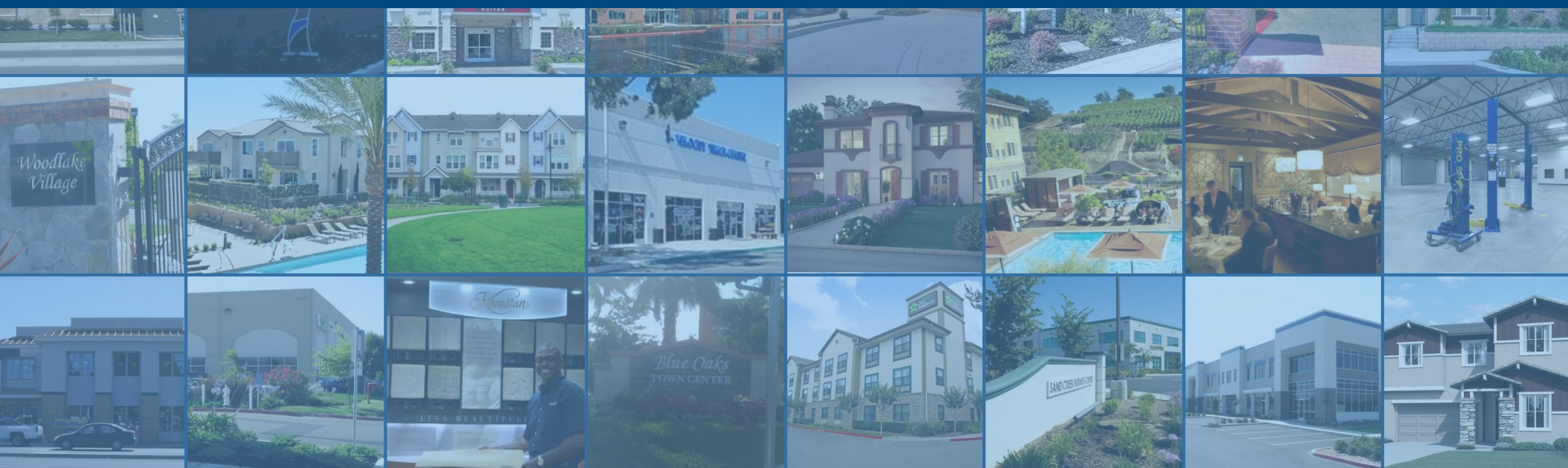


Statewide Community Infrastructure Program

A Program of the California Statewide Communities Development Authority



Community Facilities District Bond Financing Program





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What is the Statewide Community Infrastructure Program?



- The Statewide Community Infrastructure Program (“SCIP”) is a tax exempt financing program offered through the California Statewide Communities Development Authority (“CSCDA”) which can be used by developers to finance public infrastructure, facilities and impact fees.
- Any City/County/Special District can participate in SCIP to which provides local agencies the means to offer competitive financing to all developers (large and small) as a turn key solution, minimizing local agency staff time.
- SCIP provides two programs:
 - The SCIP **pooled revenue bond program** which issues bonds 3 times/year (Spring, Fall & End of Year).
 - Once a City has joined, developers may submit applications on-line.
 - A **stand alone SCIP CFD program** which issues bonds for larger projects as the project schedule dictates.
 - SCIP will craft a project specific JPFA/SCIP Resolution for board approval for each participating Local Agency
- SCIP has 118 Local Agency members.
- Since, 2003, SCIP has issued over \$816 million in bonds for 298 projects across California, of which over \$266 million have been CFD bond financings.
- In 2020, SCIP created its CFD Local Obligation Program, which allows for the use of CFD’s in the SCIP pooled revenue bond program mentioned above.
- The first CFD Local Obligation Bonds were issued last spring for SCIP 2020B.



