



# Annual Disclosure Report Fiscal Year Ending June 30, 2021

**Riverside County  
Community Facilities District No. 03-1  
(Newport Road)  
Special Tax Refunding Bonds, Series 2014**

Prepared For



March 2022



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### CUSIP Numbers

Year	CUSIP	Year	CUSIP	Year	CUSIP
2022	76911FSL9	2025	76911FSP0	2030	76911FSQ8
2023	76911FSM7				
2024	76911FSN5				

The information herein for Community Facilities District No. 03-1 of the County of Riverside, (the “District” or “CFD No. 03-1”) was prepared by Webb Municipal Finance, LLC and the Riverside County Executive Office, as Administrators. Except as otherwise noted all information is current as of September 30, 2021.

**Community Facilities District No. 03-1  
(Newport Road)  
Special Tax Refunding Bonds, Series 2014**

**Project Description**

The District was formed to fund the acquisition and construction of facilities including Newport Road as a six lane urban arterial with raised center median from Menifee Road to Winchester Road (State Highway 79) with required drainage appurtenances and connectors to existing streets. All of the public facilities funded have been accepted/dedicated by the appropriate public agency.

**Project Location**

The District is irregular in shape and consists of low mountains to rolling hills and level farm land. The district is generally located in the Menifee/Winchester Valley area, partially in the eastern portion of the City of Menifee and partially in an unincorporated portion of south Riverside County, about 35 miles southeast of the City of Riverside and 65 miles north of San Diego, west of the City of Hemet and north of the cities of Murrieta and Temecula. Specifically, the District is located east of Menifee Road, south of Simpson Road, north of Holland Road and west of Highway 79.

**Series 2014 Bonds**

The Special Tax Refunding Bonds, Series 2014 (the “Bonds”) in the amount of \$14,390,000, with interest rates ranging from 2.00% to 5.00% were issued on December 16, 2014, to refund the District’s outstanding Special Tax Bonds, Series 2004 maturing on and after September 1, 2015. Interest on the Bonds is payable semi-annually on March 1 and September 1. The date for the final maturity of Bonds is September 1, 2030. The amount of Series 2014 Bonds Outstanding as of September 30, 2021 is \$9,020,000.

There are no remaining unissued bonds authorized for the District.

A Special Tax is levied each year to pay the principal and interest obligations on the Bonds of the District. The amount levied each year is determined by the Special Tax formula and can vary from year to year but shall not exceed the maximum authorized (or permitted) Special Tax rates. The amount levied for Fiscal Year 2021-22 was \$1,338,112.54.

Table 2-1  
Special Tax Levy

Land Use Category	Description	Parcels	Special Tax Levied FY 2021-22	Maximum Tax FY 2021-22	% of Maximum <sup>1</sup> Tax	Series 2014 Bonds Outstanding	Total Assessed Value FY 2021-22	Value-to-Lien Ratio
Developed	Single Family Property	3,099	\$718,968	\$732,461	98.16%	\$4,846,447	\$720,794,667	148.73:1
Developed	Non-Residential Property	8	\$9,503	\$9,503	100.00%	\$64,056	\$20,443,377	319.15:1
IA	Initial Taxable Property	31	\$291,677	\$584,371	49.91%	\$1,966,149	\$13,755,306	7.00:1
UP	Undeveloped Property	657	\$317,965	\$637,049	49.91%	\$2,143,348	\$59,051,841	27.55:1
<b>Total</b>		<b>3,795</b>	<b>\$1,338,113</b>	<b>\$1,963,384</b>	<b>68.15%</b>	<b>\$9,020,000</b>	<b>\$814,045,191</b>	<b>90.25:1</b>

<sup>1</sup> Percentages represent the amount of the FY 2021-22 Special Tax Levy relative to the Maximum Tax for each Land Use Category.

The following tables present certain property ownership data, parcel information, and the development status of the District.

