



CSCDA
CALIFORNIA STATEWIDE COMMUNITIES
DEVELOPMENT AUTHORITY



Statewide Community Infrastructure Program

NEWSLETTER

JULY 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 2021C Bonds

SCIP 2021C Applications Due August 1st!

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

[Application Deadline](#)



Applications due August 1, 2021

August 2021 - September 2021

Prepare Preliminary Engineer's Reports

September 2021

Commence Proceedings

November 2021

Hold public hearing to approve Bond Sale

November 2021 - December 2021

Sell Bonds and Deliver Funds



SCIP's CFD Local Obligation Pooled Program (Available for SCIP 2021C)

SCIP has expanded its CFD program to allow for the financing of smaller projects through SCIP's Pooled Revenue Bond program. This expansion will allow developers to finance a broader range of impact fees and public facilities, as well as provide for greater flexibility in adjusting tax rates by specific product type and assist in forming separate improvement areas when projects need to be phased. The CFD Local Obligation program commenced in 2020, and now is a standard feature with new SCIP members. A number of our legacy clients are in the process of updating SCIP, and amending their old SCIP Resolutions.

The SCIP pool issues three series of bonds in the spring, fall and winter of every calendar year and the CFD Local Obligation Pooled Program is expected to transition seamlessly into the existing pooled program and due diligence process you may already be familiar with. The SCIP CFD Local Obligation feature enhances the SCIP stand-alone CFD program which has issued approximately \$275 million in bonds. The CFD option is now available for SCIP 2021C. SCIP will also be offering a hybrid CFD program, which combines a stand-alone CFD with the pool to phase bond issuances over time to reduce interest costs.



Sale in Progress: SCIP 2021B Bonds

SCIP 2021B remains on schedule with the public hearing to be held on August 5th. The bond sale will occur the week of August 23rd, with close and delivery of funds in mid-September. There are 12 projects located throughout the state, including two residential developments in the City of Anaheim, a newly joined SCIP local agency member. SCIP 2021B is comprised entirely of single family or townhome construction projects. When complete, these developments will add 1,191 residential units to the California housing market. The market for California land secured credits remains robust and we look forward to a successful sale in August.

Local Agency	Project	Developer	No. of Units
City of Gardena	Walnut Place	G3Urban	52
City of Anaheim	West Lincoln	Lennar Homes of California, Inc.	115
	Townes @ Magnolia	Melia Homes, Inc.	59
City of Hesperia	Topaz	D.R. Horton Los Angeles Holding Company, Inc.	91
City of Yucaipa	Peppertree Heights	Pacific Horizon Builders	22
City of San Diego	Corallina	Shea Homes, LP	85
City of Manteca	Cerri (Units 3, 4, & 5)	Meritage Homes of California, Inc.	372
	North Main Commons	Taylor Builders	154
	Freestone	Kiper Development, Inc.	60
City of Petaluma	Casa Grande	DeNova Homes	36
City of Yuba City	Hooper Ranch Estates	Riverland Homes, Inc.	21
Yuba County	Orchard 124	LGI Homes - California, LLC	124
Total	12 Projects		1,191

Upcoming Bond Sales

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.

Tapestry AD, 2021 Bonds (\$8 million)

CSCDA has formed the Tapestry (Phase I) Assessment District (the “Project”) to finance impact fees that will be put forth for the various public improvements to Rancho Road. The improvements are necessary to provide transportation infrastructure to service the development expected to occur within the Project.



The Project is the first phase of a master planned community located in the City of Hesperia and the County of San Bernardino that will ultimately include nine phases of development and approximately 15,663 total residential units, as well as six elementary schools, one middle school, one high school and over 750,000 square feet of commercial development. The Project is being developed by Tapestry, LLC in partnership with DMB Development as the project manager, and Phase I is expected to encompass 2,104 residential units, an elementary school, wastewater treatment facility and several parks.



The Phase I bonds will fund approximately \$6 million of traffic fees which is a portion of the City’s contribution to the Rancho Road project. Total project costs are estimated to be \$48 million from a combination of sources which include the County, SBCTA, grants and the City’s portion of pre-funded traffic fees through SCIP. This shows how SCIP can be used by Local Agencies to pre-fund fees for major infrastructure projects in order to fill a funding gap.



Meadowlands CFD, 2021 Bonds (\$9 million)



CSCDA has formed the Meadowlands CFD, located in the City of Lincoln in Placer County. The District is anticipated to encompass approximately 48 gross acres of land, including 33.71 acres which are expected to be developed into 271 single-family residential units.

