



CSCDA
CALIFORNIA STATEWIDE COMMUNITIES
DEVELOPMENT AUTHORITY



California State Association of Counties



LEAGUE OF
CALIFORNIA
CITIES



NEWSLETTER

JUNE 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 2022C Bonds

SCIP 2022C Applications Due August 1st!

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

Application Deadline

Applications due August 1, 2022

August 2022 - September 2022

Prepare Preliminary Engineer's Reports

September 2022

Commence Proceedings



November 2022

Hold public hearing to approve Bond Sale

November 2022 - December 2022

Sell Bonds and Deliver Funds

Sale in Progress: SCIP 2022B Bonds (\$20 million)

SCIP 2022B remains on schedule with the public hearing to be held on August 4, 2022. The bond sale will occur the week of August 22nd, with close and delivery of funds in Mid-September. The estimated total par amount is approximately \$20 million. There are a total of twelve projects located throughout California. When complete, these developments will add 853 residential units to the California housing market. We look forward to a successful bond sale in late-August, which is expected to include both tax-exempt and taxable components.

Local Agency	Project	Developer	No. of Units	Est. Par Amount
Brentwood, City of	Parkside Villas	Richmond American Homes	36	\$1,351,000
Martinez, City of	Traditions at the Meadow	DeNova Homes, Inc.	65	\$1,738,000
El Dorado, County of	Oakhaven (fka Summer Brook)	Blue Mountain Communities	29	\$2,095,000
Lancaster, City of	Westview Estates	K. Hovnanian California Region, Inc.	99	\$1,299,000
Anaheim, City of	Townes at Broadway	Melia Homes Inc.	112	\$990,000
Galt, City of	Caterina	Richmond American Homes	61	\$1,901,000
Galt, City of	Parlin Oaks	Blue Mountain Communities	144	\$2,882,000
Rialto, City of	Bonnie View	Century Communities, Inc.	56	\$1,495,000
Yucaipa, City of	Stonebrook Meadows	Century Communities, Inc.	57	\$1,529,000
Santee, City of	Laurel Heights	Presidio Cornerstone Laurel Heights 80, LLC	80	\$1,549,000
Manteca, City of	The Trails of Manteca (Unit 4)	Manteca Trails, LLC	56	\$804,000
Vacaville, City of	Foxboro Knoll	BHKKS LLC	58	\$2,349,000
Total	12 Projects		853	\$19,982,000

Recent Bond Sales

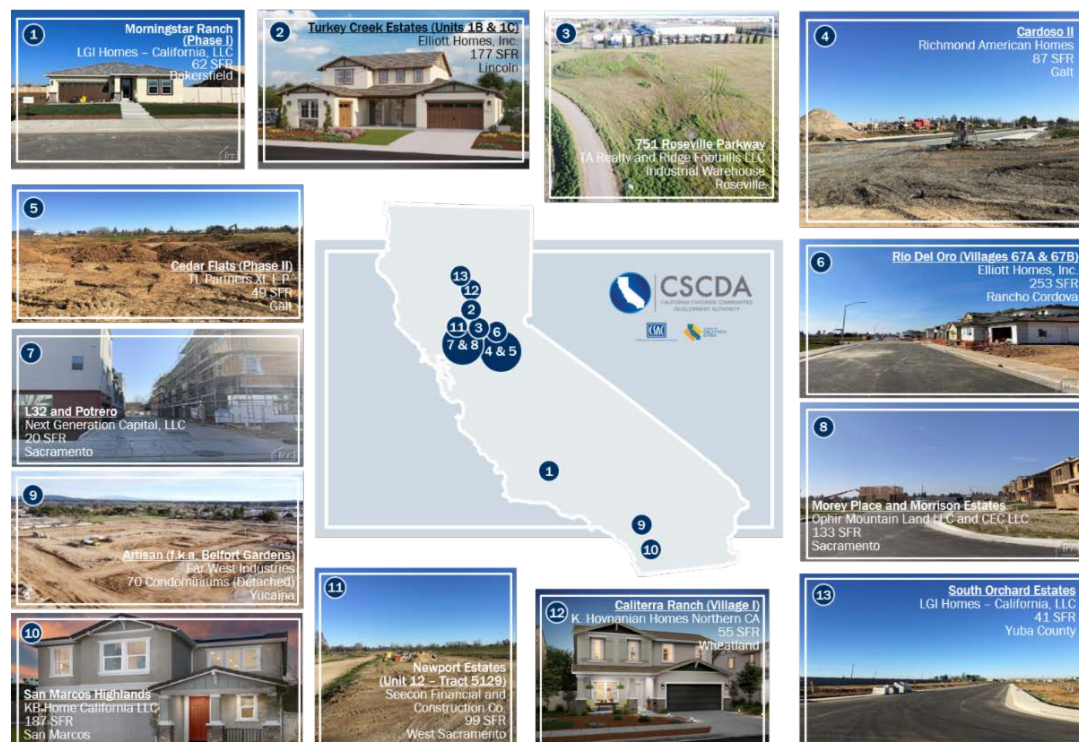
CSCDA SCIP Revenue Bonds (\$21.595 Million) Series 2022A-1 & 2022A-2 (Federally Taxable)

