	$620,675	$3,237,166	134%
2008 -09	$2,465,364	$10,426	$2,475,790	$994,638	$3,470,428	141%
2009 -10	$2,514,364	$198,752	$2,713,116	$865,783	$3,578,899	142%
2010 -11	$2,565,564	$199,092	$2,764,656	$927,550	$3,692,206	144%
2011 -12	$2,618,764	$199,363	$2,818,127	$964,583	$3,782,710	144%
2012 -13	$2,673,764	$105,638	$2,779,402	$1,095,050	$3,874,452	145%
2013 -14	$2,725,364	$105,870	$2,831,234	$1,120,450	$3,951,684	145%
2014 -15	$2,773,564	$199,870	$2,973,434	$505,484	$3,478,918 -12%	125%
2015 -16	$2,835,851	$199,870	$3,035,721	$516,073	$3,551,794	125%
2016 -17	$2,890,901	$199,870	$3,090,771	$525,431	$3,616,202	125%
2017 -18	$2,946,226	$199,870	$3,146,096	$534,836	$3,680,933	125%
2018 -19	$3,004,914	$199,870	$3,204,784	$544,813	$3,749,597	125%
2019 -20	$3,071,914	$199,870	$3,271,784	$556,203	$3,827,987	125%
2020 -21	$3,128,226	$199,870	$3,328,096	$565,776	$3,893,873	124%
2021 -22	$3,193,646	$199,870	$3,393,516	$576,898	$3,970,414	124%
2022 -23	$3,252,906	$199,870	$3,452,776	$586,972	$4,039,748	124%
2023 -24	$3,319,031	$199,870	$3,518,901	$598,213	$4,117,114	124%
2024 -25	$3,388,181	$199,870	$3,588,051	$609,969	$4,198,020	124%
2025 -26	$3,454,906	$199,870	$3,654,776	$621,312	$4,276,088	124%
2026 -27	$3,528,981	$199,870	$3,728,851	$633,905	$4,362,756	124%
2027 -28	$3,596,419	$199,870	$3,796,289	$645,369	$4,441,658	124%
2028 -29	$3,670,069	$199,870	$3,869,939	$657,890	$4,527,828	123%
2029 -30	$3,739,238	$199,870	$3,939,108	$669,648	$4,608,756	123%
2030 -31	$3,818,694	$199,870	$4,018,564	$683,156	$4,701,720	123%
2031 -32	$3,902,513	$199,870	$4,102,383	$697,405	$4,799,788	123%
	$79,867,692	$4,823,276	$84,690,968	$17,650,608	$102,341,576	

Data source: Taussig and Associates, Projection Based on Maintaining DSC at Level Similar to 2006 Projection

Actual

Such a Reduction Ranges from 14% to 15%

- **As a starting place, below is the tax levy if the coverage ratio was maintained at approximately the same level as what actually occurred in FY 2006-07:**

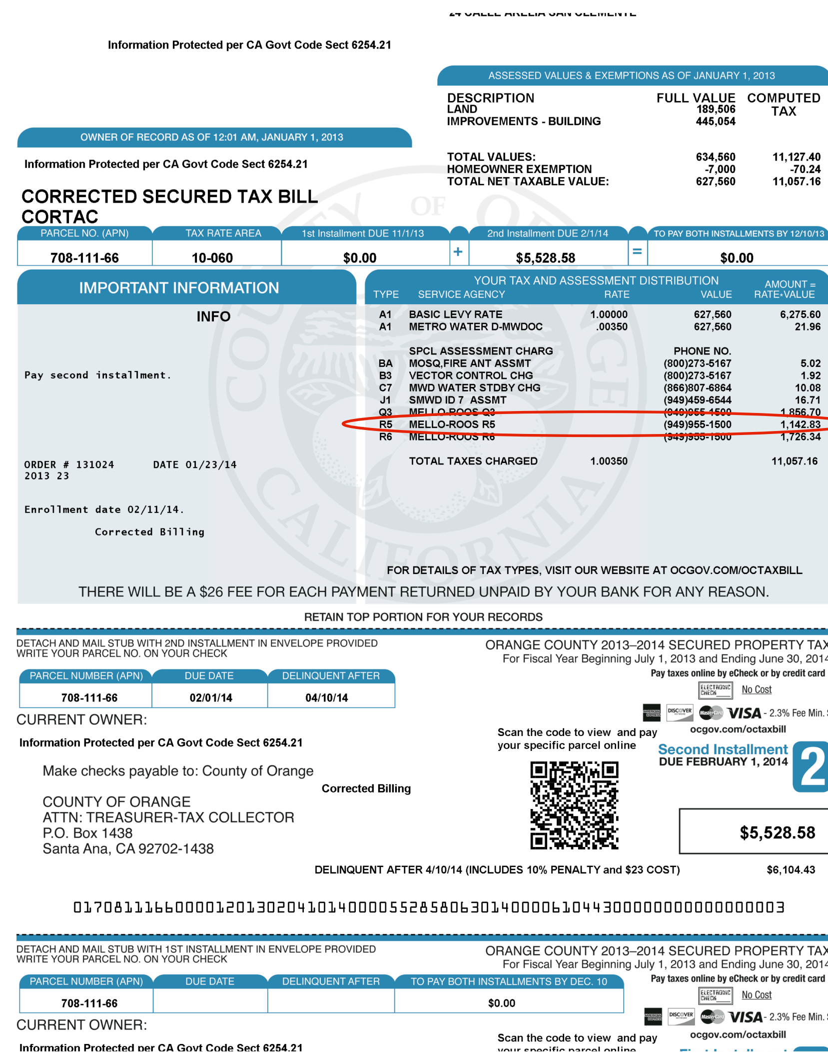
Comparison of DSC Maintenance and Maximum Tax Levies

