



**\$17,885,000**

**Community Facilities District No. 2006-1  
of the City of Dana Point  
2013 Special Tax Bonds**

**\$26,245,000**

**Community Facilities District No. 2006-1  
of the City of Dana Point  
2014 Special Tax Bonds**

Orange County, California  
2013 Bonds Dated: June 13, 2013  
2014 Bonds Dated: March 13, 2014  
Base CUSIP+: 235839

**2016/2017 ANNUAL CONTINUING DISCLOSURE  
INFORMATION STATEMENT  
AS OF JANUARY 05, 2018**

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# LIST OF PARTICIPANTS

<b>CITY OF DANA POINT</b>
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<b>BOND COUNSEL</b>
William Morticorena Rutan & Tucker, LLP Costa Mesa, California
<b>DISTRICT ADMINISTRATOR, DISCLOSURE CONSULTANT AND DISSEMINATION AGENT*</b>
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<b>FISCAL AGENT</b>
Wells Fargo Bank, National Association Los Angeles, California
<b>UNDERWRITER</b>
Stifel Nicolaus & Company, Incorporated

\* In its role as Disclosure Consultant, Willdan Financial Services has not passed upon the accuracy, completeness or fairness of the statements contained herein.

## ***I. INTRODUCTION***

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Pursuant to an Official Statement dated May 22, 2013, the City of Dana Point (the “City”) issued \$17,885,000 Community Facilities District No. 2006-1 of the City of Dana Point 2013 Special Tax Bonds (the “2013 Bonds”). The 2013 Bonds were issued to (i) refund and defease the 2008 Special Tax Bonds, (ii) finance the acquisition and/or construction of certain public improvements serving land within the Community Facilities District No. 2006-1 (the “District”), (iii) fund a reserve fund for the Bonds, and to (iv) pay the costs related to the issuance of the 2013 Bonds.

Pursuant to an Official Statement dated February 27, 2014, the City issued \$26,245,000 Community Facilities District No. 2006-1 of the City of Dana Point 2014 Special Tax Bonds (the “2014 Bonds”, and together with the 2013 Bonds, the “Bonds”). The 2014 Bonds were issued by District to (i) finance the acquisition and/or construction of certain public improvements serving the property within the District, (ii) increase the amount on deposit in the reserve fund to the Reserve Requirement applicable upon issuance of the 2014 Bonds, (iii) pay capitalized interest on the 2014 Bonds through September 1, 2014, and to (iv) pay the costs related to the issuance of the 2014 Bonds.

The City is located in the southwestern portion of Orange County, on the coast of the Pacific Ocean. The District is located east of and generally bordered by the Pacific Ocean, north of Scenic Drive, and west of Pacific Coast Highway and Street of the Green Lantern.

The Bonds are special obligations of the District and are payable solely from revenues derived from certain annual Special Taxes and from certain other funds pledged under the Fiscal Agent Agreement, as defined within the respective Official Statement. The Bonds are not a debt of the City, the State of California, or any of its political subdivisions and neither the City, the State of California, nor any of its political subdivisions is liable. The Bonds do not constitute indebtedness within the meaning of any constitutional or statutory debt limit or restriction.

This Annual Continuing Disclosure Information Statement is being provided pursuant to a covenant made by the District for the benefit of the holders of the Bonds and includes the information specified in each respective Continuing Disclosure Agreement for the Bonds. For further information and a more complete description of the City, the District and the Bonds, reference is made to each respective Official Statement.

The information set forth herein has been furnished by the City and by other sources, which is believed to be accurate and reliable, but are not guaranteed as to accuracy or completeness. Statements contained in this Annual Continuing Disclosure Information Statement that involve estimates, forecasts, or other matters of opinion, whether or not expressly so described herein, are intended solely as such and are not to be construed as representations of fact. Further, the information and expressions of opinion contained herein are subject to change without notice and the delivery of this Annual Continuing Disclosure Information Statement will not, under any circumstances, create any implication that there has been no change in the affairs of the City or any other parties described herein.

