



**CSCDA**  
CALIFORNIA STATEWIDE COMMUNITIES  
DEVELOPMENT AUTHORITY



**SCIP**  
Statewide Community Infrastructure Program

**NEWSLETTER**

FEBRUARY 2021



**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](mailto:service@elabra.com) to your contact list to ensure that future distributions land in your inbox.*

## Applications Open for SCIP 2021B

### SCIP 2021B Applications Due April 1st!

Application deadline for the Statewide Community Infrastructure Program's Annual Summer "Series B" financing is April 1, 2021. SCIP 2021B is expected to price in August 2021 and close in September 2021. The schedule for SCIP 2021B is provided below:



### **Application Deadline**

*Applications due April 1, 2021*

### **April 2021 - May 2021**

*Prepare Preliminary Engineer's Reports*

### **June 2021**

*Commence Proceedings*

### **August 2021**

*Hold public hearing to approve Bond Sale*

### **August 2021 - September 2021**

*Sell Bonds and Deliver Funds*



## **Recent Bond Sale: Antioch (Sand Creek) CFD 2021 Bonds \$9.265 Million (TIC: 3.326%)**

On February 10, 2021, CSCDA and RBC Capital Markets sold \$9.265 million of Special Tax Bonds (the "Bonds") for Improvement Area No. 1 of the Vineyards at Sand Creek project being developed by Century Communities in the City of Antioch in Contra Costa County. The Bonds were non-rated, tax-exempt and had a final maturity in 30 years. The True Interest Cost, or ("TIC") was 3.326%, which is the lowest interest rate for any SCIP financing.

The Bonds were marketed at a Value-to-Lien of 8.06x, and were very well received by investors. Over \$42 million of orders were generated from six (6) institutional accounts, as well as a number of individual retail investors. The Bonds were oversubscribed by 4.59x, which allowed for a reduction from the pre-pricing rates. At the time of sale, 94 homes had either sold and closed escrow or were sold and in escrow, seven (7) homes had finished construction, and 32 homes were under construction.

Improvement Area No. 1 encompasses 142 gross acres and involves the construction of 337 single-family residential units across five (5) neighborhoods on 67 acres of land. Proposed improvements include, but are not limited to, parks, trails, landscaping, circulation improvements, utility installation and various recreational amenities. A substantial amount of land is also dedicated for open space.



## Upcoming Bond Sales

### The Atwell Ranch CFD Bonds - City of Banning (\$19 MM)

CSCDA is planning a bond sale for Improvement Area No. 1 of Atwell Ranch in the City of Banning (Riverside County). Atwell Ranch is master planned community of TRI Pointe Homes IE-SD.

Located at the base of the San Bernardino Mountains with views of the adjacent San Jacinto Mountains, Atwell Ranch is characterized by its scenic surroundings and focus on providing residents with a health-oriented lifestyle. While specific amenities are still in the planning stages, the project is expected to include two or three elementary schools, 36 acres of commercial space and a number of recreational centers and community parks. A public golf course option may also be available, as well as 425 acres of public open space.

Improvement Area No. 1 encompasses 67 acres, 61 acres of which will be developed into 479 single-family residential units. Approximately \$19 million of bonds are expected to be sold at a Value-to-Lien of 7.9x. At the time of sale, 83 homes were sold and closed escrow, 15 homes had finished construction and 214 homes were under construction. The sale is scheduled for March 4th.



## SCIP Pooled Revenue Bonds, Series 2021A (\$35 Million)

SCIP's 2021 Spring "Series A" financing ("SCIP 2021A") remains on schedule with the public hearing to authorize the sale of bonds to be held on April 1st. The bond sale will occur in April, with close and delivery of funds on May 12th. SCIP 2021A presently involves 21 projects, 17 of which are expected to be funded and four (4) are being formed in anticipation of SCIP 2021B. The 17 projects funding in May involve 14 developers and 14 local agencies. At build out these projects are expected to provide 1,746 new residential units. We are looking forward to a successful sale in April. In spite of COVID-19, California land secured bond offerings continue to be very well received by the investment community.

Local Agency	Project	Developer	No. of Units
Brentwood, City of	Chandler	Brookfield Bay Area Holdings LLC	160
	Brentwood Country Club	Shea Homes	86
Corona, City of	Main at Parkridge Shopping Center	Constanzo Investments, LLC	COM
El Dorado, County of	Saratoga Estates (Phase 2A 2B 2C & 3)	Elliott Homes, Inc.	202
Fairfield, City of	The Enclave at Red Top (Unit 1)	Albert D. Seeno Construction Company	43
Gardena, City of	Gardena 114	Melia Homes Inc.	114
Hesperia, City of	Topaz*	D.R. Horton Los Angeles Holding Company, Inc.	91
Lincoln, City of	Turkey Creek Estates, Units 1A & 3A)	Elliott Homes, Inc.	63
Manteca, City of	Cerri (Units 1A & 2)	Meritage Homes of California, Inc.	283
Oakley, City of	Woodbury at Emerson Ranch	Lennar Homes of California, Inc.	104
	Wickford		56
Sacramento, City of	Portrero*	Next Generation Capital	14
	L32*		12
Sacramento, County of	Gum Ranch (Unit 2)	Elliott Homes, Inc.	138
	Barrett Ranch (Phase I)	Lennar Homes of California, Inc.	152
San Diego, County of	Fairview	Forestar (USA) Real Estate Group, Inc.	73
West Sacramento, City of	Newport Villas	Seecon Financial and Construction Co., Inc.	36
	Parella Estates	Parella Estates LLC	26
Yuba, County of	The Arbors	LGI Homes - California, LLC	66
Yucaipa, City of	Yucaipa 144	Woodside Homes	144
	Stonebrook Meadows*	Century Communities, Inc.	57
<b>Total</b>	<b>21 Projects</b>		<b>1,920</b>

\*Formation only.

