

**TEMECULA PUBLIC FINANCING AUTHORITY
AGENDA REPORT**

TO: Executive Director/Board of Directors

FROM: Aaron Adams, Authority Executive Director

DATE: September 9, 2025

SUBJECT: Approve and Adopt Resolutions of Intention to Form CFD 25-01 (Elderberry Park), Authorize the Levy of Special Taxes on Property in CFD 25-01, Incur Bonded Indebtedness for CFD 25-01 and Approve Related Documents and Agreements

PREPARED BY: Jennifer Hennessy, Authority Treasurer

RECOMMENDATION: That the Board of Directors adopt resolutions entitled:

RESOLUTION NO. TPFA

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE TEMECULA PUBLIC FINANCING AUTHORITY DECLARING ITS INTENTION TO ESTABLISH A COMMUNITY FACILITIES DISTRICT AND TO AUTHORIZE THE LEVY OF SPECIAL TAXES THEREIN – COMMUNITY FACILITIES DISTRICT NO. 25-01 (ELDERBERRY PARK)

RESOLUTION NO. TPFA

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE TEMECULA PUBLIC FINANCING AUTHORITY DECLARING ITS INTENTION TO INCUR BONDED INDEBTEDNESS OF THE PROPOSED TEMECULA PUBLIC FINANCING AUTHORITY COMMUNITY FACILITIES DISTRICT NO. 25-01 (ELDERBERRY PARK)

BACKGROUND: On November 12, 2024, in response to a request by Woodside 05S, LP, a California Limited Partnership (the “Developer”), the Temecula Public Financing Authority (the “Authority”) adopted Resolution No. TPFA 2024-23 and the City Council adopted Resolution No. 2024-73, pursuant to which they approved a Deposit/Reimbursement Agreement, subsequently executed by the Authority, the City and the Developer, whereby the Developer agreed to pay the costs of the Authority and the City in connection with the formation of a community facilities district. The Resolution of the Authority also designated various consultants to assist with the formation of the community facilities district.

The Authority has now received a petition (including waivers) (the “Petition”) from the Developer

requesting that it move forward with the formation of the community facilities district for the purpose of financing public facilities and to fund the costs of municipal services in connection with the planned development project. The community facilities district is to be designated as the Temecula Public Financing Authority Community Facilities District No. 25-01 (Elderberry Park) (the “CFD”).

The CFD is generally located in the southeastern portion of the City of Temecula, east of Interstate 15 and north of State Route 79. The territory to be included within the boundaries of the CFD includes several County Assessor’s parcels identified in the Petition.

Community facilities district financing is a commonly used method of financing infrastructure and services for new development in California. Commonly referred to as “Mello-Roos Financing” this type of land-secured financing permits the local agency to levy special taxes and issue bonds to pay for the public facilities and infrastructure costs and services necessitated by new development. The costs of authorized facilities and services are, and debt service on any bonds issued for the CFD is, paid from special taxes levied only on real property within the CFD boundary. The bonds typically are issued on a tax-exempt basis.

The Authority will consider the adoption of two resolutions related to the formation of the proposed CFD. The CFD will only include land owned by the Developer as delineated in the Petition. In the Petition, the Developer has requested that the CFD levy special taxes and issue bonds to provide funds for various public improvements identified as the “Facilities” on Exhibit B in the Petition and to finance other costs of issuing the special tax bonds and of providing a reserve fund for the bonds. It is also expected that special taxes will be levied to fund the costs of municipal services identified in Exhibit B of the Petition.

The Authority proposes to use bond proceeds to finance the design, construction and installation of certain public improvements, including related incidental expenses. These facilities will become the property of and will be maintained by the City. To benefit future residents within the CFD, the Authority expects to enter into a Joint Community Facilities Agreement with the City.

SPECIFIC ACTIONS: In order to initiate the process to form the CFD, the Board of Directors of the Authority will consider the adoption of two resolutions of intention relative to the proposed CFD. These resolutions call for a public hearing on October 14, 2025 on the formation of the CFD and the issuance of bonds for the CFD, and otherwise specify the boundaries of the CFD (by reference to a map on file with the City Clerk, as Secretary of the Authority), the rate and method of apportionment of special taxes to be levied solely on land in the CFD to pay for CFD authorized facilities and services and to repay any bonds that may be issued for the CFD, describe the improvements to be financed and the services to be provided by the CFD, and express the intent to issue up to \$14,000,000 of special tax bonds for the CFD to finance authorized facilities. The resolution of intention to form the CFD also authorizes the Executive Director of the Authority to enter into a joint community facilities agreement with the City and any other public entity that will own and/or operate any of the facilities, or that will provide any of the services.

FISCAL IMPACT: The Developer has agreed to pay all expenses related to the proposed formation of the CFD and the issuance of bonds for the CFD. Costs of issuance of the proposed bond issue will be paid from the proceeds of the bonds to be issued by the Authority for the CFD.

All annual costs of administering the CFD and the bonds issued for the CFD will be paid from special taxes levied on the properties in the CFD. The bonds, if issued by the Authority for the new CFD, would be payable solely from special taxes levied on land in the new CFD and collected by the Authority.

ATTACHMENTS:

1. TPFA Resolution- Intention to Establish
2. TPFA Resolution- Incur Bonded Indebtedness
3. Petition