
Memorandum

To: Geoff Smith, Lennar Homes
Date: October 27, 2015
Subject: Tract No. 36391 CFD Memo

Geoff,

Per your request, we have prepared this memo to provide you with a summary of proposed Jurupa Community Services District CFD No. 46, proposed Corona-Norco Unified School District CFD No. 15-2, proposed City of Jurupa Valley CFD No. 2015-001 and proposed Jurupa Area Recreation and Park District CFD No. 2015-1 applicable to the 464 lots proposed within Tract No. 36391 in the City of Jurupa Valley known as “Riverbend” (the “Project”). The Project lies within the jurisdictional boundaries of the City of Jurupa Valley (“City”), Jurupa Community Services District (“JCSD”), Jurupa Area Recreation and Parks District (“JARPD”) and Corona-Norco Unified School District (“CNUSD”).

JARPD Maintenance CFD No. 2015-1 (“JARPD Services CFD”):

The Project has commenced the formation process to form the JARPD Services CFD for landscape and park maintenance services. Per JARPD’s special tax consultant, the estimated annual special tax amount is proposed to be \$840 per dwelling unit for fiscal year 2016/17. This amount is subject to escalate annually by the greater of 1) an amount equal to the percentage increase during the preceding calendar year in the CPI or 2) three percent (3%). The special tax will be authorized to be levied in perpetuity and will not include provisions to prepay the annual special tax obligation.

City Maintenance CFD No. 2015-001 (“City Services CFD”):

The Project has commenced the formation process to form the City Services CFD for streetscapes, slopes and detention basin maintenance services. Per the City’s special tax consultant, the estimated annual special tax amount is proposed to be \$1,744 per dwelling unit for fiscal year 2016/17. This amount is subject to escalate annually by the greater of 1) an amount equal to the percentage increase during the preceding calendar year in the CPI with a maximum annual increase of six percent (6%) or 2) two percent (2%). The special tax will be authorized to be levied in perpetuity and will not include provisions to prepay the annual special tax obligation.

Proposed Jurupa Community Services District CFD No. 46 (“JCSD CFD”):

The Project has commenced the formation process to form the JCSD CFD to fund the Project’s sewer and water fee obligations which is currently estimated to be \$13,170 per dwelling unit. The currently proposed JCSD CFD special taxes range from \$1,168 to \$1,494 per dwelling unit.

As currently proposed, the JCSD CFD special taxes will remain level and may be levied on the property up until fiscal year 2060-61. Pursuant to the draft Rate and Method of Apportionment for the JCSD CFD, there is a prepayment option to prepay in part or full. Below is a summary of the estimated prepayment amounts for the JCSD CFD:

PA	Plan	No. of Units	Square Footage	Proposed Special Tax	Estimated Prepay/DU	Total Prepayments
1	1	38	2,000	\$ 1,168	\$ 13,692	\$ 520,296
1	2	38	2,200	1,168	13,692	520,296
1	3	38	2,400	1,252	13,692	520,296
2	1	47	2,400	1,252	13,692	643,524
2	2	47	2,600	1,252	13,692	643,524
2	3	47	2,800	1,340	13,916	654,052
3	1	37	2,800	1,340	13,916	514,892
3	2	37	3,000	1,340	13,916	514,892
3	3	36	3,200	1,431	14,844	534,384
4	1	33	3,200	1,431	14,844	489,852
4	2	33	3,400	1,431	14,844	489,852
4	3	33	3,600	1,494	15,487	511,071
Total		464				\$ 6,556,931

Proposed Corona-Norco Unified School District CFD No. 15-2 (“CNUSD CFD”):

The Project has commenced the formation process to form the CNUSD CFD to fund school fees and JARPD park improvements which are currently estimated to be \$21,323 per dwelling unit for the Project. Pursuant to the draft Rate and Method of Apportionment for the CNUSD CFD (“RMA”), the proposed CNUSD CFD special taxes range from \$1,618 to \$2,422 per dwelling unit. As currently proposed, the CNUSD CFD special taxes will remain level and may be levied on the property up until fiscal year 2060-61. The draft RMA for the CNUSD CFD does allow the CFD special tax obligation to be prepaid in full or partially. Below is a summary of the estimated prepayment amounts for the CNUSD CFD:

PA	Plan	No. of Units	Square Footage	Proposed Special Tax	Proposed Alt. Special Tax	Maximum Special Tax	Estimated Prepay/DU	Total Prepayments
1	1	38	2,000	\$ 1,618	\$ 2,028	\$ 2,028	\$ 31,175	\$ 1,184,663
1	2	38	2,200	1,742	2,028	2,028	31,175	1,184,663
1	3	38	2,400	1,824	2,028	2,028	31,175	1,184,663
2	1	47	2,400	1,824	2,028	2,028	31,175	1,465,241
2	2	47	2,600	1,954	2,028	2,028	31,175	1,465,241
2	3	47	2,800	2,042	2,028	2,042	31,391	1,475,356
3	1	37	2,800	2,042	2,028	2,042	31,391	1,161,450
3	2	37	3,000	2,191	2,028	2,191	33,681	1,246,198
3	3	36	3,200	2,266	2,028	2,266	34,834	1,254,023
4	1	33	3,200	2,266	2,028	2,266	34,834	1,149,521
4	2	33	3,400	2,347	2,028	2,347	36,079	1,190,612
4	3	33	3,600	2,422	2,028	2,422	37,232	1,228,659
Total		464						\$ 15,190,287