



CSCDA
CALIFORNIA STATEWIDE COMMUNITIES
DEVELOPMENT AUTHORITY

NEWSLETTER

June 2017



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 Cities of Sacramento and Hollister as new members of SCIP!

There are two Sacramento projects participating in our upcoming pooled financing bond series. Hollister will be issuing bonds for a residential stand-alone community facilities district (CFD) in the future.

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.

Recent Highlights

Napa Pipe Redevelopment Project

CSCDA issued \$20,830,000 of Special Tax Bonds (Federally Taxable) for the Napa

Pipe Redevelopment Project on June 1, achieving an attractive 30-year taxable rate of 7.68%.

Notably, this transaction was the first of its kind in that the bond proceeds were used to finance remediation work.

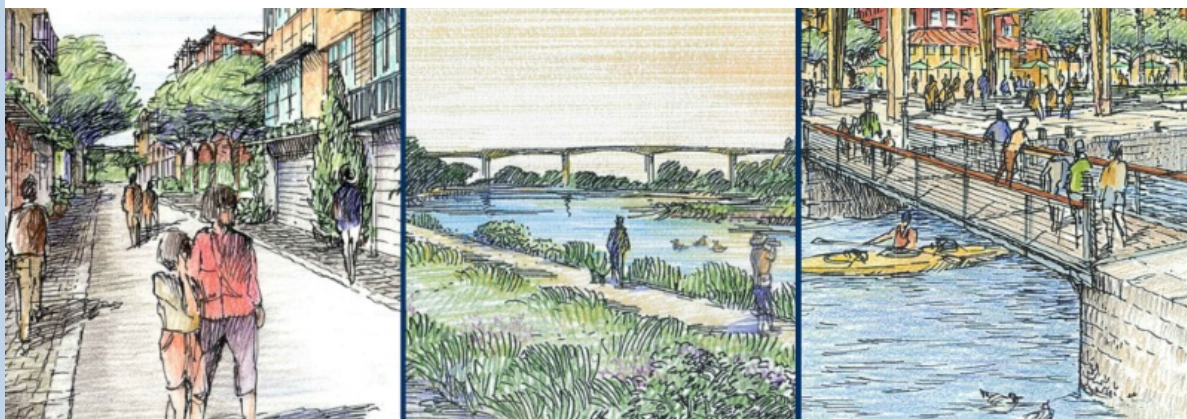
The remediation includes excavation and offsite disposal of hydraulic oil-affected soils, removal of diesel-contaminated soils, wastewater treatment disposal as well as abatement of hazardous materials from buildings prior to demolition and is expected to be completed in early 2018. A landfarming bio-cell area is planned to be located outside of the planned membership warehouse store area to facilitate enhanced biodegradation and is expected to be complete by fall of 2019. Although, the Construction Manager does not anticipate that the landfarming operations will preclude any of the currently entitled areas from receiving their No Further Action Letters.



Previously owned by Oregon Steel Mills Inc., since World War II the site of the Napa Pipe Redevelopment Project was used to produce a widerange of specialty and commodity steel products. The Napa Pipe property was purchased in late 2005 by Napa Redevelopment Partners, LLC, which has since worked with the Napa community in an effort to revitalize the waterfront property. Members of Napa Pipe Redevelopment Partners include Rogal + Walsh + Mol (developer member, 1% interest),and Napa River Investors, LLC, (investor member comprising various funds and accounts, all of which are owned by Farallon Capital Management, LLC, 99% interest). Catellus Development Corporation is serving as development advisor and construction manager.

TheDevelopment Agreement provides a plan for development of the Property in four phases:

- **Phase One** - Focus on soil remediation and site grading for the membership warehouse store site
- **Phase Two and Thereafter** - Commence the development of the residentially-zoned lands for sale to homebuilders. Additionally, a 150-room hotel, a 225-bed senior living center, and up to 40,000 square feet of neighborhood retail may be developed



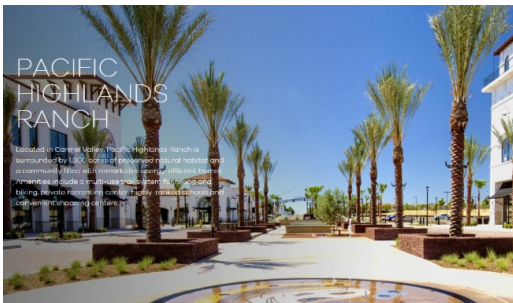
Upcoming Bond Issues



Lakeside Executive Suites - Lincoln



Country House Memory Care - Placer County



Pacific Highlands Ranch - San Diego

SCIP 2017B

CSCDA recently kicked off its second annual series of Statewide Community Infrastructure Program pooled financing Bonds. The pool is expected to be of substantial size with 17 participating projects, most of which are new residential developments with minimal build out. The anticipated size of the bond issue is between \$30 - 40 million in par amount.