THIS REPORT IS OF A FACTUAL NATURE WITHOUT SUBJECTIVE ASSUMPTIONS, OPINIONS, OR VIEWS AND MAY NOT BE RELIED UPON AS ADVICE OR RECOMMENDATION TO PURCHASE OR SELL ANY PRODUCT OR UTILIZE ANY PARTICULAR STRATEGY RELATING TO THE ISSUANCE OF MUNICIPAL SECURITIES OR PURCHASE OF FINANCIAL PRODUCTS. WILLDAN FINANCIAL SERVICES AND ITS EMPLOYEES (COLLECTIVELY "WILLDAN") DO NOT RECOMMEND ANY ACTIONS AND ARE NOT ACTING AS AN ADVISOR TO ANY MUNICIPAL ENTITY, BOARD, OFFICER, AGENT, EMPLOYEE OR OBLIGATED PERSON PURSUANT TO SECTION 15B OF THE EXCHANGE ACT. PRIOR TO ACTING ON ANY INFORMATION OR MATERIAL CONTAINED IN THIS COMMUNICATION, YOU SHOULD DISCUSS IT WITH APPROPRIATE INTERNAL OR EXTERNAL ADVISORS AND EXPERTS AND ONLY RELY UPON THEIR ADVICE.

## **II. BOND INFORMATION**

### **A. PRINCIPAL OUTSTANDING**

<b>Bond Issue</b>	<b>As of December 31, 2017</b>
Community Facilities District No. 2006-1 2013 Special Tax Bonds	\$16,540,000
Community Facilities District No. 2006-1 2014 Special Tax Bonds	\$24,940,000

### **B. FUND BALANCES**

<b>Fund Balances</b>	<b>As of December 31, 2017</b>
Series 2013 Reserve Fund	Closed as of 5/5/2015
Series 2014 Parity Reserve Fund	\$2,682,981
Reserve Requirement <sup>(1)</sup>	\$2,680,019
Series 2013 Bond Fund	Closed as of 5/5/2015
Series 2014 Bond Fund	\$3,865
Series 2013 Special Tax Fund	\$0
Series 2014 Parity Special Tax Fund	\$1,407,173
Series 2013 Improvement Fund	Closed as of 1/23/2014
Series 2014 Improvement Fund	Closed as of 7/18/2014

<sup>(1)</sup> The Reserve Requirement, as defined in the Fiscal Agent Agreement, is an amount equal to the least of the Maximum Annual Debt Service; one hundred twenty-five percent of the average Annual Debt Service; or ten percent of the initial principal amount of the Bonds.

### III. FINANCIAL INFORMATION

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THE CITY'S AUDITED FINANCIAL STATEMENTS ARE PROVIDED SOLELY TO COMPLY WITH THE SECURITIES EXCHANGE COMMISSION STAFF'S INTERPRETATION OF RULE 15C2-12. NO FUNDS OR ASSETS OF THE CITY ARE REQUIRED TO BE USED TO PAY DEBT SERVICE ON THE BONDS AND THE CITY IS NOT OBLIGATED TO ADVANCE AVAILABLE FUNDS FROM THE CITY'S TREASURY TO COVER ANY DELINQUENCIES. INVESTORS SHOULD NOT RELY ON THE FINANCIAL CONDITION OF THE CITY IN EVALUATING WHETHER TO BUY, HOLD OR SELL THE BONDS.

The audited financial statements for the City for the fiscal year ended June 30, 2017 will be filed with the Municipal Securities Rulemaking Board's Electronic Municipal Market Access website ("EMMA") and are hereby incorporated by reference into this Annual Continuing Disclosure Information Statement.

### IV. OPERATING INFORMATION

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#### A. MAXIMUM ANNUAL SPECIAL TAX LEVY BY LAND USE CATEGORY

The table below summarizes the Maximum Annual Special Taxes by Land Use Category:

Land Use Class	No. of Parcels	2017/2018 Maximum Special Tax Rate <sup>(1)</sup>	2017/2018 Maximum Annual Special Tax	Percentage Share of Maximum Annual Special Tax
Custom Lot Property <sup>(2)</sup>	100	\$25,700/lot	\$2,647,100	88.41%
Final Map Property Zone 1	11	\$25,700/lot	282,700	9.44%
Final Map Property Zone 2	6	\$15,000/acre	64,350	2.15%
Non-Residential Property	0	\$15,000/acre	0	0.00%
<b>Total</b>	<b>117</b>		<b>\$2,994,150</b>	<b>100.00%</b>

<sup>(1)</sup> Maximum Annual Special Tax as detailed in the Rate and Method of Apportionment.

