

STAFF REPORT
City of Lancaster

CC 5
03/22/16
MVB

Date: March 22, 2016

To: Mayor Parris and City Council Members

From: Allison E. Burns, City Attorney

Subject: **Judicial Foreclosures of Delinquent Special Taxes for Community Facilities District 89-1**

Recommendation:

Adopt **Resolution No. 16-12**, ordering judicial foreclosure of delinquent special taxes in Community Facilities District No. 89-1.

Background:

In 1989, the City conducted proceedings under the Mello-Roos Community Facilities Act of 1982 (the "Mello-Roos Act") to create Community Facility District ("CFD") No. 89-1. Those proceedings resulted in the issuance of bonds and levy of special taxes to pay principal and interest on the bonds for the CFD. The special taxes are collected in bi-annual installments that become delinquent if not paid by December 10 and April 10, respectively, of each tax year.

Pursuant to the trust indenture regarding the bonds issued for the CFD, the City has covenanted to bondholders to commence judicial foreclosure proceedings against properties within the CFD for which special taxes are delinquent. Pursuant to the Mello-Roos Act, judicial foreclosure proceedings cannot be initiated until the City authorizes the commencement of such actions. Resolution No. 16-12 authorizes the initiation of foreclosure proceedings against the properties located in CFD No. 89-1 that have been reported as delinquent as to the payment of special taxes.

Attachment:

Resolution No. 16-12