CSCDA is available to form CFDs and Issue bonds for Stand Alone Projects

Local Agency will adopt a Resolution requesting CSCDA form a CFD including a Joint Community Facilities Agreement (JCFA)

- Will attach a boundary map of the project
- A list of facilities and fees to be financed
- May include and O&M component in addition to facilities
- Can include more than one Local Agency in the CFD (with approval)

CSCDA credit requirements⁽¹⁾:



- 1 At Least a 4x value to lien ratio (including overlapping debt)
- 2 Combined tax burden cannot exceed 2% of the estimated home value
- 3 Debt service may escalate at up to 2% per year
- 4 Project must have received its discretionary entitlements

- The CFD Program can finance stand-alone projects which range in size from \$5 million to \$25 million, or higher
 - Local Agencies direct CFD policies but assume no liability for bond issuance and administration; and
 - Prioritize which facilities and maintenance costs are to be funded

(1) If a Local Agency has more stringent requirements those will apply



SCIP has created a Local Obligation Structure that allows for CFDs to be included as part of the Pooled Revenue Bond Program

The Local Agency Requirements Are:

- ❶ Must be a member of CSCDA (no cost to join; there are over 500 members statewide)
 - ❷ Adopt the Updated SCIP Resolution which now provides for both an Assessment District and CFD Local Obligation funding Option (requires publishing a public hearing notice)
 - ❸ The Resolution includes the form of Acquisition Agreement for funding facilities
 - ❹ The Local Agency must approve each application which can be submitted on-line by developers
 - ❺ Each Local Agency is required to Execute a Closing Certificate regarding IRS rules on expenditures of proceeds
- The CFD Local Obligation Option is now available for incorporation into the SCIP pool which issues bonds three (3) times a year (Spring/Fall/End of Year)
 - May include fees and/or facilities of other agencies (if they are members of SCIP)
 - CSCDA will adhere to Local Agency's Goals and Policies (when applicable)

Program Benefits



- SCIP provides **local agencies** a means of offering competitive financing to all developers as a turnkey solution which minimizes local agency staff time
- The Program can finance projects which range in size from \$500,000 to \$25,000,000, or higher
- **Developers** use SCIP for a variety of reasons:
 - ① Can be part of the capital mix of debt, equity, public financing
 - ② Provides off balance sheet/land secured non recourse debt
 - ③ Can provide competitive advantages with respect to residential marketing
- SCIP provides diversity to investors and economies of scale to its participants which ultimately translates to competitive interest rates and lower costs

