



**CSCDA**  
CALIFORNIA STATEWIDE COMMUNITIES  
DEVELOPMENT AUTHORITY



**NEWSLETTER**

MARCH 2023



**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](mailto:service@elabra.com) to your contact list to ensure that future distributions land in your inbox!*

## Applications Open for SCIP 2023B Bonds

### SCIP 2023B Applications Due April 1st!

Application deadline for the Statewide Community Infrastructure Program's Annual Spring "Series B" financing is April 1, 2023. SCIP 2023B is expected to price in August 2023 and close in September 2023. The schedule for SCIP 2023B is provided below:

**Application Deadline**

*Applications due April 1, 2023*

**April 2023 - May 2023**

*Prepare Preliminary Engineer's Reports*

**June 2023**

*Commence Proceedings*

**August 2023**

*Hold public hearing to approve Bond Sale*

**August 2023 - September 2023**

*Sell Bonds and Deliver Funds*



## Recent Bond Sales

**\$18,665,000**

**California Statewide Communities Development Authority  
Statewide Community Infrastructure Program  
Special Tax Revenue Bonds  
Series 2023A and 2023B (Federally Taxable)**

On March 2, 2023, the California Statewide Communities Development Authority ("CSCDA") sold the Statewide Community Infrastructure Program, Special Tax Revenue Bonds, Series 2023A and 2023B (Federally Taxable). A total of \$11.7 million of tax-exempt and \$6.695 million of taxable bonds were sold to two institutional accounts and various retail investors.

Despite volatile market conditions, the tax-exempt 2023A and taxable 2023B Bonds were well received by investors. Approximately, \$33.5 million of orders were generated for the 2023A Bonds and \$7.2 million of orders were received for the taxable 2023B Bonds. The 2023A Bonds had a final maturity in 28 years, while the 2023B Bonds will mature in 21 years. The spreads to "AAA" MMD and U.S. Treasuries were competitive to other similar non-rated California tax-exempt and taxable land secured financings sold earlier this year. The Bonds were sold at a blended True Interest Cost of 6.32%, and the appraised value to lien was 4.9x.

Three community facilities districts ("CFD") participated in this pooled bond financing. All three CFDs are located in the City of Woodland within Yolo County. Lennar is the developer and homebuilder for all three CFDs. In total, 511 single family residences are expected to comprise the taxable property upon full buildout.



**\$7,905,000**

**California Statewide Communities Development Authority  
Community Facilities District No. 2018-02  
Improvement Area No. 1 (McSweeney)  
Special Tax Bonds, Series 2023**

On March 8, 2023, the CSCDA sold the Community Facilities District No. 2018-02 Improvement Area No. 1 (McSweeney) Special Tax Bonds, Series 2023. A total of \$7.905 million of tax-exempt bonds were sold to four institutional accounts and various retail investors. Nearly \$13.9 million of total orders were received from these buyers.

The 2023 Bonds is the second set of bonds sold for the McSweeney Farms project. The initial set of bonds were sold in May 2020, during the height of the COVID-19 pandemic. The non-rated 2023 Bonds had



a final maturity in 30 years and the spreads to "AAA" MMD were very competitive to other similar non-rated California land secured financings sold year-to-date. The appraised value to lien was 8.0x, and the True Interest Cost was 5.46%.

The McSweeny Farms project is located within the City of Hemet in Riverside County. The McSweeny Farms Specific Plan envisions a 673-acre mixed-use community with up to 1,640 dwelling units. Improvement Area No. 1 ("IA-1") is approximately 112 gross acres and is planned for the development of 496 detached single-family homes. All 496 lots within IA-1 have been purchased by the merchant builders, which are Richmond American Homes, KB Home and D.R. Horton.

## Sale in Progress: SCIP 2023A Bonds (\$16.27 million\*)

SCIP 2023A remains on schedule. The public hearing is scheduled for April 6th and the bond sale is anticipated to occur late-April or early-May. Total estimated par amount is \$16.27 million. Approximately \$13.5 million of development impact fees are expected to be funded from the SCIP 2023A Bond proceeds. Two of the seven projects participating in SCIP 2023A are located in Northern California and the remaining five projects are in Southern California. When complete these residential developments are expected to add a total of 749 residential units to the California housing supply.

Local Agency	Project	Developer	No. of Units	Est. Par Amount
El Dorado, County of	Trento - Promontory	Lennar Homes of California, LLC	32	2,095,000
Lancaster, City of	Ironwood	KB Home of Greater Los Angeles, Inc.	68	1,015,000
Lancaster, City of	Sonora	KB Home of Greater Los Angeles, Inc.	157	2,125,000
Indio, City of	Northgate Crossings	LGI Homes - California, LLC	115	1,600,000
Elk Grove, City of	Elliott Springs	Alta Vista, LLC, an affiliate of Elliott Homes, Inc.	98	3,855,000
Yucaipa, City of	Gabriella Court	E Street Yucaipa QOZB LLC	30	665,000
San Diego, City of	Epoca	Lennar Homes of California, LLC	249	4,915,000
<b>Total</b>	<b>7 Projects</b>		<b>749</b>	<b>\$16,270,000</b>

*\*Preliminary and subject to change.*

# Upcoming Bond Sales

**\$11,455,000\***  
**CSCDA Community Facilities District No. 2022-03**  
**(Sheldon Farms North)**  
**Special Tax Bonds, Series 2023**

CSCDA is forming a CFD for the Sheldon Farms North Project in the City of Elk Grove within Sacramento County. Taylor Builders and JEN California 18, LLC is the developer of the Sheldon Farms North Project. D.R. Horton will build the homes in Village 1. The lots in Village 2 are currently under negotiation for purchase with potential homebuilders.

