



CSCDA
CALIFORNIA STATEWIDE COMMUNITIES
DEVELOPMENT AUTHORITY



California State Association of Counties



SCIP
Statewide Community Infrastructure Program

NEWSLETTER

JULY 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!

SCIP Milestone: SCIP Reaches \$1 Billion in Total Issuance

With the sale of the CFD bonds for Citro, SCIP has reached a significant milestone in our history. Cumulative since 2003, when SCIP first started, our program has issued over \$1 billion of total issuance. We now have 126 SCIP local agency members, and have funded over 360 projects throughout the state. Since its inception SCIP has expanded from just financing fees to adding improvements and now CFD's to the mix. We all weathered the great recession from 2009 – 2013, keeping the program alive and over the last 5 years have been issuing well over \$100 MM per year. For 2022 we expect total volume to **exceed \$172 million**. The \$1 billion dollar milestone is particularly significant as we don't just fund larger projects, but also fund smaller projects through the SCIP pool.

We thank everyone for their support, and will endeavor to work through the challenges ahead. Many thanks from the entire SCIP team.



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 (\$12 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. Estimated total par amount is approximately \$12.3 million. Over \$10 million of development impact fees and public improvements are expected to be funded. The nine projects participating in SCIP 2022B are located throughout California and when complete these

developments will add 615 residential units to the California housing market. We look forward to a successful bond sale in late-August.

Local Agency	Project	Developer	No. of Units	Est. Par Amount
Martinez, City of	Traditions at the Meadow	DeNova Homes, Inc.	65	\$1,746,000
El Dorado, County of	Oakhaven (fka Summer Brook)	Blue Mountain Communities	29	\$1,377,000
Lancaster, City of	Westview Estates	K. Hovnanian California Region, Inc.	99	\$1,246,000
Anaheim, City of	Townes at Broadway	Melia Homes Inc.	112	\$950,000
Galt, City of	Caterina	Richmond American Homes	61	\$1,782,000
Rialto, City of	Bonnie View	Century Communities, Inc.	56	\$1,393,000
Yucaipa, City of	Stonebrook Meadows	Century Communities, Inc.	57	\$1,529,000
Santee, City of	Laurel Heights	Presidio Cornerstone Laurel Heights 80, LLC	80	\$1,485,000
Manteca, City of	The Trails of Manteca (Unit 4)	Manteca Trails, LLC	56	\$802,000
Total	9 Projects		615	\$12,310,000

Recent Bond Sale

CSCDA Community Facilities District No. 2021-02 (Citro) Special Tax Bonds, Series 2022 (\$23.06 Million)

On July 20, 2022, the California Statewide Communities Development Authority ("CSCDA") sold \$23.06 million of special tax bonds (the "Bonds") to finance \$20 million of development impact fees and public improvements for Community Facilities District No. 2021-02 (Citro). The Citro CFD is authorized to issue up to \$55 million of special tax bonds and additional issuances are expected to follow. The Bonds are tax-exempt, non-rated and mature in 30 years. The final interest rate was 4.77%.

The Bonds were marketed to investors sporting a value to lien ratio of 9.4x. At the time of sale, 407 building permits had been issued, while 135 homes were sold and closed to homebuyers and another 110 homes were sold and in escrow. The Bonds were ultimately purchased by two large institutional investors and a number of retail buyers. Over 17% of the \$42.42 million of total orders were from retail investors.

The CFD is located within the northern part of San Diego County and encompasses approximately 172 gross acres, of which 94 acres are expected to be developed into six neighborhoods containing a total of 844 homes. Four of the neighborhoods are being developed to include detached homes on single-family lots,



and the remaining two neighborhoods are being developed to include attached townhome dwelling units and duet dwelling units. In addition to the 844 homes, the CFD is also planned to include working avocado and orange groves, 14 miles of nature trails, a sensory garden play area, a community garden, a recreation center with a pool, and a public park.



Upcoming Bond Sales

CSCDA Community Facilities District No. 2015-01 (University District - Improvement Area No. 3) Special Tax Bonds, Series 2022 (\$9.5 million)

SCIP is planning another bond sale for the University District. This time for Improvement Area No. 3 ("IA-3"). This CFD is located in the City of Rohnert Park and Sonoma County 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 2015, and Vast Oaks West (IA-1) is fully developed with 399 homes sold. Vast Oaks East (IA-2) is well underway and will comprise 428 single family homes upon completion. CSCDA has issued over \$33 million of bonds for Vast Oaks West and Vast Oaks East to date. The CFD lien for these two CFD zones are now closed.