Local Agencies Save Time & Effort



Resources Can be Used Elsewhere

Developers Gain Access to Capital

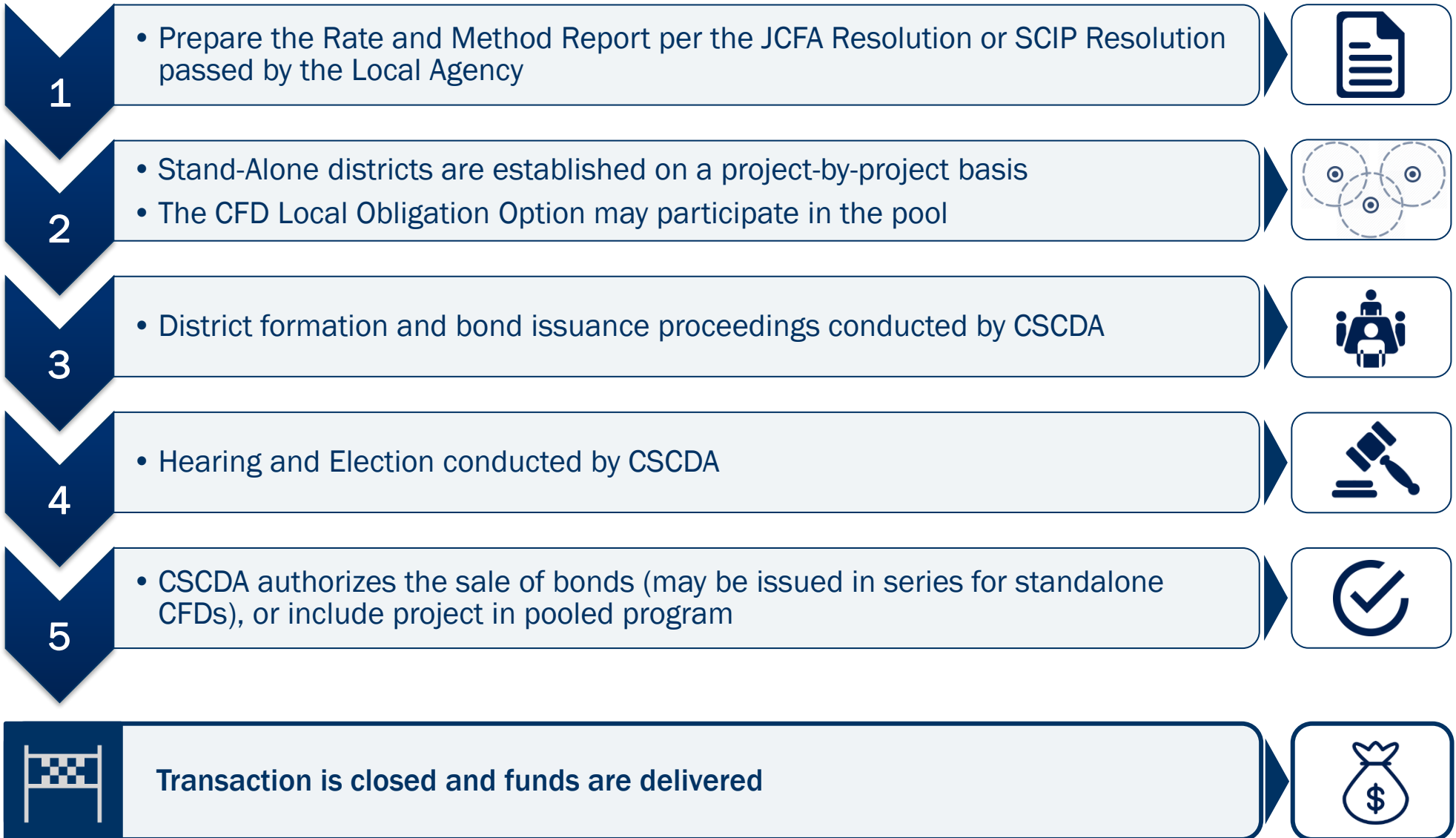


Project Economics are Improved