**Table 3-1**  
**Largest Property Owners Based on Total Special Taxes Levied**  
**Fiscal Year 2021-22**

Owner	Parcels	Total Special Taxes FY 2021-22	% of Total Special Taxes	Total AV <sup>2</sup> FY 2021-22	% of Total AV
SR CONESTOGA	318	\$129,797.16	9.70%	\$7,177,747	0.88%
SAN PEDRO FARM RANCON	1	\$65,453.84	4.89%	\$1,598,393	0.20%
WTDR MEMORIAL LLC	12	\$64,161.42	4.79%	\$2,352,831	0.29%
KB HOME COASTAL INC	176	\$62,407.12	4.66%	\$14,785,075	1.82%
FORESTAR USA REAL ESTATE GROUP INC	239	\$55,448.00	4.14%	\$4,535,724	0.56%
LENNAR HOMES OF CA INC	231	\$53,592.00	4.01%	\$4,839,450	0.59%
LA VENTANA 242	222	\$51,504.00	3.85%	\$1,331,113	0.16%
SALT CREEK I	1	\$48,732.56	3.64%	\$277,832	0.03%
SALT CREEK II	3	\$37,791.90	2.82%	\$138,862	0.02%
AMBIENT PACIFIC NC	1	\$29,815.74	2.23%	\$3,400,871	0.42%
<b>Subtotal</b>	<b>1,204</b>	<b>\$598,703.74</b>	<b>44.74%</b>	<b>\$40,437,898</b>	<b>4.97%</b>
All Others	2,591	\$739,408.80	55.26%	\$773,607,293	95.03%
<b>Total</b>	<b>3,795</b>	<b>\$1,338,112.54</b>	<b>100.00%</b>	<b>\$814,045,191</b>	<b>100.00%</b>