On April 27, 2022, the California Statewide Communities Development Authority ("CSCDA") sold the 2022A-1 and 2022A-2 Bonds (collectively, the "SCIP 2022A Bonds"), which represented the 34th pooled new money revenue bond financing successfully brought to market through the Statewide Community Infrastructure Program since

inception in 2003. A total of \$21.595 million of tax-exempt and taxable bonds were sold to various institutional and retail buyers—the tax-exempt 2022A-1 Bonds comprised \$19.83 million and the taxable 2022A-2 Bonds comprised \$1.765 million. RBC Capital Markets inventoried approximately \$1.1 million of the 2022A-1 Bonds to support the sale and hold interest rates at the reoffered yields.

The SCIP 2022A Bonds, which were comprised of fourteen residential projects and one industrial project, sported a value-to-lien of 11.87x at the time of bond sale and there were 142 building permits that had been issued to that point. Upon full build out, the fourteen residential projects are expected to add 1,233 single family homes and condominiums to the California housing supply. Projects are located across California, including in the Sacramento and Central Valley regions, as well as in Southern California cities such as San Marcos and Yucaipa. Over \$18.3 million of impact fees and public improvements were funded through the sale of the SCIP 2022A Bonds.

The SCIP 2022A Bonds were non-rated and had a final maturity in 30 years. A common debt service reserve fund provides additional security for the payment of principal and interest and the SCIP 2022A Bonds may be optionally redeemed at par in ten years. Despite challenging market conditions, that reflected a significant upward shift in long-term tax-exempt and taxable interest rates, as well as substantial outflows from municipal bond funds, the SCIP 2022A Bonds were well-received by the investor community. The blended tax-exempt and taxable interest rate for the SCIP 2022A Bonds was 4.848%.



Delta Coves CFD (\$21.82 Million) Special Tax Bonds, Series 2022

CSCDA formed the Delta Coves Community Facilities District (CFD) in 2016, and sold another series of bonds on May 12, 2022. The 2022 Bonds marked the fourth publicly offered bond financing for the Delta Coves project. This 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 via separate Joint Community Facilities Agreements with the CSCDA.

Delta Coves is located in the eastern portion of Contra Costa County, California, within the unincorporated community of Bethel Island. Delta Coves is an exclusive, high-end development consisting of 560 waterfront homes with private docks, a saltwater lagoon, and a 4,500 square foot private recreational facility. This private amenity called the Island Camp includes a pool, barbecue, and picnic areas, and 230 private boat slips with access to the Sacramento/San Joaquin Delta.

DMB Development, LLC ("DMB") is performing work as the Master Developer. Homes are currently under construction by Davidson Homes and Blue Mountain Communities per sales agreements with DMB. At the time of the bond sale, 157 building permits were issued and homes were selling for as much as \$1.8 million. The value-to-lien was 4.09x and 78 homes had been sold and closed to homeowners.

The 2022 Bonds were non-rated and will mature in 30 years. Total principal issued was \$21.82 million and the interest rate was 5.50%. A total of five institutional buyers participated in the 2022 Bond sale.



Hesperia (Tapestry/Silverwood AD) (\$8.345 Million) SCIP Revenue Bonds, Series 2022



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 Silverwood Master-Planned Community, which will be developed in the City of Hesperia.



The Project is the first phase of the Silverwood Community that will ultimately include nine phases of development and 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 Silverwood Development Phase I 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 2022 Bonds, which comprised \$8.345 million in principal, were sold on May 24, 2022, and funded approximately \$6.3 million of traffic fees, which is a portion of the City's contribution to the Ranchero Road project. Total cost of the project is expected to exceed \$48 million. This transaction shows how SCIP can be used by Local Agencies to pre-fund fees for major infrastructure projects in order to fill a funding gap.