The Sheldon Farms North Project encompasses 67.82 gross acres and development is expected to include 391 single family homes at full buildout. In addition, 5.7 acres is reserved for commercial facilities and 6.3 acres is for the construction of multi-family units. An area for parks and open space is also expected.

Village 1 is the first phase of development and is planned to include 214 detached single family homes. Village 2 is the second phase of development and is presently planned for the development of 177 detached single family homes.

The CFD is authorized to issue up to \$15 million of special tax bonds to finance the construction of various public improvements and facilities necessary to support the residential development within the Sheldon Farms North community. The Bonds are expected to be sold in April/May 2023.

*\*Preliminary and subject to change.*



**\$6,000,000\***  
**CSCDA Community Facilities District No. 2022-01**  
**(Tirador)**  
**Special Tax Bonds, Series 2023**



CSCDA has formed the Community Facilities District No. 2022-01 (Tirador) located in the City of San Juan Capistrano, within southern Orange County. The encompasses 17.58 gross acres, of which 10.54 acres are expected to be developed into 132 detached and attached single family homes. Landsea Homes is the developer and homebuilder for this project.



This CFD is located within a prime location that is within walking and biking distance to historic downtown San Juan Capistrano and some of Orange County's most beautiful beaches. Average home prices start at \$1 million for the detached homes and \$800,000 for the townhomes. Homes will be designed with Spanish and farmhouse-style architecture.

The CFD is authorized to issue up \$7.1 million of special tax revenue bonds and the upcoming bond sale is for approximately \$6 million. The non-rated 2023 Bonds are expected to be sold in April/May 2023.

*\*Preliminary and subject to change.*

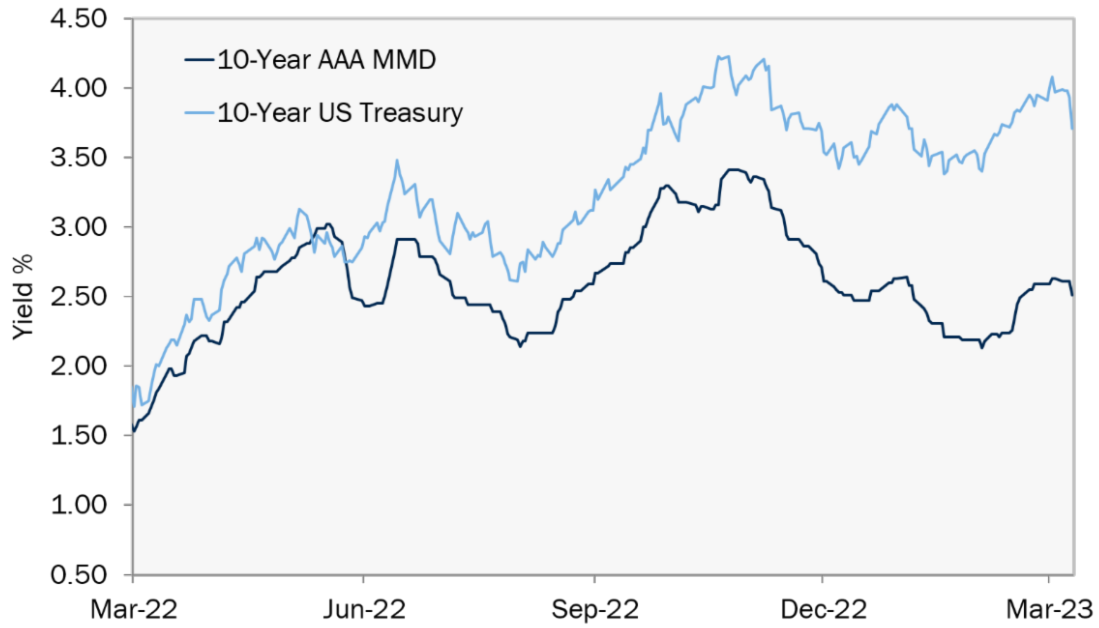
## Market Update

U.S. capital markets were rattled by fears of contagion following the failure of Silicon Valley Bank ("SVB") on Friday, March 10, 2023 and Signature Bank on Sunday, March 12, 2023. In an attempt to restore market confidence, the Fed implemented the Bank Term Funding Program, a secured lending facility to provide liquidity to banks facing withdrawals, and also announced that all depositors of SVB and Signature Bank will be protected. Despite this, investors piled into U.S. Treasuries in a "flight to quality" on Monday, March 13, 2023, with the 10-year lower by 15 basis points to 3.55% as of 12:00 PM Pacific versus last Friday's close.

While inflation and employment data continue to be highly watched by market participants, in light of the recent bank failures, some brokers have begun pricing in only a 25 basis point increase in the Fed Funds rate for the upcoming March FOMC meeting. This reflects a change in sentiment after Chair Powell opened the door to a 50 basis point in March during his Congressional testimony last week. In light of the heightened volatility, "AAA" MMD underperformed the rally in U.S. Treasuries last week and ratios widened across the curve. The 10- and 30-year "AAA" MMD ended last week at 2.51% and 3.48%, but are expected to shift lower by six basis points to 2.45% and 3.42%, respectively, as of noon on Monday, March 13, 2023.

Municipal issuance is expected to total \$7.1 billion this week, bringing year-to-date issuance to \$65.659 billion, which is down 17% year over year. Year-to-date, there have been approximately \$88 million of non-rated California land secured bonds sold in the public markets. This includes three transactions totaling over \$32 million sold by the CSCDA. Municipal bond funds posted \$308 million of inflows last week, moderating from \$905 million of outflows the week prior.

## 10-Year US Treasury vs. 10-Year AAA MMD (March 2022 - Present)



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