



CSCDA
CALIFORNIA STATEWIDE COMMUNITIES
DEVELOPMENT AUTHORITY

NEWSLETTER

June 2018



Greetings - you are receiving this newsletter because you have been identified as a party that could potentially benefit from using the Statewide Community Infrastructure Program to finance impact fees and improvements related to new development projects or to refinance currently outstanding Special Assessment District or Community Facilities District debt.

You may reply directly to this email with any questions about participating in the Program.

Don't forget to add service@elabra.com to your contact list to ensure that future distributions land in your inbox!

Announcements

CSCDA is pleased to welcome the City of Lodi as a new member of SCIP who is involved in the SCIP 2018B financing!

We encourage any City, County or Special District to join and are more than happy to speak with prospective members about the Program and walk new members through the process of joining.

Congratulations on a successful closing on June 7th to all of the Developers & Local Agencies involved in SCIP 2018A!

On behalf of the financing team, we are thankful for the opportunity to work with all of you. Thank you to everyone for your ongoing professionalism and hard work throughout the process of forming and issuing Bonds for 16 individual SCIP Assessment Districts representing 17 projects. *It takes a village!*

Applications Open for SCIP 2018C!

SCIP 2018C Applications Due by July 1st!

CSCDA is accepting applications through the end of April for the Statewide Community Infrastructure Program's 2nd Annual Winter "C" financing, expected to price and close in December.

The schedule for SCIP 2018C is provided below:

NOW

Applications due by July 1, 2018

August 2018

Prepare Preliminary Engineer's Reports

September 2018

Commence Proceedings

November 2018

Hold public hearing

December 2018

Sell Bonds and Deliver Funds



Upcoming Bond Sales

Horse Creek Ridge CFD

Horse Creek Ridge, located in San Diego County, is a community inspired by nature, by history and by the traditions of old California. It is a place where today's lifestyle meets all that is worth preserving from the area's rich past. The community, which is being developed by D.R. Horton, will feature an impressive collection of five, single-family and two, detached condominium neighborhoods, as well as eight parks including an 8.5 acre Sports Park.

In order to pre-fund the project's Water and Sewer connection fees for the Rainbow Municipal Water District CSCDA formed a Community Facilities District in 2017. The CFD includes 277 gross acres, 90 acres of which expected to consist of approximately 521 single family residential units and 230 multi-family residential units.

The SCIP financing team is preparing the POS and working towards selling approximately \$20 million of Special Tax Bonds for the CFD in June.



Gilbert Ranch (SCIP AD)

Gilbert Ranch is a new subdivision planned for the City of Oakley in Contra Costa County. DeNova Homes is the developer for the 120 acre, 581 single-family home community, which is expected to be completed in two phases.

The Gilbert Ranch subdivision is slated to feature a four-acre neighborhood park in the center, along with nature trails.

CSCDA is working to form an Assessment District to fund the public improvements for Phase I which is expected to complete site development in Spring 2018.



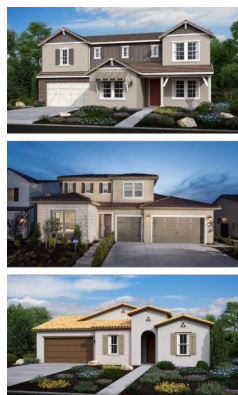
SCIP 2018B - Fall Bond Sale

The SCIP financing team has begun work on CSCDA's second annual issuance of its pooled assessment revenue bonds after receiving over 25 applications. Preliminary engineer's reports are underway for 13 projects currently anticipated to be included in the 2018B District formation and Bond Sale. The projects, primarily new residential developments with minimal development, will represent funding for development impact fees or public improvements for 12 different local agencies. The anticipated size of the bond issue is between \$30 and 40 million in par amount. The following two 2018B projects are ahead of schedule in order to form Districts ahead of home sales:

Veranda

Veranda at Stone Creek is a new subdivision planned for the City of Rancho Cordova in Sacramento County. Elliott Homes is the developer for the 17 acre, 163 single-family home community.

CSCDA is working to form an Assessment District to pre-fund impact fees for homes expected to begin closing at the end of Summer 2018.



LENNAR
The Home of Everything's Included.®



Gala and Braeburn at Harvest

Gala and Braeburn are two new subdivisions in Lennar's 42 acre, 116 single-family home community of Harvest located in the City of Folsom in Sacramento County.

CSCDA is working to form an Assessment District to pre-fund impact fees for homes expected to begin closing at the end of September 2018.

Market Update

Treasury yields have fallen by 10-15 basis points (0.10% - 0.15%) since peaking in Mid-May as a result of geopolitical concerns associated with the political upheaval in Italy driving a flight to quality bid to US Treasuries. Higher growth and inflation expectations, along with concerns of a more aggressive Federal Reserve weighed on appetite for U.S. government bonds. Continued solid economic data including better than anticipated non-farm payroll increase of 233k, reinforcing the Federal Open Market Committee's impending June rate hike next week (100% market probability).

Long-term municipal rates have generally kept pace with Treasuries, with AAA MMD / Treasury ratios around 80% in the front end of the curve but at nearly 99% in 30-years as a result of a lack of demand from banks and major municipal investors in a post-tax-reform world. Municipal Interest Rates continue to show significant volatility, having increased by as much as 57 basis points (0.57%), and currently higher by 48 basis points (0.48%) since the beginning of the year. The current 10-year MMD is 2.46% and the average for 2018 YTD is 2.40%.

10-Year US Treasury vs. 10-Year AAA MMD (June 2016 - Present)



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