<sup>(2)</sup> Three of the custom lot properties are doubled, being considered two lots each.

## B. ASSESSED VALUE BY LAND USE CATEGORY

The table below summarizes the assessed value by land use category for the lots subject to the levy of Special Taxes under the Rate and Method:

Land Use Class	No. of Parcels	2017/2018 Total Assessed Value	Allocable Share of the Bonds <sup>(1)</sup>	Value-To-Debt
Custom Lot Property	100	\$678,868,229	\$36,672,080	18.51
Final Map Property	17	48,600,139	4,807,920	10.11
<b>Total</b>	<b>117</b>	<b>\$727,468,368</b>	<b>\$41,480,000</b>	<b>17.54</b>

<sup>(1)</sup> Bonded Debt is allocated to each parcel based on the pro rata share of the parcel's 2017/2018 Maximum Special Tax times the principal amount of Bonds outstanding.

Source: Orange County 2017/2018 Secured Property Roll, as compiled by Willdan Financial Services.

## C. SPECIAL TAX COLLECTIONS AND DELINQUENCIES

As of September 15, 2017, there are six (6) parcels delinquent in the Annual Special Taxes within the District. The following table details the Special Tax Collections and delinquencies for each fiscal year since the date of issuance of the Bonds.

Fiscal Year Ending June 30,	Subject Fiscal Year <sup>(1)</sup>						As of September 15, 2017		
	Aggregate Annual Special Tax <sup>(2)</sup>	Total Annual Special Taxes Collected	Parcels Levied	Parcels Delinquent	Fiscal Year Amount Delinquent <sup>(3)</sup>	Fiscal Year Delinquency Rate	Remaining Parcels Delinquent	Remaining Amount Delinquent <sup>(3)</sup>	Remaining Delinquency Rate
2013	\$622,703.88	\$622,703.88	36	2	\$25,945.99	4.17%	0	\$0.00	0.00%
2014	\$1,063,203.38	\$1,063,203.38	43	2	\$24,725.66	2.33%	0	\$0.00	0.00%
2015	\$2,809,083.45	\$2,809,083.45	113	2	\$38,550.00	1.37%	0	\$0.00	0.00%
2016	\$2,929,800.00	\$2,929,800.00	111	7	\$115,650.00	3.95%	0	\$0.00	0.00%
2017	\$2,970,055.07	\$2,908,481.00	117	17	\$209,663.82	7.06%	6	\$61,574.07	2.07%

<sup>(1)</sup> Delinquency information as of June 30th in the fiscal year in which the Special Taxes were levied.

<sup>(2)</sup> Does not include the Maintenance Special Tax component.

<sup>(3)</sup> Amount does not include any penalties, interest or fees.

Source: Orange County Tax Collector, as compiled by Willdan Financial Services.

## D. JUDICIAL FORECLOSURES

As of the date of this report, there is no judicial foreclosure proceeding presently in effect or are currently pending in the District. There are no delinquent property owners representing more than five percent (5%) of the annual Special Tax levy.



**E. TOP OWNERS OF TAXABLE PROPERTY AND ALLOCATION OF MAXIMUM ANNUAL SPECIAL TAX LIABILITY**

The table below summarizes the top owners of taxable property who are responsible for five percent (5%) or more of the annual Special Tax levy.

Property Owner	No. of Parcels	2017/2018 Assessed Value	2017/2018 Annual Special Tax Levy	Percent of 2017/2018 Special Tax Levy	2017/2018 Maximum Special Tax	Percent of 2017/2018 Maximum Special Tax
Headlands Reserve LLC	14	\$22,940,959	\$210,530	7.00%	\$324,700	10.84%
All Other Property Owners	103	704,527,409	2,623,593	93.00%	2,669,450	89.16%
<b>Total</b>	<b>117</b>	<b>\$727,468,368</b>	<b>\$2,834,123</b>	<b>100.00%</b>	<b>\$2,994,150</b>	<b>100.00%</b>

Source: Orange County 2017/2018 Secured Property Roll, as compiled by Willdan Financial Services.