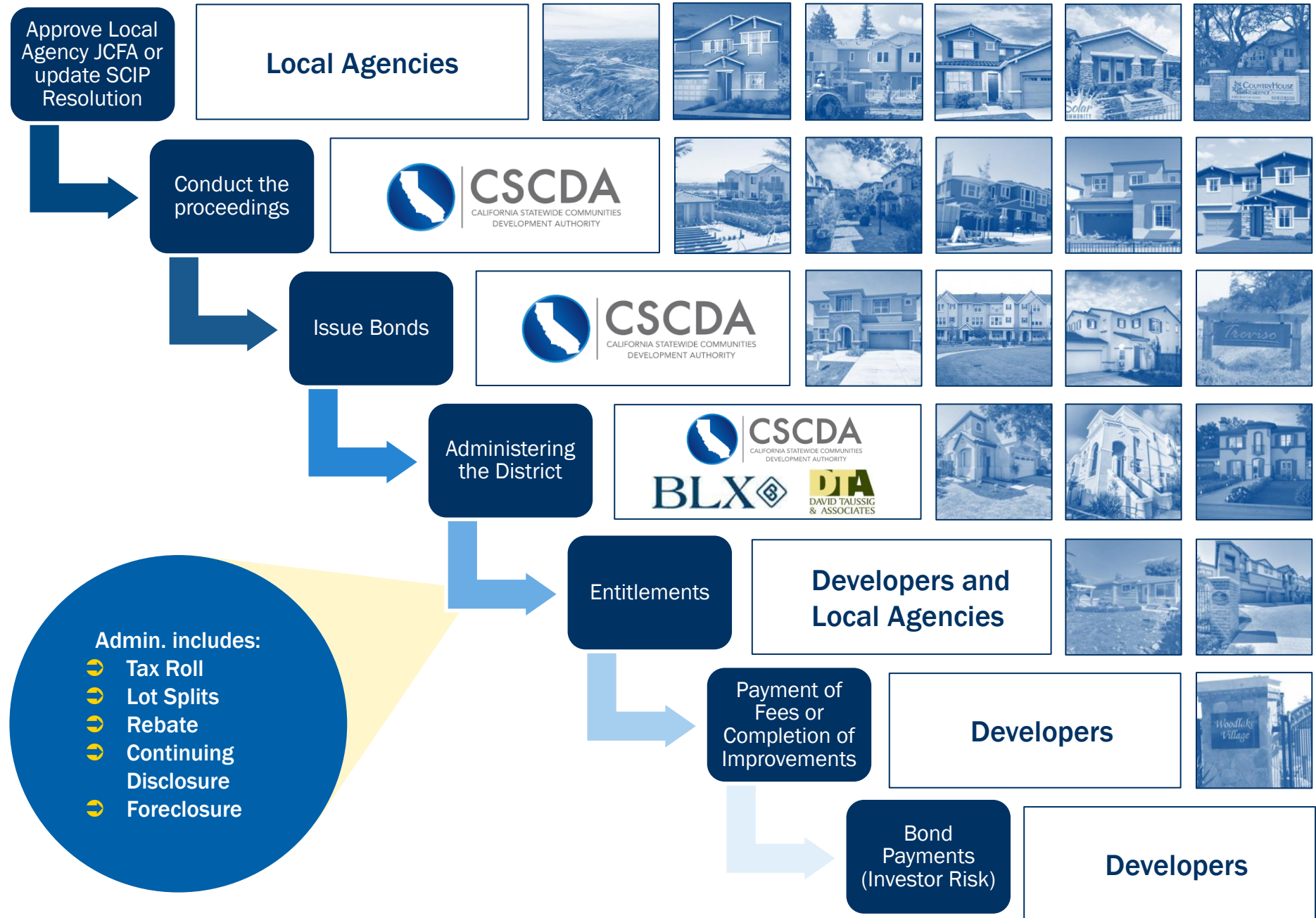
Key Events



- The City or County **does not** issue bonds or levy assessments
- The schedule of proceedings is described below:



