



CSCDA
CALIFORNIA STATEWIDE COMMUNITIES
DEVELOPMENT AUTHORITY



SCIP
Statewide Community Infrastructure Program

NEWSLETTER

MARCH 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 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 o:



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: Banning (Atwell) CFD 2021 Bonds \$18.79 Million (TIC: 3.529%)

On March 4, 2021, CSCDA and RBC Capital Markets sold \$18.79 million of Special Tax Bonds (the "Bonds") for Improvement Area No. 1 ("IA-1") of the Atwell project being developed by TRI Pointe Homes in the City of Banning in Riverside County. The Bonds were non-rated, tax-exempt and had a final maturity in 30 years. The True Interest Cost ("TIC") was 3.529%.

The Bonds were marketed at a Value-to-Lien of 7.9x, and were very well received by investors. Over \$148 million of orders were generated from twelve (12) institutional accounts, as well as a number of retail buyers. The Bonds were oversubscribed by 7.92 times, 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.

The Atwell project is 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.

IA-1 encompasses 67 acres, 61 acres of which will be developed into 479 single-family residential units. Improvement Area No. 1 is the first phase of a larger planned community that is entitled for a total of 4,862 dwelling units to be built across five product lines: Arroyo, Cienega, Centerstone, Horizon and Landmark.



Aerial View of Atwell, Improvement Area No. 1

Upcoming Bond Sales

SCIP Pooled Revenue Bonds, Series 2021A (\$38 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 1,744 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	41
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
Sacramento, City of	Wickford		56
	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
Total	21 Projects		1,918

*Formation only.

Delta Coves CFD, 2021 Bonds (\$10 million)

SCIP is planning another bond sale for Delta Coves. This CFD is an exclusive, high-end development consisting of waterfront homes with private docks, a saltwater lagoon, and a 4,500 square foot private recreational facility, which includes a pool, barbecue, and picnic areas, and 230 private boat slips with access to the Sacramento/San Joaquin Delta. DMB Development, LLC is performing work as the Master Developer and homes are currently under construction by Davidson Homes and Blue Mountain Communities.

The CFD is located in the eastern portion of Contra Costa County, within the unincorporated area of Bethel Island, and consists of approximately 310 acres to be developed into 560 waterfront homes. The CFD notably joins together four (4) local



agencies, the Diablo Water District, Iron House Sanitary, the Bethel Island Municipal Improvement District, and the East Contra Costa Fire District.

The upcoming bond financing represents the 4th transaction for the CFD, with \$11.155 million issued in 2016, \$11.115 million sold in 2019, and \$13.54 million sold in 2020.



University District CFD, 2021 Bonds (\$11 million)



SCIP is planning another bond sale for the University District. This CFD is located across from Sonoma State University and is being developed by Brookfield Homes. When fully developed, University District will include 1,236 single family homes, 218 affordable multi-family units and 100,000 square feet of mixed-use commercial space. Public amenities include, two public parks, two water quality/detention basins, and creeks, wetlands and open space buffers.

The CFD was formed in 2016, and Vast Oaks West (the 1st CFD Zone) is nearly fully developed with 399 homes sold, and Vast Oaks East (the 2nd CFD Zone) is well underway and will comprise 428 single family homes and is expected to be completed in 2021. To date, CSCDA has issued nearly \$37 million of bonds for Vast Oaks West and Vast Oaks East. The CFD lien for these two CFD zones are now closed.

The upcoming bond financing represents the first transaction for Vast Oak North (the 3rd CFD Zone). There are a total of four (4) improvement zones in the University District and these zones are not cross-collateralized.

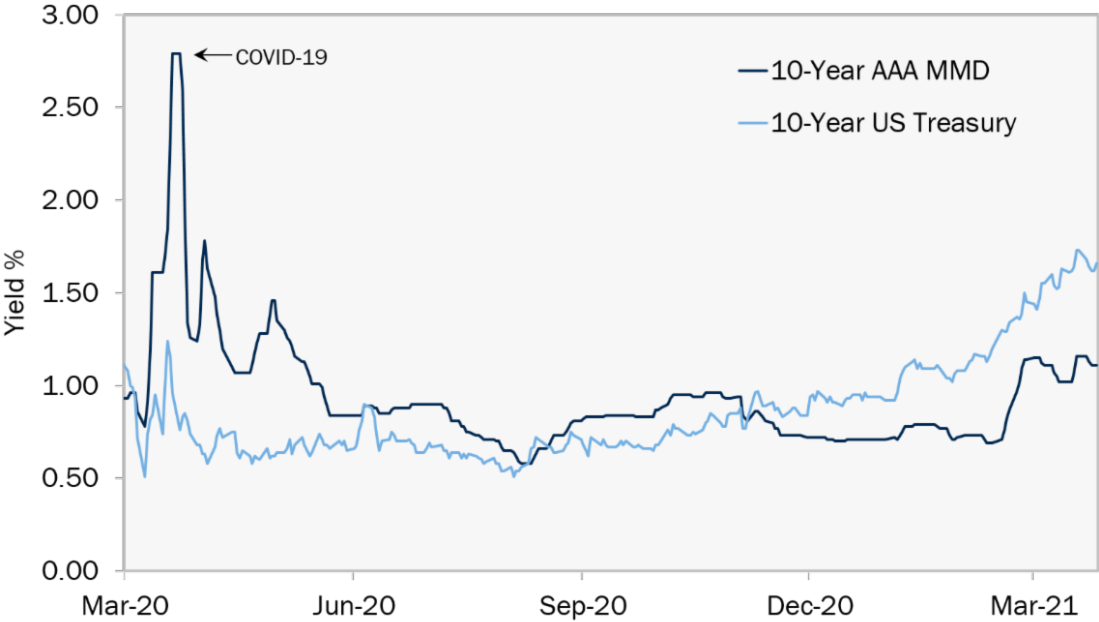
Market Update

With vaccination rates steadily rising, hospitalizations declining and stimulus checks hitting bank accounts benchmark tax-exempt and taxable interest rates remain well above the lows reached during the summer of 2020. Although the upward trajectory in

bond yields and stock market gains has plateaued over the past couple of weeks, perception of the economy returning to normal as early as the summer of this year is gaining momentum. Even the Federal Reserve, which has remained accommodative since March 2020, raised its latest 2021 GDP outlook to +6.5% from the +4.5% forecast it provided back in December 2020.

While longer-term borrowing rates have trended higher since the start of the year, rates remain attractive relative to historical averages, as the 10-year Treasury is at just 1.66%, and the 10-year "AAA" MMD is at 1.11%. Year-to-date, over \$105.9 billion of municipal bonds have been brought to market, including over \$195 million of California land-secured bonds. Interest in California land secured credits with strong value-to-lien ratios and projects that are further along the development timeline remains robust. Money continues to flow into municipal bond funds, including those focused on high yield securities, which is positive for issuers of California land secured bonds.

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



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