Examples of participating projects include:

- **Heidorn**
Antioch / Meritage Homes
- **Sellers Ave**
Brentwood / Meritage Homes
- **Lakeside 6 (Phase 2)**
Lincoln / JMC Construction
- **Country House Memory Care**
Placer County / Agemark
- **Project One**
Roseville / Panattoni
- **Pacific Highlands Ranch (3 Units)**
San Diego / Pardee Homes
- **Evans Estates (Phase 5)**
Manteca / Raymus Homes
- **Shadowbrook**
Manteca / Trumark
- **Kawana Meadows**
Santa Rosa / Kawana Meadows
- **Calistoga & Silverleaf**
Sacramento / Next Generation

It is anticipated that the Resolution of Intention will be authorized in July with the Public Hearing held in September. The Bonds are expected to be sold and delivered in October.

University District

University District is a mixed-use commercial / residential project located in Rohnert Park, adjacent to Sonoma State and the Green Music Center. The project is being developed by Brookfield Homes.

As of May 1, building permits have been pulled for 174 of the total 399 current units and 155 homes have been sold. As a

WHAT'S ON THE HORIZON

Currently Entitled For:

1,236 SINGLE-FAMILY
DETACHED HOMES **260**
ACRES

100,000 SQUARE FEET
in a 7-Acre Commercial Center

60 OF ON-SITE
ACRES OPEN SPACE **13** AT TWO ON-SITE
ACRES PUBLIC PARKS

3 miles of on-site trails linking to the city, Sonoma State University, Green Music Center, high school & middle school

12 NEIGHBORHOODS



result of the project's high level of demand and rapidly progressing development, the SCIP financing team is preparing to sell \$15 million of Bonds this fall to finance additional infrastructure that will facilitate development expansion.

CSCDA formed a Community Facilities District in 2015 to finance backbone infrastructure within the project area, such as sewer, roadways and bridges. In 2016, CSCDA sold \$11 million of Bonds for Improvement Area 1 within the CFD. The sale was successful and the Bonds achieved an attractive long-term cost of capital, garnering a 4.34% true interest cost.

Market Update

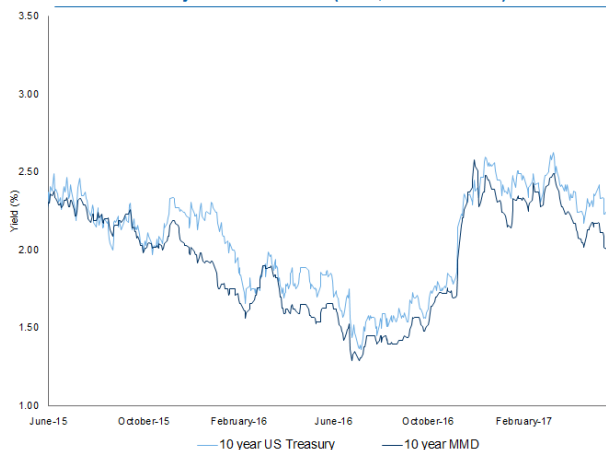
Market Momentum Continues

Municipal yields rallied over the month of May, with the 10-year MMD dipping 28 basis points on a month over month basis. This fixed income market momentum is particularly impressive given the strong performance of the stock market and the preponderance of positive US economic data that has been released in recent weeks.

Investor demand for municipal bonds has persisted through tax season and, in fact, has been buoyed in part by the tax reform policy agenda put forth by the White House, which did not contain any language suggesting the municipal tax exemption may be eliminated.

One final item of importance from a macro-economic perspective is the June 14th FOMC meeting (the futures market is pricing in a 95% chance of a hike being implemented). While this may create pressure on short-term rates, it is unlikely to cause a material increase in market volatility given the high expectation of the hike occurring.

10 Year Treasury vs. 10 Year MMD (June, 2015 - Present)



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