**Table 3-2**  
**Value-to-Lien Ratios Based on Assessed Values and Bonds Outstanding<sup>3</sup>**

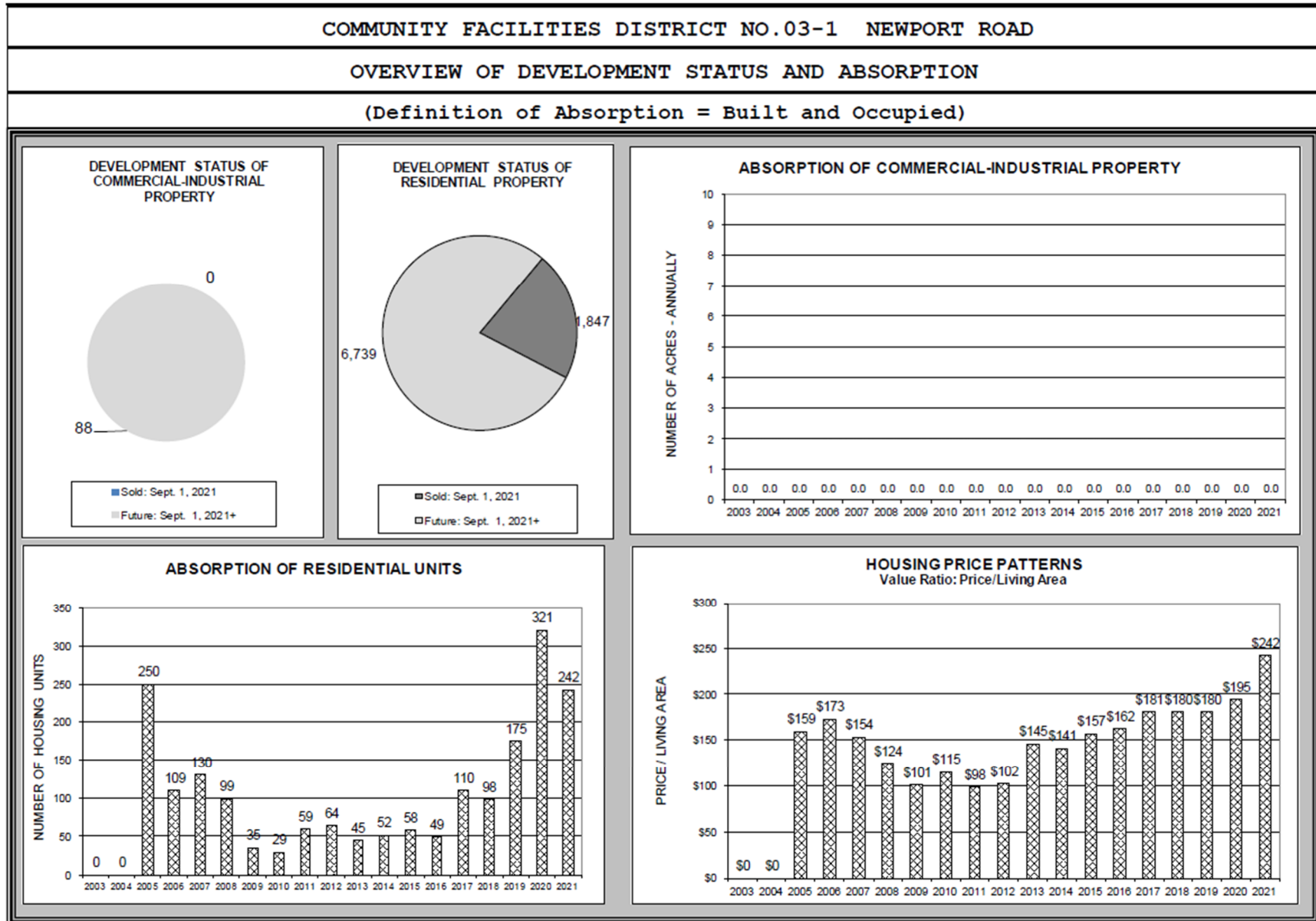
Value-to-Lien	Parcels	Total AV FY 2021-22	% of Total AV	Series 2014 Bonds Outstanding	% Outstanding	Value-to- Lien
Less than 5.00:1 <sup>4</sup>	429	\$5,798,414	0.71%	\$2,236,558	24.80%	2.59:1
Between 5.01 – 30.00:1	849	\$34,386,517	4.22%	\$2,891,649	32.06%	11.89:1
Between 30.01 – 55.00:1	381	\$21,509,560	2.64%	\$559,573	6.20%	38.44:1
Between 55.01 – 80.00:1	171	\$11,207,416	1.38%	\$157,721	1.75%	71.06:1
Between 80.01 – 105.00:1	99	\$14,951,868	1.84%	\$168,479	1.87%	88.75:1
Between 105.01 – 130.00:1	31	\$9,768,457	1.20%	\$84,353	0.94%	115.80:1
Between 130.01 – 155.00:1	98	\$23,092,422	2.84%	\$160,969	1.78%	143.46:1
Between 155.01 – 180.00:1	107	\$27,884,250	3.43%	\$167,335	1.86%	166.64:1
Between 180.01 – 205.00:1	158	\$47,485,035	5.83%	\$247,092	2.74%	192.18:1
Between 205.01 – 230.00:1	250	\$85,862,217	10.55%	\$390,969	4.33%	219.61:1
Between 230.01 – 255.00:1	460	\$175,127,312	21.51%	\$719,382	7.98%	243.44:1
Between 255.01 – 280.00:1	483	\$200,967,679	24.69%	\$755,351	8.37%	266.06:1
Between 280.01 – 305.00:1	195	\$88,521,181	10.87%	\$304,956	3.38%	290.28:1
Greater than 305.01:1 <sup>5</sup>	84	\$67,482,863	8.29%	\$175,615	1.95%	384.27:1
<b>Total</b>	<b>3,795</b>	<b>\$814,045,191</b>	<b>100.00%</b>	<b>\$9,020,000</b>	<b>100.00%</b>	<b>90.25:1</b>

<sup>2</sup> Assessed Valuation (AV) is based on information provided in the Riverside County Assessor's records for Fiscal Year 2021-22 and may or may not accurately reflect true market value.

<sup>3</sup> Principal Amount of Bonds Outstanding is as of September 30, 2021.

<sup>4</sup> Minimum value-to-lien is 0.00:1.

<sup>5</sup> Maximum value-to-lien is 2,091.18:1



The following table summarizes the number of delinquent parcels, the amount delinquent, the delinquency charges<sup>6</sup>, and the amount due<sup>7</sup> for each Fiscal Year. Delinquencies and delinquency charges are calculated as of September 30, 2021. There are no delinquent property owners responsible for more than 5% of the annual special tax levy.