Fiscal Year	Tax Levy w/Maintenance of DSC	Maximum Tax Levy	Dollar Difference	% Difference
2014 -15	$3,478,918	$4,030,717	($551,800)	-13.69%
2015 -16	$3,551,794	$4,111,332	($559,538)	-13.61%
2016 -17	$3,616,202	$4,193,558	($577,356)	-13.77%
2017 -18	$3,680,933	$4,277,430	($596,497)	-13.95%
2018 -19	$3,749,597	$4,362,978	($613,381)	-14.06%
2019 -20	$3,827,987	$4,450,238	($622,251)	-13.98%
2020 -21	$3,893,873	$4,539,242	($645,370)	-14.22%
2021 -22	$3,970,414	$4,630,027	($659,613)	-14.25%
2022 -23	$4,039,748	$4,722,628	($682,880)	-14.46%
2023 -24	$4,117,114	$4,817,080	($699,966)	-14.53%
2024 -25	$4,198,020	$4,913,422	($715,402)	-14.56%
2025 -26	$4,276,088	$5,011,690	($735,602)	-14.68%
2026 -27	$4,362,756	$5,111,924	($749,168)	-14.66%
2027 -28	$4,441,658	$5,214,163	($772,505)	-14.82%
2028 -29	$4,527,828	$5,318,446	($790,618)	-14.87%
2029 -30	$4,608,756	$5,424,815	($816,059)	-15.04%
2030 -31	$4,701,720	$5,533,311	($831,592)	-15.03%
2031 -32	$4,799,788	$5,643,977	($844,190)	-14.96%
	$102,341,576	$114,805,363	($12,463,787)	

Data source: Taussig and Associates

How Reduction Would Appear on Tax Bill

- Tax bill for a home in CFD 90-2 paying the median CFD 90-2 tax of $1,142.83:
- Total property taxes for this home are $11,057.16.
- 10% reduction in CFD 90-2 property tax = $114.28 savings (savings is 1.03% of total taxes)
- 15% reduction in CFD 90-2 property tax = $171.42 savings (savings is 1.55% of total taxes)



Information Protected per CA Govt Code Sect 6254.21

ASSESSED VALUES & EXEMPTIONS AS OF JANUARY 1, 2013

DESCRIPTION	FULL VALUE	COMPUTED TAX
LAND	189,506	
IMPROVEMENTS - BUILDING	445,054	
TOTAL VALUES:	634,560	11,127.40
HOMEOWNER EXEMPTION	-7,000	-70.24
TOTAL NET TAXABLE VALUE:	627,560	11,057.16

OWNER OF RECORD AS OF 12:01 AM, JANUARY 1, 2013

Information Protected per CA Govt Code Sect 6254.21

CORRECTED SECURED TAX BILL
CORTAC

PARCEL NO. (APN)	TAX RATE AREA	1st Installment DUE 11/1/13		2nd Installment DUE 2/1/14		TO PAY BOTH INSTALLMENTS BY 12/10/13
708-111-66	10-060	$0.00	+	$5,528.58	=	$0.00

IMPORTANT INFORMATION

INFO

Pay second installment.