SCIP Tasks and Responsibility Schedule



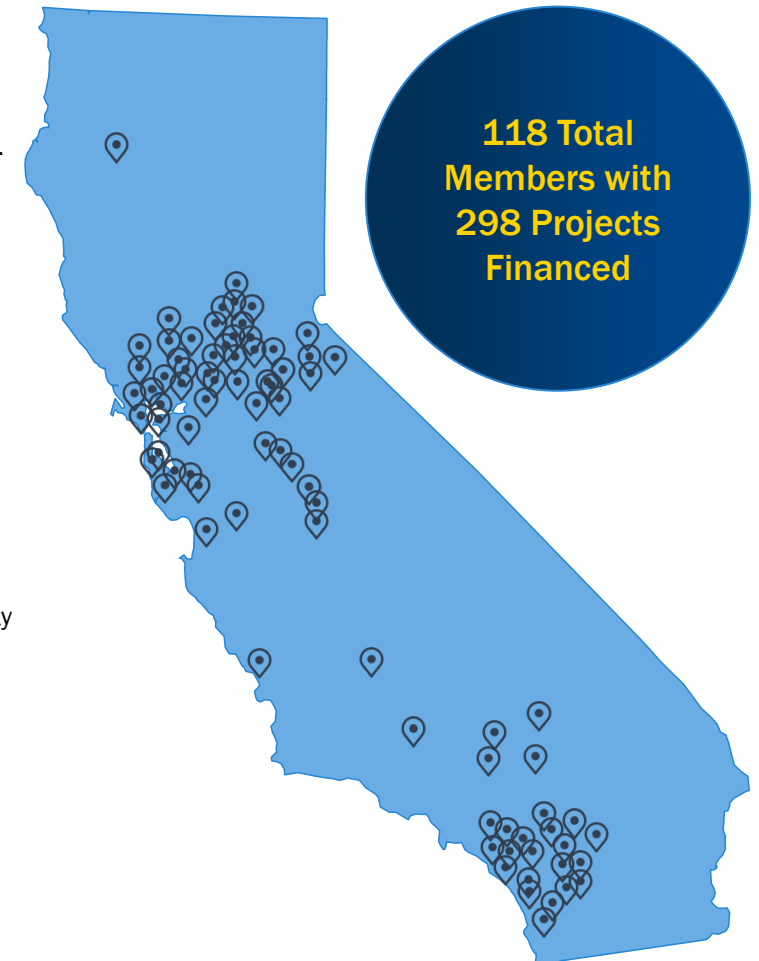
Who Uses SCIP?



118 Participating Local Agencies across California with a Growing List of Recurring Developer Clients

Participating Local Agencies

- Alameda, City of
- American Canyon
- Anaheim
- Antioch
- Bakersfield
- Banning
- Bayshore Sanitary District
- Blythe
- Brentwood
- Butte County
- Calistoga
- Cathedral City
- Chula Vista
- Citrus Heights
- Clovis
- Coachella Valley Water Dt.
- Corona
- Cosumnes CSD
- Cotati
- Daly City
- Dana Point
- Davis
- Desert Hot Springs
- Diablo Water Dt.
- Dublin
- Dublin San Ramon Svcs. Dt.
- East Contra Costa RFFA
- East Palo Alto
- Eastern Muni. Water Dt.
- El Dorado, County of
- El Monte
- Elk Grove
- Fairfield
- Folsom
- Fontana
- Fremont
- Galt
- Gardena
- Healdsburg
- Hercules
- Hesperia
- Hollister
- Imperial, County of
- Indian Wells
- Indio
- Ironhouse Sanitary Dt.
- Lancaster
- Lathrop
- Lincoln
- Linda Co. Water Dt.
- Live Oak
- Livermore
- Lodi
- Madera, City of
- Manteca
- Martinez
- Menifee
- Merced, City of
- Millbrae
- Mission Springs Water Dt.
- Morgan Hill
- Morro Bay
- Murrieta
- Napa, City of
- Napa, County of
- Newport Beach
- Norco
- Oakley
- Oxnard
- Palm Springs
- Patterson
- Patterson
- Petaluma
- Placer, County of
- Rainbow Muni Water Dt.
- Rancho Cordova
- Redding
- Rialto
- Richmond
- Rio Vista
- Rocklin
- Roseville
- Sac. Area Sewer Dt.
- Sac. Co. Water Agency
- Sac. MUD
- Sac. Regl. Co. Sanitation Dt.
- Sacramento, City of
- Sacramento, County of
- San Diego, City of
- San Diego, County of
- San Juan Bautista
- San Juan Capistrano
- San Luis Obispo, City of
- San Luis Obispo, County of
- San Marcos
- San Mateo, County of
- Santa Ana
- Santa Rosa
- Sonoma, County of
- South Placer MUD
- South Placer RTA
- South Placer Water Authority
- Stockton
- Sweetwater Authority
- Thousand Oaks
- Tracy
- Truckee Donner PUD
- Tuolumne, County of
- Ukiah
- Vacaville
- Vallejo
- West Sacramento
- Woodland
- Yuba City
- Yuba, County of
- Yucaipa
- Yucaipa Valley Water Dt.