Table 5-1  
Special Tax Delinquency Summary

Fiscal Year	Special Taxes Levied	Parcels Levied	Delinquent Special Taxes	Delinquency Charges	Total Amount Due	Delinquent Parcels	% Delinquent
2010-11	\$1,715,486.82	1,460	\$0.00	\$0.00	\$0.00	0	0.00%
2011-12	\$1,511,180.40	1,460	\$903.00	\$1,593.80	\$2,496.80	1	0.06%
2012-13	\$1,509,458.52	1,453	\$0.00	\$0.00	\$0.00	0	0.00%
2013-14	\$1,491,023.44	1,453	\$0.00	\$0.00	\$0.00	0	0.00%
2014-15	\$1,486,769.82	1,453	\$0.00	\$0.00	\$0.00	0	0.00%
2015-16	\$1,335,674.94	1,441	\$232.00	\$242.44	\$474.44	1	0.02%
2016-17	\$1,341,755.96	1,690	\$464.00	\$401.36	\$865.36	2	0.03%
2017-18	\$1,339,008.92	1,924	\$232.00	\$158.92	\$390.92	1	0.02%
2018-19	\$1,331,669.58	2,293	\$696.00	\$351.48	\$1,047.48	3	0.05%
2019-20	\$1,332,551.74	2,734	\$1,160.00	\$301.60	\$1,461.60	7	0.09%
2020-21	\$1,340,517.94	2,810	\$1,276.00	\$185.02	\$1,461.02	8	0.10%
<b>Total</b>	<b>\$15,735,098.08</b>		<b>\$4,963.00</b>	<b>\$3,234.62</b>	<b>\$8,197.62</b>	<b>16</b>	<b>0.03%</b>

There are no delinquent property owners who represent more than 5% of the annual Special Tax levy.

#### Funds Available for the Payment of Scheduled Debt Service

The current year's levy of \$1,338,112.54 is expected to generate sufficient revenue to cover the full year's debt service of \$1,268,118.76, without impacting the Reserve Fund.

#### Foreclosure Covenant

The District will covenant in the Indenture with and for the benefit of the Owners of the Series 2014 Bonds that the Community Facilities District will commence appropriate judicial foreclosure proceedings against parcels with total Special Tax delinquencies in excess of \$5,000 (not including interest and penalties thereon) by the October 1 following the close of each Fiscal Year in which the last of such Special Taxes were due and will commence appropriate judicial foreclosure proceedings against all parcels with delinquent Special Taxes by the October 1 following the close of each Fiscal Year in which it receives Special Taxes in an amount which is less than 95% of the total Special Taxes levied in such Fiscal Year, and diligently pursue to completion such foreclosure proceedings. However, notwithstanding the foregoing, the District may elect to accept payment from a property owner of at least the enrolled amount but less than the full amount of the penalties, interest, costs and attorneys' fees related to a Special Tax delinquency, if permitted by law. Additionally, notwithstanding the foregoing, in certain instances the amount of a Special Tax delinquency on a particular parcel is so small that the cost of appropriate foreclosure proceedings will far exceed the Special Tax delinquency and in such cases

<sup>6</sup> These charges include a 10% penalty on each past due installment and 1.5% per month "redemption penalty" (or "interest") on the original delinquent amount, which begins to accrue July 1 of the tax year following the delinquency.

<sup>7</sup> In addition to the amount due, parcels which have an existing foreclosure judgment recorded against them will include judicial foreclosure costs not included in this column.

foreclosure proceedings may be delayed by the District until there are sufficient Special Tax delinquencies accruing to such parcel (including interest and penalties thereon) to warrant the foreclosure proceedings cost.

As of September 30, 2021, there are no foreclosure actions within the District. As of the filing of this report, the District has commenced appropriate foreclosure proceedings in accordance with the Foreclosure Covenant.