ORDER # 131024 DATE 01/23/14
2013 23

Enrollment date 02/11/14.

Corrected Billing

YOUR TAX AND ASSESSMENT DISTRIBUTION

TYPE	SERVICE AGENCY	RATE	VALUE	AMOUNT = RATE*VALUE
A1	BASIC LEVY RATE	1.00000	627,560	6,275.60
A1	METRO WATER D-MWDOC	.00350	627,560	21.96
	SPCL ASSESSMENT CHARG		PHONE NO.	
BA	MOSQ,FIRE ANT ASSMT		(800)273-5167	5.02
B3	VECTOR CONTROL CHG		(800)273-5167	1.92
C7	MWD WATER STDBY CHG		(866)807-6864	10.08
J1	SMWD ID 7 ASSMT		(949)459-6544	16.71
Q3	MELLO-ROOS Q3		(949)955-1500	1,856.70
R5	MELLO-ROOS R5		(949)955-1500	1,142.83
R6	MELLO-ROOS R6		(949)955-1500	1,726.34
	TOTAL TAXES CHARGED	1.00350		11,057.16

FOR DETAILS OF TAX TYPES, VISIT OUR WEBSITE AT OCGOV.COM/OCTAXBILL

THERE WILL BE A $26 FEE FOR EACH PAYMENT RETURNED UNPAID BY YOUR BANK FOR ANY REASON.

RETAIN TOP PORTION FOR YOUR RECORDS

DETACH AND MAIL STUB WITH 2ND INSTALLMENT IN ENVELOPE PROVIDED
WRITE YOUR PARCEL NO. ON YOUR CHECK

ORANGE COUNTY 2013–2014 SECURED PROPERTY TAX
For Fiscal Year Beginning July 1, 2013 and Ending June 30, 2014

Pay taxes online by eCheck or by credit card
ELECTRONIC CHECK No Cost
VISA - 2.3% Fee Min. $
ocgov.com/octaxbill

PARCEL NUMBER (APN)	DUE DATE	DELINQUENT AFTER
708-111-66	02/01/14	04/10/14

CURRENT OWNER:

Information Protected per CA Govt Code Sect 6254.21

Scan the code to view and pay your specific parcel online

Second Installment
DUE FEBRUARY 1, 2014
2

Make checks payable to: County of Orange

Corrected Billing

COUNTY OF ORANGE
ATTN: TREASURER-TAX COLLECTOR
P.O. Box 1438
Santa Ana, CA 92702-1438

$5,528.58

DELINQUENT AFTER 4/10/14 (INCLUDES 10% PENALTY and $23 COST) $6,104.43

0170811166000012013020410140000552858063014000061044300000000000000003

DETACH AND MAIL STUB WITH 1ST INSTALLMENT IN ENVELOPE PROVIDED
WRITE YOUR PARCEL NO. ON YOUR CHECK

ORANGE COUNTY 2013–2014 SECURED PROPERTY TAX
For Fiscal Year Beginning July 1, 2013 and Ending June 30, 2014

Pay taxes online by eCheck or by credit card
ELECTRONIC CHECK No Cost
VISA - 2.3% Fee Min. $
ocgov.com/octaxbill

PARCEL NUMBER (APN)	DUE DATE	DELINQUENT AFTER	TO PAY BOTH INSTALLMENTS BY DEC. 10
708-111-66			$0.00

CURRENT OWNER:

Information Protected per CA Govt Code Sect 6254.21

Scan the code to view and pay

Recommended Next Steps

- Obtain a legal opinion to address 3 questions:
  - Is there an obligation to use all possible resources to complete all feasible facilities projects or to meet the standard of service described in the 1999 amendment?
  - Is there any possible claim to CFD 90-2 taxes other than those used to pay costs related to the 2006 bonds, CFD administrative costs or authorized facilities expenditures?
  - Is there any exposure from differences in past disclosure to investors (or the bond insurer) if the District levies taxes at less than the maximum?
- If the Board would like to proceed with reducing tax levies, we recommend maintaining a coverage ratio at least consistent with what occurred in FY 2006-07.
  - This would result in a 14% - 15% reduction each year.

Questions