Case Studies | Recent CSCDA SCIP CFD Bond Financings



Banning (Atwell Ranch) CFD 2020-02 | Special Tax Bonds, Series 2021 (sold: March 4, 2021)

- On February 10, 2021, CSCDA sold \$18,790,000 bonds for the Atwell Ranch project in the City of Banning. Proceeds financed the acquisition of certain public infrastructure improvements that will support 479 single-family residential units in Improvement Area No. 1 ("IA-1). At the time of sale, IA-1 had a total Adjusted Value of approximately \$148.235 million, reflecting the total appraised value of the homes/land of \$83.659 million, plus the \$64.576 million estimated value of the building permits. The value-to-lien ratio was 7.9x.
- The 30-year bonds sold at a TIC of 3.529%. Over \$148 million of orders were generated from 12 institutional accounts and a number of retail buyers. The Bonds were oversubscribed by 7.92x, which allowed for a reduction from the pre-pricing rates. At the time of sale, 83 homes were sold and closed escrow, 15 homes had finished construction and 214 homes were under construction.



Antioch (Sand Creek) CFD 2020-01 | Special Tax Bonds, Series 2021 (sold: February 10, 2021)

- On February 10, 2021, CSCDA sold \$9,265,000 bonds for the Sand Creek project in the City of Antioch. Proceeds financed the acquisition of certain public infrastructure improvements that will support 337 single-family residential units in Improvement Area No. 1 ("IA-1). At the time of sale, IA-1 had an assessed value of approximately \$73.92 million and value-to-lien ratio of 7.98-to-1.
- The 30-year bonds sold at a True Interest Cost ("TIC") of 3.326%, which is the lowest interest rate for any SCIP financing. 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 sold and closed escrow or were sold and in escrow, seven (7) homes had finished construction, and 32 homes were under construction.



SCIP Pooled Program | Revenue Bonds, Series 2020B (sold: September 24, 2020)

- On September 24, 2020, CSCDA sold \$10,450,000 bonds for seven (7) projects that participated in SCIP's annual "summer" pooled revenue bond sale. **This transaction included the Windrows project located in the City of Fontana, which was SCIP's inaugural project issued through the CFD Local Obligation Program.** The SCIP 2020B Bond proceeds financed over \$9.1 million of impact fees for nine (9) local agency participants.
- The 30-year bonds sold at a TIC of 3.798%. Nearly \$29 million of orders were generated from six (6) institutional accounts and a handful of retail investors. The Bonds were oversubscribed by 2.8x, which allowed for a reduction from the pre-pricing rates. The SCIP 2020B Bonds were marketed at an overall value-to-lien ratio of 7.97x, and at full buildout are expected to 557 residential units to the California housing market.



Upcoming CSCDA SCIP CFD Bond Financings



Pending SCIP Financing Activity

- The SCIP team is gearing up for the new year and has developed a solid pipeline.
- At this time, we expect to finance at three (3) revenue bond financings through SCIP's Pooled Program and seven (7) CFD bond transactions over the course of 2021.
 - This includes the two (2) CFD bond financings recently issued for the Sand Creek and Atwell CFD projects in the cities of Antioch and Banning, respectively.
- Provided below is SCIP's forward CFD calendar and list of projects that are expected to be sold prior to year end 2021.

CSCDA SCIP CFD / AD 2021 Bond Transaction Calendar

Status	County	Local Agency	Developer(s)	Project Name	Par Amount	District
Sold	Contra Costa	City of Antioch	Century Communities	Vineyards at Sand Creek	\$9,265,000	CFD
Sold	Riverside	City of Banning	TriPointe Homes, Inc.	Atwell	\$18,790,000	CFD
Pending	Placer	City of Lincoln	Taylor Builders	Meadowlands	\$10,000,000	CFD
Pending	San Diego	County of San Diego	TriPointe Homes, Inc.	Meadow Wood	\$35,000,000	CFD
Pending	Sonoma	City of Rohnert Park	Brookfield Properties	University District (IA-3)	\$11,000,000	CFD
Pending	Contra Costa	Bethel Island MID	DMB Development	Delta Coves	\$10,000,000	CFD
Pending	Napa	City of American Canyon	McGrath Properties	Watson Ranch	\$4,000,000	CFD
7 Transactions					\$98,055,000	