Table 6-1  
Investment Portfolio as of September 30, 2021<sup>8</sup>

Fund Description	Fund Balance
Special Tax Fund	\$224,068.89
Bond Fund	\$1.43
Reserve Fund	\$1,271,718.76
Admin Exp Fund	\$11,034.63
Earnings Fund	\$11,421.56
<b>Total</b>	<b>\$1,518,245.27</b>

### Reserve Fund

The Reserve Fund must be maintained at the Reserve Requirement which is defined, as of any date of calculation, as an amount equal to the lesser of (a) Maximum Annual Debt Service on the Outstanding Bonds, (b) 10% of the total original principal amount of the Bonds, or (c) 125% of average Annual Debt Service on the Outstanding Bonds. In the event that Special Tax revenue is insufficient to pay debt service, money may be transferred from this Fund to the appropriate account of the Bond Fund. The Reserve Fund will then be replenished by increasing the next year's Special Tax levy to the extent permitted by law. **As of September 30, 2021 the balance in the Reserve Fund was \$1,271,718.76 and the Reserve Requirement was \$1,269,518.76.**

### Financial Statements

**PLEASE NOTE: The Riverside County Fiscal Year 2020-21 Comprehensive Annual Financial Report (CAFR) is submitted to the Municipal Securities Rulemaking Board using EMMA (Electronic Municipal Market Access) under separate cover and is incorporated herein by reference.**

<sup>8</sup> All investments are in compliance with "authorized investments" as defined in the Series 2014 Indenture, and in accordance with County of Riverside Land Secured Financing District Investment Policy B-19.

The following events as set forth in Rule 15c2-12 promulgated by the Securities and Exchange Commission are considered material by the District.

<b>Significant Events</b>	<b>Occurred in FY 2020-21</b>
1. Principal and interest payment delinquencies.	Not Applicable
2. Unscheduled draws on debt service reserves reflecting financial difficulties.	Not Applicable
3. Unscheduled draws on credit enhancements reflecting financial difficulties.	Not Applicable
4. Substitution of credit or liquidity providers, or their failure to perform.	Not Applicable
5. Adverse tax opinions or issuance by the Internal Revenue Service of proposed or final determination of taxability or of a Notice of Proposed Issue (IRS Form 5701 TEB).	Not Applicable
6. Tender offers.	Not Applicable
7. Defeasances.	Not Applicable
8. Rating changes.	Not Applicable
9. Bankruptcy, insolvency, receivership or similar event of the Community Facilities District.	Not Applicable
10. Unless described in paragraph (v) of subsection (a) of this Section, other material notices or determinations by the Internal Revenue Service with respect to the tax status of the Series 2012 Bonds.	Not Applicable
11. Modification to rights of holders of the Series 2014 Bonds.	Not Applicable
12. Optional, unscheduled or contingent Series 2014 Bond calls.	Not Applicable
13. Release, substitution, or sale of property securing repayment of the Series 2012 Bonds.	Not Applicable
14. Non-payment related defaults.	Not Applicable
15. The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms.	Not Applicable
16. Appointment of a successor or additional Trustee, or the change of name of a Trustee.	Not Applicable

Notwithstanding the foregoing, notices of Listed Events described in Section 4a, subsection (7) and Section 4b, subsection (3) of the Continuing Disclosure Certificate need not be given any earlier than the notice (if any) of the underlying event is given to holders of affected Series 2014 Bonds pursuant to the Indenture.