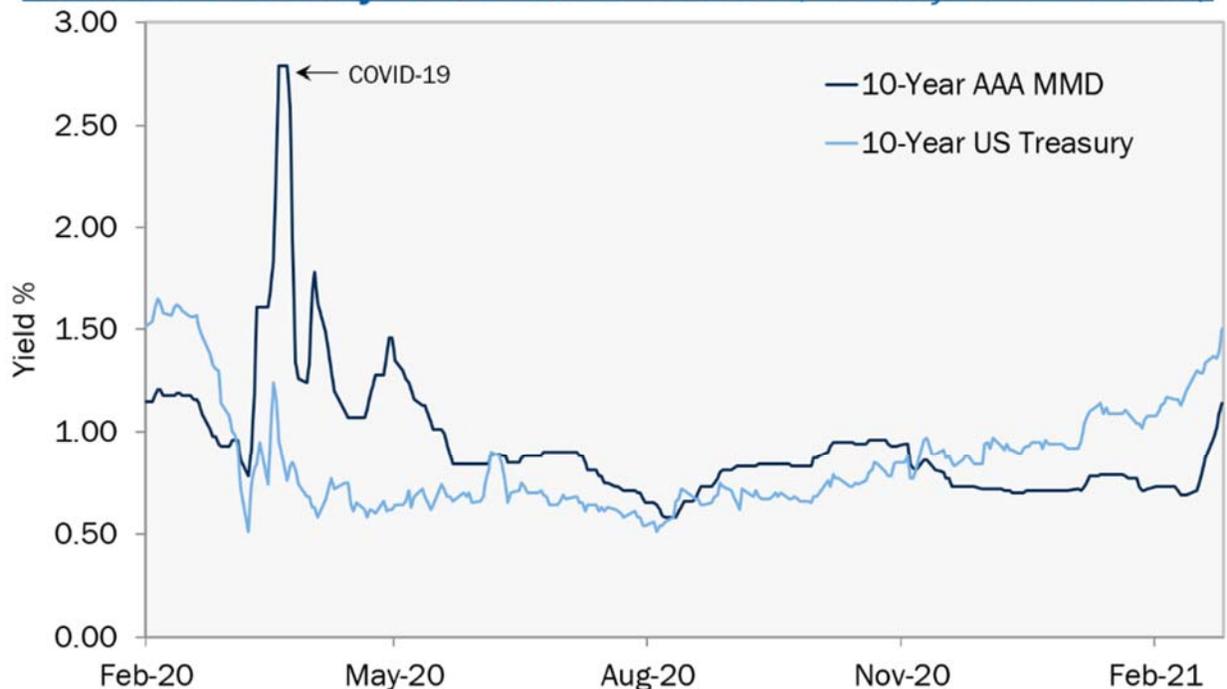
## Market Update

While the summer of 2020 ushered in some of the lowest U.S. Treasury rates on record, expectations of accelerating growth and inflation helped move Treasury yields higher and the curve steeper since the start of 2021. On February 25, 2021, the 10-year U.S. Treasury ended at 1.54%, which is the highest since February 2020, while the 30-year finished at 2.33%, a level not seen since January 2020. Meanwhile, after months of outperforming their taxable counterparts, benchmark tax-exempt yields rose by as much as 40 basis points over the past couple of weeks, signifying a material weakening trend as a healthy tax-exempt supply calendar, rich muni/tsy ratios and outflows helped drive bids lower.

While another wave of the coronavirus pandemic and associated restrictions are expected to remain a market headwind through at least the 1st half of 2021, the vaccine rollout may bring a recovery as the year progresses. On the horizon is President Biden's \$1.9 trillion stimulus bill, which lawmakers continue to debate and may ultimately be passed unilaterally through "Budget Reconciliation". Also, U.S. Treasury Secretary Janet Yellen has reportedly been pushing for a \$3 to \$4 trillion recovery plan that is in addition to President Biden's stimulus bill. Should either or both of these proposals come to fruition and economic data continues to improve, there may be a meaningful upward shift in rates, as investors may perceive a greater risk of inflation, as well as "hawkish" changes to Fed monetary policy.

Since the start of the year, nearly \$60 billion of municipal bonds have been brought to market, including over \$72 million of California land-secured bonds. While the recent market volatility has injected a bit of uncertainty into bond and credit valuations, tax-exempt interest rates remain at attractive levels. The California housing market remains robust and we anticipate investors will continue to be equally excited for California land secured bonds.

### 10-Year US Treasury vs. 10-Year AAA MMD (February 2020 - Present)



Visit our website for more information



California Statewide Communities Development Authority | 1700 North Broadway | Suite  
405, Walnut Creek, CA 94596

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