At the time of bond sale, the Project had commenced public infrastructure development and sported a value-to-lien of 4.96x. Construction of homes is not expected to begin until the first quarter of 2024. The non-rated tax-exempt bonds, which mature in 30 years, were sold at an interest rate of 5.94% to a single institutional buyer.

Upcoming Bond Sales

County of San Diego / Rainbow Municipal Water Department Citro CFD, 2022 Bonds (\$24 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 \$55 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 is expected to be sold in June-July 2022.



City of Banning Atwell (Improvement Area No. 2), 2022 Bonds (\$14 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 \$424K to \$592K. 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 June 2022.

Market Update

A solid jobs report last Friday dampened hopes of a pause in the Federal Reserve's aggressive policy-tightening plan. Fed officials have signaled a 50-basis point hike for the FOMC's upcoming meeting on June 16th, while the futures market is pricing in 50 basis points hikes for the June, July and September FOMC meetings, and 25 basis points hikes in November and December. Market participants are keeping a close eye on inflation data, with the U.S. Consumer Price Index report for this coming Friday anticipated to show a continued elevated level of inflation.

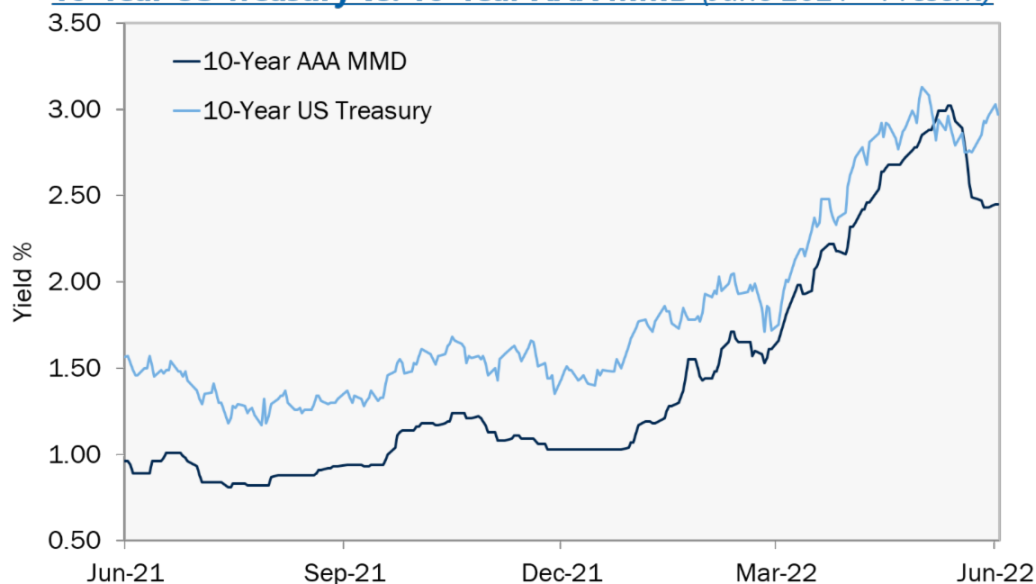
U.S. equity markets ended Tuesday, June 7, 2022, on a positive note, with the S&P 500 Index higher by 39 points at 4,160.68 points. However, volatility is expected to remain. Year-to-date, the S&P 500 index is down 12.7%. Meanwhile the 10-year U.S. Treasury edged slightly lower to 2.97% from 3.03% on the day prior, but is closer to its 52-week high of 3.13% than its 52-week low of 1.17%. Municipal bond yields in 10 years and longer remained relatively stable day-to-day, but slightly higher versus the week prior, as the selloff in U.S. Treasuries during the prior week outweighed the first week of muni bond fund inflows since late-February 2022. The 10-year "AAA" MMD ended the day at 2.45%, which is two basis points higher than the yield on the Friday of the week prior, but 57 basis points lower relative to the 52-week high of 3.02%, last reached on May 18, 2022.

Year-to-date, municipal new issue supply of approximately \$179.167 billion remains 6% lower relative to the same period in 2021. Taxable issuance comprised 17.3% of the total supply at \$30.91 billion. As mentioned previously, municipal bond funds ended its 15-week trend of outflows last week, as net inflows exceeded outflows by \$1.216 billion. Inflows were concentrated in high-yield funds and ETF creations. Year-to-date cumulative muni bond fund outflows stand at \$36.3 billion.

Investors continue to show interest in non-rated California land-secured paper, but are more inclined towards projects that are further along the development spectrum while

sporting higher value-to-lien ratios. Less developed projects with lower value-to-debt ratios are still able to garner buyer interest, but at noticeably wider credit spreads.

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



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

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