## APPENDIX A

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### Debt Service Schedule



# Debt Service Schedule - Current



County of Riverside

681301 - CFD 03-1 (Newport Road) Series 2014

Payment Date	Interest Rate	Principal	Principal Outstanding	Interest	Semi Annual Debt Service	Annual Debt Service	Call Premium
3/1/2015			\$14,390,000.00	\$124,274.74	\$124,274.74		0.0000%
9/1/2015	2.0000%	\$860,000.00	\$13,530,000.00	\$298,259.38	\$1,158,259.38	\$1,282,534.12	0.0000%
3/1/2016			\$13,530,000.00	\$289,659.38	\$289,659.38		0.0000%
9/1/2016	3.0000%	\$700,000.00	\$12,830,000.00	\$289,659.38	\$989,659.38	\$1,279,318.76	0.0000%
3/1/2017			\$12,830,000.00	\$279,159.38	\$279,159.38		0.0000%
9/1/2017	3.0000%	\$720,000.00	\$12,110,000.00	\$279,159.38	\$999,159.38	\$1,278,318.76	0.0000%
3/1/2018			\$12,110,000.00	\$268,359.38	\$268,359.38		0.0000%
9/1/2018	3.0000%	\$740,000.00	\$11,370,000.00	\$268,359.38	\$1,008,359.38	\$1,276,718.76	0.0000%
3/1/2019			\$11,370,000.00	\$257,259.38	\$257,259.38		0.0000%
9/1/2019	3.0000%	\$760,000.00	\$10,610,000.00	\$257,259.38	\$1,017,259.38	\$1,274,518.76	0.0000%
3/1/2020			\$10,610,000.00	\$245,859.38	\$245,859.38		0.0000%
9/1/2020	4.0000%	\$780,000.00	\$9,830,000.00	\$245,859.38	\$1,025,859.38	\$1,271,718.76	0.0000%
3/1/2021			\$9,830,000.00	\$230,259.38	\$230,259.38		0.0000%
9/1/2021	4.0000%	\$810,000.00	\$9,020,000.00	\$230,259.38	\$1,040,259.38	\$1,270,518.76	0.0000%
3/1/2022			\$9,020,000.00	\$214,059.38	\$214,059.38		0.0000%
9/1/2022	4.0000%	\$840,000.00	\$8,180,000.00	\$214,059.38	\$1,054,059.38	\$1,268,118.76	0.0000%
3/1/2023			\$8,180,000.00	\$197,259.38	\$197,259.38		0.0000%
9/1/2023	4.1250%	\$875,000.00	\$7,305,000.00	\$197,259.38	\$1,072,259.38	\$1,269,518.76	0.0000%
3/1/2024			\$7,305,000.00	\$179,212.50	\$179,212.50		0.0000%
9/1/2024	4.2500%	\$910,000.00	\$6,395,000.00	\$179,212.50	\$1,089,212.50	\$1,268,425.00	0.0000%
3/1/2025			\$6,395,000.00	\$159,875.00	\$159,875.00		0.0000%
9/1/2025	5.0000%	\$945,000.00	\$5,450,000.00	\$159,875.00	\$1,104,875.00	\$1,264,750.00	0.0000%
3/1/2026			\$5,450,000.00	\$136,250.00	\$136,250.00		0.0000%
9/1/2026	5.0000%	\$990,000.00	\$4,460,000.00	\$136,250.00	\$1,126,250.00	\$1,262,500.00	0.0000%
3/1/2027			\$4,460,000.00	\$111,500.00	\$111,500.00		0.0000%
9/1/2027	5.0000%	\$1,040,000.00	\$3,420,000.00	\$111,500.00	\$1,151,500.00	\$1,263,000.00	0.0000%
3/1/2028			\$3,420,000.00	\$85,500.00	\$85,500.00		0.0000%
9/1/2028	5.0000%	\$1,085,000.00	\$2,335,000.00	\$85,500.00	\$1,170,500.00	\$1,256,000.00	0.0000%
3/1/2029			\$2,335,000.00	\$58,375.00	\$58,375.00		0.0000%
9/1/2029	5.0000%	\$1,140,000.00	\$1,195,000.00	\$58,375.00	\$1,198,375.00	\$1,256,750.00	0.0000%
3/1/2030			\$1,195,000.00	\$29,875.00	\$29,875.00		0.0000%
9/1/2030	5.0000%	\$1,195,000.00	\$0.00	\$29,875.00	\$1,224,875.00	\$1,254,750.00	0.0000%
<b>Totals:</b>		<b>\$14,390,000.00</b>		<b>\$5,907,459.20</b>	<b>\$20,297,459.20</b>	<b>\$20,297,459.20</b>	
Bond Issue Date:	12/16/2014						
Original Bond Principal:	\$14,390,000.00						