The Meadowlands project is being developed by Taylor Builders and will feature four separate neighborhoods with one- and two-story homes, as well as an open space preserve that runs through the northwest portion of the District. Meadowlands is located near the City's historic downtown area.

The CFD is authorized to issue up to \$10 million of Special Tax Bonds to finance various transportation, storm drain, parks and trails, sewer and water improvements and facilities necessary to support the residential development of the Project. The Bonds are expected to be sold in August 2021, with close the following September.

Citro CFD, 2021 Bonds (\$15 million)

CSCDA is forming the Citro CFD (formerly known as Meadowood CFD), which is located in the City of Fallbrook in San Diego County. The District is expected to encompass 390 acres and a total of 844 single- and multi-family units are expected to be built over the life of the development. TriPointe Homes is the developer.

The Citro planned development will include six residential neighborhoods, each with their own unique look and feel, as well as a school, 10-acre public park, community gardens, 14 acres of trails and a recreation center with a pool and community lounge. Approximately, 235 acres will be open space, which includes 50 acres preserved as agricultural open space, including centrally located community avocado and citrus groves. The land Citro is being built upon was formerly dedicated for farming and agricultural uses.



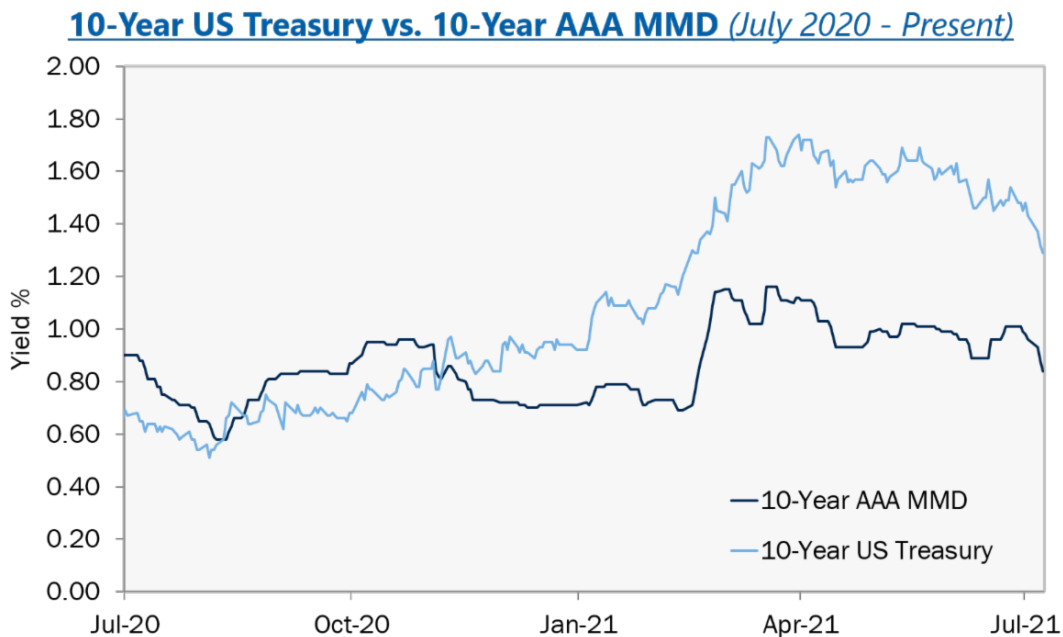
The CFD is anticipated to authorize the issuance of up to \$37 million of Special Tax Bonds to finance the construction of various public improvements and facilities necessary to support the residential development of the Project. The first series of bonds for the project are expected to be sold early 2022.



Market Update

U.S. Treasury and "AAA" MMD yields have reflected a downward bias over the past couple of weeks. This is despite the Fed Chairman Jerome Powell confirming min-June that the Federal Open Market Committee has discussed the tapering of bond purchases and Fed officials added two rate hikes to their 2023 rate forecast, which included none before. Since June 18, the 10-year "AAA" MMD declined by 12 basis points to a yield of 0.84%, while the 10-year U.S. Treasury declined by 4 basis points to a yield of 1.41%. However, these levels are still above the lows achieved earlier in 2021.

Meanwhile, U.S. equities continue to rally, in light of a short breather during the middle of this week, and oil prices show no signs of stopping their upward descent, as the impasse among members of the OPEC+ alliance appears to be ongoing. Activity in the municipal markets also remains brisk, as over \$227 billion of bonds have been sold since the start of this year. This includes over \$11 billion sold in just the past two weeks. Investor demand for high yield securities remains strong, which includes interest in California land secured credits. Nearly \$600 million of land secured bonds have been brought to market in 2021 year-to-date.



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

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