**F. CHANGES TO THE RATE AND METHOD OF APPORTIONMENT**

There have been no changes to the Rate and Method of Apportionment of Special Taxes approved or submitted to the qualified electors for approval prior to the filing of this Annual Report.

**G. CALIFORNIA DEBT INVESTMENT ADVISORY COMMISSION (CDIAC) REPORT**

See the attached “State of California Mello-Roos Community Facilities District Yearly Status Reports” for the Bonds.

**STATE OF CALIFORNIA**

**MELLO-ROOS COMMUNITY FACILITIES DISTRICT (CFD)  
YEARLY FISCAL STATUS REPORT**

Submitted:  
Monday, October 09, 2017  
3:52:28PM  
CDIAC #: 2013-1260

California Debt and Investment Advisory Commission  
915 Capitol Mall, Room 400, Sacramento, CA 95814  
P.O. Box 942809, Sacramento, CA 94209-0001  
(916) 653-3269 Fax (916) 654-7440

For Office Use Only
Fiscal Year _____

**I. GENERAL INFORMATION**

A. Issuer Dana Point CFD No 2006-1

B. Project Name Headlands

C. Name/ Title/ Series of Bond Issue 2013 Special Tax Bonds

D. Date of Bond Issue 5/22/2013

E. Original Principal Amount of Bonds \$17,885,000.00

F. Reserve Fund Minimum Balance Required Yes  Amount \$2,680,018.76 No

**II. FUND BALANCE FISCAL STATUS**

Balances Reported as of: 6/30/2017

A. Principal Amount of Bonds Outstanding \$16,920,000.00

B. Bond Reserve Fund \$2,681,557.59

C. Capitalized Interest Fund \$0.00

D. Construction Fund(s) \$0.00

**III. ASSESSED VALUE OF ALL PARCELS IN CFD SUBJECT TO SPECIAL TAX**

A. Assessed or Appraised Value Reported as of: 7/1/2017

From Equalized Tax Roll

From Appraisal of Property  
*(Use only in first year or before annual tax roll billing commences)*

B. Total Assessed Value of All Parcels \$727,468,368.00

**IV. TAX COLLECTION INFORMATION**

A. Total Amount of Special Taxes Due Annually \$2,970,055.07

B. Total Amount of Unpaid Special Taxes Annually \$61,574.07

C. Does this agency participate in the County's Teeter Plan? N

**V. DELINQUENT REPORTING INFORMATION**

Delinquent Parcel Information Reported as of Equalized Tax Roll of: 9/15/2017

A. Total Number of Delinquent Parcels: 6

B. Total Amount of Taxes Due on Delinquent Parcels: \$61,574.07  
*(Do not include penalties, penalty interest, etc.)*

**VI. FORECLOSURE INFORMATION FOR FISCAL YEAR**

*(Aggregate totals, if foreclosure commenced on same date)* (Attach additional sheets if necessary.)

Date Foreclosure Commenced	Total Number of Foreclosure Parcels	Total Amount of Tax Due on Foreclosure Parcels
		\$0.00
		\$0.00
		\$0.00
		\$0.00
		\$0.00



STATE OF CALIFORNIA

MELLO-ROOS COMMUNITY FACILITIES DISTRICT (CFD)  
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For Office Use Only  
Fiscal Year \_\_\_\_\_

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(916) 653-3269 Fax (916) 654-7440

VII. ISSUE RETIRED

This issue is retired and no longer subject to the Yearly Fiscal Status report filing requirements.  
(Indicate reason for retirement)

Matured  Redeemed Entirely  Other

If Matured, indicate final maturity date:

If Redeemed Entirely, state refunding bond title & CDIAC #:

and redemption date:

If Other:

and date:

VIII. NAME OF PARTY COMPLETING THIS FORM

Name	Jennifer R Duke	
Title	Analyst	
Firm/ Agency	Willdan Financial Services	
Address	27368 Via Industria Ste 200	
City/ State/ Zip	Temecula, CA 92590	
Phone Number	(951) 587-3508	Date of Report 10/9/2017
E-Mail	jduke@willdan.com	

IX. ADDITIONAL COMMENTS:

**STATE OF CALIFORNIA**

**MELLO-ROOS COMMUNITY FACILITIES DISTRICT (CFD)  
YEARLY FISCAL STATUS REPORT**

Submitted:  
Monday, October 09, 2017  
3:57:27PM  
CDIAC #: 2014-0054

California Debt and Investment Advisory Commission  
915 Capitol Mall, Room 400, Sacramento, CA 95814  
P.O. Box 942809, Sacramento, CA 94209-0001  
(916) 653-3269 Fax (916) 654-7440

For Office Use Only
Fiscal Year _____

**I. GENERAL INFORMATION**

A. Issuer Dana Point CFD No 2006-1

B. Project Name Headlands

C. Name/ Title/ Series of Bond Issue 2014 Spec Tax Bonds

D. Date of Bond Issue 2/27/2014

E. Original Principal Amount of Bonds \$26,245,000.00

F. Reserve Fund Minimum Balance Required Yes  Amount \$2,680,018.76 No

**II. FUND BALANCE FISCAL STATUS**

Balances Reported as of: 6/30/2017

A. Principal Amount of Bonds Outstanding \$25,385,000.00

B. Bond Reserve Fund \$2,681,557.59

C. Capitalized Interest Fund \$0.00

D. Construction Fund(s) \$0.00

**III. ASSESSED VALUE OF ALL PARCELS IN CFD SUBJECT TO SPECIAL TAX**

A. Assessed or Appraised Value Reported as of: 7/1/2017

From Equalized Tax Roll

From Appraisal of Property  
*(Use only in first year or before annual tax roll billing commences)*

B. Total Assessed Value of All Parcels \$727,468,368.00

**IV. TAX COLLECTION INFORMATION**

A. Total Amount of Special Taxes Due Annually \$2,970,055.07

B. Total Amount of Unpaid Special Taxes Annually \$61,574.07

C. Does this agency participate in the County's Teeter Plan? N

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B. Total Amount of Taxes Due on Delinquent Parcels: \$61,574.07  
*(Do not include penalties, penalty interest, etc.)*

**VI. FORECLOSURE INFORMATION FOR FISCAL YEAR**

*(Aggregate totals, if foreclosure commenced on same date)* (Attach additional sheets if necessary.)

Date Foreclosure Commenced	Total Number of Foreclosure Parcels	Total Amount of Tax Due on Foreclosure Parcels
		\$0.00
		\$0.00
		\$0.00
		\$0.00
		\$0.00

Submitted:  
Monday, October 09, 2017  
3:57:27PM  
CDIAC #: 2014-0054

**STATE OF CALIFORNIA  
MELLO-ROOS COMMUNITY FACILITIES DISTRICT (CFD)  
YEARLY FISCAL STATUS REPORT**

California Debt and Investment Advisory Commission  
915 Capitol Mall, Room 400, Sacramento, CA 95814  
P.O. Box 942809, Sacramento, CA 94209-0001  
(916) 653-3269 Fax (916) 654-7440

For Office Use Only Fiscal Year _____
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**VII. ISSUE RETIRED**

This issue is retired and no longer subject to the Yearly Fiscal Status report filing requirements.  
(Indicate reason for retirement)

Matured  Redeemed Entirely  Other

If Matured, indicate final maturity date:

If Redeemed Entirely, state refunding bond title & CDIAC #:

and redemption date:

If Other:

and date:

**VIII. NAME OF PARTY COMPLETING THIS FORM**

Name	Jennifer R Duke	
Title	Analyst	
Firm/ Agency	Willdan Financial Services	
Address	27368 Via Industria Ste 200	
City/ State/ Zip	Temecula, CA 92590	
Phone Number	(951) 587-3508	Date of Report 10/9/2017
E-Mail	jduke@willdan.com	

**IX. ADDITIONAL COMMENTS:**