## APPENDIX B

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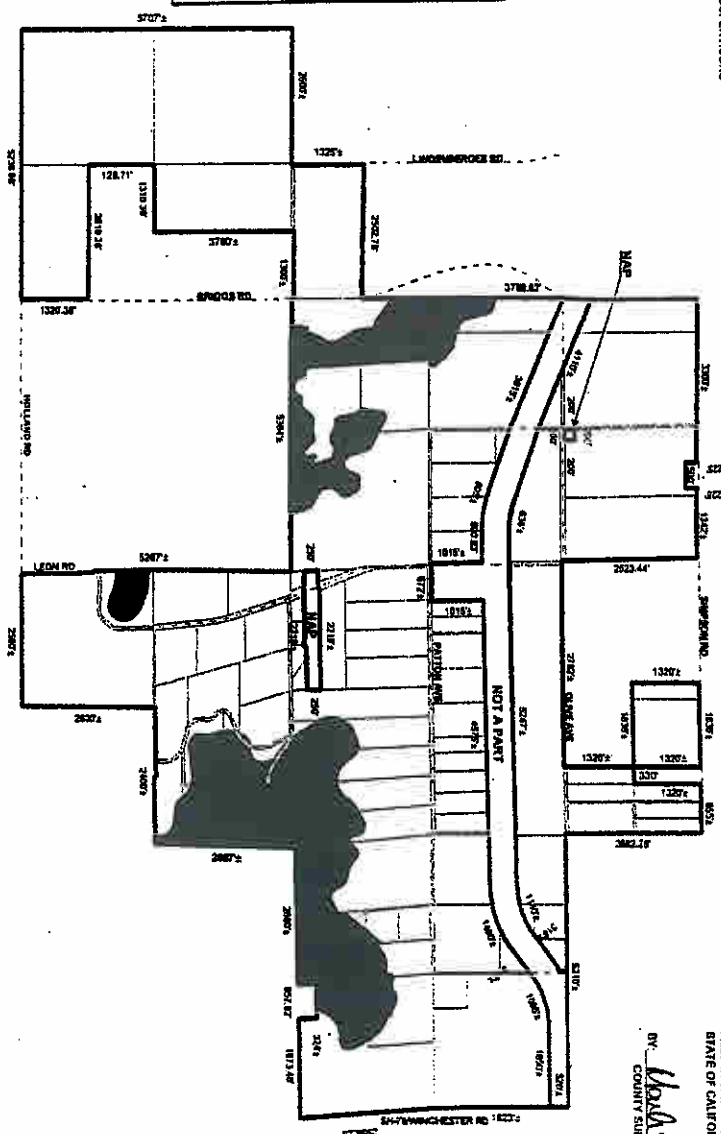
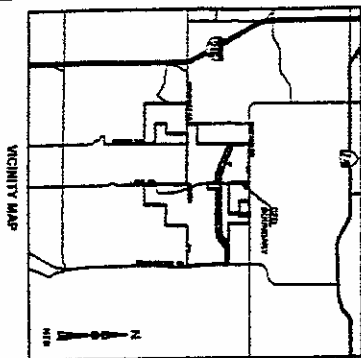
### District Boundary Map



**SHEET 1 OF 1 SHEETS**

CLERK OF THE BOARD OF SUPERVISORS

Wesley J. Edwards  
CLERK OF THE COURT OF SUPERVISORS



GARY L. OREO, RIVERSIDE COUNTY ASSOCIATION-CLERK-RECOMMEND

By A. B. [Signature]  
Deputy

BY W. S. Pomeroy  
COUNTY SURVEYOR, COUNTY OF HENDERSON, MISSISSIPPI

FILED IN THE OFFICE OF THE COUNTY DIRECTOR OF INVENTORISE COUNTY  
STATE OF CALIFORNIA, THIS 27<sup>TH</sup> DAY OF March, 2009

LEGEND

BOUNDARY

TOPO / QEO

CHALLENGED AREAS



**ALBERT A. WEBB ASSOCIATES**  
ARCHITECTS & INTERIORS

W.O. 02-0106



6905 Brockton Avenue  
Riverside, CA 92506  
951.200.8600



[www.webbmfinance.com](http://www.webbmfinance.com)