



CSCDA
CALIFORNIA STATEWIDE COMMUNITIES
DEVELOPMENT AUTHORITY



NEWSLETTER

MARCH 2022



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 2022B Bonds

SCIP 2022B Applications Due April 1st!

Application deadline for the Statewide Community Infrastructure Program's Annual Summer "Series B" financing is April 1, 2022. SCIP 2022B is expected to price in August 2022 and close in September 2022. The schedule for SCIP 2022B is provided below:

Application Deadline

Applications due April 1, 2022



April 2022 - May 2022
Prepare Preliminary Engineer's Reports

June 2022
Commence Proceedings

August 2022
Hold public hearing to approve Bond Sale

August 2022 - September 2022
Sell Bonds and Deliver Funds



Sale in Progress: SCIP 2022A Bonds (\$24 million)

SCIP 2022A remains on schedule with the public hearing to be held on April 7, 2022. The bond sale will occur the week of April 25th, with close and delivery of funds in mid-May. The estimated total par amount is approximately \$24 million. There are a total of fifteen projects located throughout California. When complete, these developments will add 1,233 residential units to the California housing market. We look forward to a successful bond sale in late-April, which is expected to include both tax-exempt and taxable components.

Local Agency	Project	Developer	No. of Units	Estimated Par Amount
City of Bakersfield	Morningstar Ranch (Phase I)	LGI Homes - California, LLC	62	\$895,000
City of Lincoln	Turkey Creek Estates (Units 1B & 1C)	Elliott Homes, Inc.	177	3,074,000
City of Roseville	751 Roseville Parkway	Ridge Capital, Inc.	n/a	1,373,000
City of Galt	Cardoso II	The True Life Companies	87	3,020,000
	Cedar Flats (Phase II)	Tim Lewis Communities	49	1,529,000
City of Rancho Cordova	Rio Del Oro (Villages 67A and 67B)	Elliott Homes, Inc	253	2,753,000
City of Sacramento	Portrero	Next Generation Capital	14	452,000
	L32	Next Generation Capital	6	
	Morey Place	CEC Homes	97	2,425,000
	Morrison Estates	CEC Homes	36	
City of Yucaipa	Artisan	Far West Industries	70	2,156,000
City of San Marcos	San Marcos Highlands	KB Home California LLC	187	1,549,000
City of West Sacramento	Newport Estates (Unit 12 - Tract 5129)	Seecon Financial and Construction Co., Inc.	99	1,748,000
City of Wheatland	Caliterra Ranch (Village I)	K. Hovnanian California Region, Inc.	55	1,614,000
County of Yuba	South Orchard Estates	LGI Homes - California, LLC	41	1,367,000
Total	15 Projects		1,233	\$23,955,000

Upcoming Bond Sales

City of Hesperia Tapestry AD, 2022 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 Ranchero 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 Ranchero 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.

County of San Diego / Rainbow Municipal Water Department Citro CFD, 2022 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 during the 3rd or 4th quarter of 2022.

City of Banning

Atwell (Improvement Area No. 2), 2022 Bonds (\$15 million)

SCIP is planning another bond sale for the Atwell CFD in the City of Banning. This will be the second series of bonds sold for this project. The first series of non-rated tax-exempt bonds were sold in March 2021.



The Atwell CFD, which is currently comprised of Improvement Area No. 1 and Improvement Area No. 2, encompasses approximately 160 gross acres and is entitled for the development of 834 single-family residential units. Improvement Area No. 2 is expected to include a total of 355 residential units. Homes are expected to sell at a base price of \$426K to over \$550K. TriPointe Homes is the developer of the Atwell project.



The 2022 Bond sale will be for Improvement Area No. 2, which is the 2nd phase of the larger planned Atwell community. Bond proceeds will be primarily used to finance a portion of the costs of acquiring certain public infrastructure improvements. The non-rated tax-exempt 2022 Bonds are expected to be sold during the 2nd quarter of 2022.



Market Update

U.S. Treasury yields continue to experience elevated volatility, with 10- and 30-year rates at 2.14% and 2.47% as of March 14th, which are 22 and 23 basis points higher relative to our last update on February 18th, respectively. This is in light of the ongoing Russia-Ukraine military conflict and tied to heightened inflationary concerns as the February CPI data came in at 7.9% and the European Central Bank provided a more-hawkish policy perspective by announcing a quicker-than-expected taper of its asset purchase program. Further, on Wednesday, March 16th the U.S. Federal Reserve is widely expected to increase the Fed Funds rate by 25 basis points. In line with the increased volatility and higher benchmark yields, credit spreads for deals priced to U.S. Treasuries widened as investors sought larger cushions to compensate for the greater inflationary pressures.

Municipal bond yields also rose across the curve, with the 10- and 30-year "AAA" MMD at 1.94% and 2.36% as of March 14th, which are 29 and 34 basis points higher relative to rates on February 18th, respectively. Year-to-date, municipal new issue supply of approximately \$78.9 billion remains 12% lower relative to the same period in 2021. The lower issuance activity should provide some support on the bid side, which may help mitigate the impact of continued outflows out of municipal bond funds. Municipal bond funds have experienced outflows in seven of the last eight weeks, totaling \$10.3 billion, including \$662 million of net outflows last week. Outflows were consistent across all tenors and credit sectors, including high yield bond funds which saw \$320 million of net outflows.

10-Year US Treasury vs. 10-Year AAA MMD (March 2021 - Present)



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