

CITY OF FULLERTON

COMMUNITY FACILITIES DISTRICT NO. 2

(AMERIGE HEIGHTS)

SPECIAL TAX AND BOND ACCOUNTABILITY REPORT

The purpose of this report is to comply with the provisions of the Local Agency Special Tax and Bond Accountability Act (the "Accountability Act"). According to Senate Bill ("SB") 165, any local special tax measure that is subject to voter approval on or after January 1, 2001 that would provide for the imposition of a special tax by a local agency shall require the chief fiscal officer of the levying local agency to file an annual Special Tax and Bond Accountability Report ("Accountability Report") with its governing body no later than January 1, 2002, and at least once a year thereafter, meeting the requirements of the Accountability Act. The Accountability Report shall contain a description of the following:

- The amount of funds collected and expended.
- The status of any project required or authorized to be funded as identified in subdivision (a) of Section 50075.1 and Article 1.5, Section 53410.

In compliance with the required Accountability Report the following is submitted:

The City of Fullerton issued \$7,570,000 in Community Facilities District No. 2 (the "District") Special Tax Bonds (the "Bonds") in May 2014. The proceeds of the Bonds will be used to finance the acquisition and/or construction of certain public facilities (the "Facilities"), which are needed to support the development within the District. The Facilities authorized to be financed with proceeds of the Bonds consist of certain park and recreation facilities, including park obligations, master plan, water and sewer system facilities, including capacity in existing facilities, and streets and street facilities, including street obligations of the City of Fullerton (the "City Facilities") and K-8 public school facilities to be owned and operated by the Fullerton School District (the "School District Facilities"). The School District Facilities are authorized to be financed by the District pursuant to a joint community facilities agreement dated February 19, 2013 (the "JCFA") among the City of Fullerton, the Fullerton School District, and Standard Pacific Corp. (the "Developer").

Separate accounts have been established with a third party trustee to administer the receipt and subsequent disbursement of the Bond proceeds as the City of Fullerton accepts completed improvements. A summary sheet showing the deposit of Bond proceeds as well as all subsequent disbursements made during the reporting period (November 1, 2018 through October 31, 2019) is attached as a part of this report.

As of October 31, 2019, all master infrastructure plans and grading plans have been approved, street facilities (including Hughes Drive) have been completed, and sewer and water facilities and dry utilities are complete and stubbed to individual lots; with the exception of the cap paving on Hughes Drives and the work within the Union Pacific Railroad crossing on Hughes Drive. Additionally, Neighborhood Park improvements (a 1/3 acre park at the northeast corner of the project) and Launer Park improvements (a 40' wide area fronting the project on Hughes Drive and Hydraflow Way) have been completed. Amerige Heights Park Extension improvements (including a 1.5 acre park with a 1,200 sq. ft. community facilities building, open park space which is located offsite, but excluding three tennis courts that haven't been finalized yet) have been completed and awaiting final turnover. As of this same date, City of Fullerton staff had completed review of two (2) reimbursement requests, resulting in the payment for authorized City Facilities in the amount of \$3,652,501 from the Project Fund. The primary improvement remaining to be completed by the Developer is Railroad Trail (a multi-use trail located adjacent to and extending along the length of the existing railroad tracks from Malvern to Hughes Drive). Furthermore, in accordance with the terms of the JCFA, the Fullerton School District received \$1,124,034 for School District Facilities.

Community Facilities District No. 2 special taxes were levied in fiscal year 2018-2019 in the amount of \$435,532. These special taxes were used to pay debt service on the Bonds and administrative expenses of Community Facilities District No. 2.

CITY OF FULLERTON

COMMUNITY FACILITIES DISTRICT NO. 2 (AMERIGE HEIGHTS)

SERIES 2014 SPECIAL TAX BONDS

SB 165 FUND SUMMARY

<i>Fund</i>	<i>Bond Proceeds (Deposited on 5/14/14)</i>	<i>Funds Previously Accrued</i>	<i>Funds Previously Expended</i>	<i>Ending Balance as of 10/31/18</i>	<i>Funds Accrued (11/01/18 through 10/31/19)</i>	<i>Funds Expended (11/01/18 through 10/31/19)</i>	<i>Ending Balance as of 10/31/19</i>
Cost of Issuance Fund ^[1]	\$226,075.33	\$7.81	(\$226,083.14)	\$0.00	\$0.00	\$0.00	\$0.00
Reserve Fund ^[2]	\$655,043.13	\$45,204.28	(\$18,077.18)	\$682,170.23	\$10,694.22	(\$18,699.98)	\$674,164.47
Bond Fund	\$0.00	\$1,833,493.36	(\$1,833,478.06)	\$15.30	\$431,875.30	(\$417,586.04)	\$14,304.56
Special Tax Prepayments Account	\$0.00	\$135,512.96	(\$135,510.81)	\$2.15	\$0.00	\$0.00	\$2.15
Project Fund ^[3]	\$6,529,630.86	\$68,563.47	(\$4,777,378.09)	\$1,820,816.24	\$31,880.58	\$0.00	\$1,852,696.82
Special Tax Fund	\$0.00	\$1,764,393.41	(\$1,758,231.79)	\$6,161.62	\$434,438.69	(\$440,600.25)	\$0.06
Administrative Expense Fund	\$15,000.00	\$55,062.89	(\$69,544.53)	\$518.36	\$27,464.86	(\$13,595.24)	\$14,387.98
Capitalized Interest Account	\$183,537.88	\$29.61	(\$183,566.86)	\$0.63	\$0.00	\$0.00	\$0.63
Surplus Fund	\$0.00	\$23,208.00	(\$20,940.36)	\$2,267.64	\$6.31	\$0.00	\$2,273.95
Grand Total	\$7,609,287.20	\$3,925,475.79	(\$9,022,810.82)	\$2,511,952.17	\$936,359.96	(\$890,481.51)	\$2,557,830.62

Notes:
 [1] Costs of issuance included (i) \$226,075.33 deposited into Cost of Issuance Fund, (ii) discount of \$94,625.00 retained by underwriter, less (iii) original issue premium of \$133,912.20.
 [2] Reserve Fund balance is based on cost value.
 [3] The Project Fund consists of separate accounts known as the City Facilities Account and the School Facilities Account. Project Fund balance is based on cost value.