The CFD is anticipated to authorize the issuance of up to \$15 million of Special Tax Bonds to finance the construction of various public improvements and facilities necessary to support the residential development of up to 206 single family homes. The Bonds are expected to be sold during September 2022.



CSCDA Community Facilities District No. 2018-02 (McSweeny Farms - Improvement Area No. 1) Special Tax Bonds, Series 2022 (\$8 million)



CSCDA is planning another bond sale for Improvement Area No. 1 ("IA-1") in the McSweeny CFD, located in the City of Hemet in Riverside County. The CFD is part of McSweeny Farms, a 673-acre master-planned community of 1,640 single family residences and premier amenities being developed by Raintree Partners.

The simple lifestyle at McSweeny Farms is elevated by The Farm House community center and prestigious amenities including a resort-style pool and fitness center, community parks, miles of trails and community vegetable garden. Also, located only a mile away is Diamond Valley Lake, a premium outdoor recreational activities center that can be enjoyed by the entire family.

The CFD includes two improvement areas. IA-1 is planned for 496 single-family homes and Improvement Area No. 2 ("IA-2") is planned for 834 single-family homes. Development in IA-1 is well underway. IA-1 is authorized to issue up to \$25 million of bonds and the planned bond sale is for approximately \$8 million. The Bonds are expected to be sold September-October 2022.

Market Update

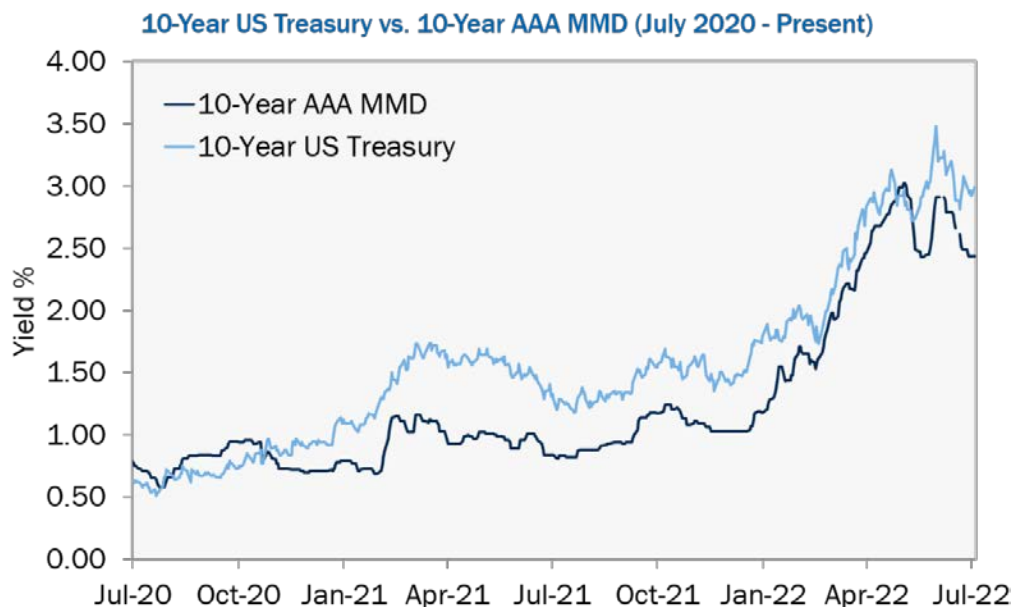
All eyes are on the Fed next week as angst about the damage from inflation, rapidly rising interest rates and recession fears are proving hard to shake. The most recent weaker-than-expected economic data has dialed back bets on how much the Federal Reserve will raise rates going forward with markets shifting toward pricing a 50 bp hike in September vs the anticipated 75 bp move. Next week's decision also indicating a 75 bp increase is slightly less than certain. Meanwhile the dollar has had one of its worst weeks in nearly two months after PMI contracted in July for the first time in more than two years.

U.S. equity markets ended Friday, July 22, 2022, with the S&P 500 Index at 3,961.63 points. However, volatility is expected to remain. Year-to-date, the S&P 500 index is down 17.41%. Meanwhile the 10-year U.S. Treasury edged lower to 2.77% from 2.92% the week 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 were bumped 4 to 5 bps on the day. The 10-year "AAA" MMD ended the day at 2.39%, which is 5 bps lower from Friday of the week prior.

Through the first half of the year municipal new issue supply totaled approximately \$200,497.23 million about 10% lower relative to the same period in 2021. Municipal supply for the week of July 25th is projected to be light at \$2.6 billion with negotiated accounting for \$2.1 billion and

taxable at \$242 million. For the week ending July 20th, municipal bond mutual fund outflows totaled \$206 million. There have been outflows reported over 21 of the last 23 weeks.

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 wider credit spreads.



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