CSCDA SCIP CFD Bond Transaction History



Sale Date	District	Local Agency	Project	Description	Series	Par Amount	Developer	Use of Proceeds
Dec-07	CFD	Orinda, City of	Orinda Wilder	Stand Alone	Series 2007A	\$37,500,000	Farallon Capital Mgmt	New Money
May-13	CFD	Manteca, City of	Manteca Lifestyle Center	Stand Alone	Series 2013A	\$6,245,000	Poag & McEwen Lifestyle Centers	New Money
Jun-15	CFD	Orinda, City of	Orinda Wilder	Stand Alone	Series 2015	\$33,015,000	Farallon Capital Mgmt	Refunding
Aug-15	CFD	Bakersfield, City of East Niles CSD	Rio Bravo	Stand Alone	Series 2015A	\$11,125,000	Rio Bravo Medical Campus, LLC	New Money
Mar-16	CFD	Rohnert Park, City of	University District	Stand Alone	Series 2016A	\$11,275,000	Brookfield Properties	New Money
Nov-16	CFD	Bethel Island MID East Contra Costa FPD Diablo Water District Ironhouse Sanitary District	Delta Coves	Stand Alone	Series 2016A	\$11,155,000	DMB Development	New Money
Jun-17	CFD	Napa, City of	Napa Pipe Redevelopment	Stand Alone	Series 2017A	\$20,830,000	Farallon Capital Mgmt	New Money
Oct-17	CFD	Rohnert Park, City of	University District	Stand Alone	Series 2017	\$14,505,000	Brookfield Properties	New Money
Jun-18	CFD	San Diego, County of	Horse Creek Ridge	Stand Alone	Series 2018	\$19,305,000	D.R. Horton	New Money
Feb-19	CFD	Newport Beach, City of	Uptown Newport	Stand Alone	Series 2019	\$8,300,000	Shopoff Development	New Money
Oct-19	CFD	Bethel Island MID Diablo Water District Ironhouse Sanitary District	Delta Coves	Stand Alone	Series 2019	\$11,115,000	DMB Development	New Money
Jun-20	CFD	Hemet, City of	McSweeney Farms	Stand Alone	Series 2020	\$8,510,000	Paulson Group/Raintree	New Money
Aug-20	CFD	Oxnard, City of	Wagon Wheel	Stand Alone	Series 2020	\$15,725,000	Oakwood Communities	New Money
Sep-20	CFD	Bethel Island MID Diablo Water District Ironhouse Sanitary District	Delta Coves	Stand Alone	Series 2020	\$13,540,000	DMB Development	New Money
Sep-20	CFD	Rohnert Park, City of	University District	Stand Alone	Series 2020	\$3,725,000	Brookfield Properties	New Money
Sep-20	CFD	Rohnert Park, City of	University District	Stand Alone	Series 2020	\$7,460,000	Brookfield Properties	New Money
Sep-20	CFD/AD	Various	6 Projects (1 CFD Project)	Pool	Series 2020B	\$10,450,000	Various	New Money
Oct-20	CFD	Inglewood, City of	333 North Prairie	Stand Alone	Series 2020	\$4,590,000	Shopoff Development/Harridge	New Money
Feb-21	CFD	Antioch, City of	Sand Creek	Stand Alone	Series 2021	\$9,265,000	Century Communities	New Money
Mar-21	CFD	Banning, City of	Atwell	Stand Alone	Series 2021	\$18,790,000	Tri Pointe Homes, Inc.	New Money
Total						\$276,425,000		