



CSCDA
CALIFORNIA STATEWIDE COMMUNITIES
DEVELOPMENT AUTHORITY



California State Association of Counties



SCIP
Statewide Community Infrastructure Program

NEWSLETTER

NOVEMBER 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 to your contact list to ensure that future distributions land in your inbox!

Applications Open for SCIP 2024A Bonds

SCIP 2024A Applications Due December 1st!

Application deadline for the Statewide Community Infrastructure Program's Annual Spring "Series A" financing is December 1, 2023. SCIP 2024A is expected to price in April 2024 and close the following month. The schedule for SCIP 2024A is provided below:

Application Deadline

Applications due December 1, 2023

December 2023 - January 2024

Prepare Preliminary Engineer's Reports

February 2024

Commence Proceedings

April 2024

Hold public hearing to approve Bond Sale

May 2024

Sell Bonds and Deliver Funds



\$7,730,000

**CSCDA Community Facilities District No. 2022-10
(Antioch - Promenade at Sand Creek)
Special Tax Bonds, Series 2023**

On October 12, 2023, the CSCDA sold the Community Facilities District No. 2022-10 (Promenade at Sand Creek) Special Tax Bonds, Series 2023. The \$7.73 million of tax-exempt 2023 Bonds were sold to four institutional accounts and various retail investors. Total orders received exceeded \$22.5 million, including over \$7.5 million from retail buyers.

The 2023 Bonds were non-rated and had a final maturity in 30 years. The final 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 18.4x, and the True Interest Cost for the 2023 Bonds was 5.71%.

Promenade at Sand Creek is being developed by Tri Pointe Homes and is located in the southeastern part of Antioch, on the western side of State Route 4. Homes within Promenade are expected to range between 2,151 square feet and 3,140 square feet, and up to eight types of homes/elevations are anticipated to be available for homebuyers to purchase. Eligible facilities and fees that may be financed include, but are not limited to roadway, traffic signal, wet utility, drainage system, park, trail, and landscaping improvements.



\$9,935,000

**Statewide Community Infrastructure Program
Revenue Bonds (3Roots San Diego)
Series 2023E (Federally Taxable)**

CSCDA sold \$9.935 million of the Statewide Community Infrastructure Program Revenue Bonds (3Roots San Diego), Series 2023E on October 18, 2023. The 2023E Bonds were non-rated, federally taxable, and mature in 30 years. Orders generated totaled \$19.8 million, which were received from two institutional accounts and various retail investors. The 2023E Bonds were sold at a value-to-lien of 6.2x and the project was in the very early stage of development.

Although there was a lack of comparable taxable bond issuance within the California land secured market during the weeks leading up to the sale, the 2023E Bonds were aggressively marketed to investors within a very volatile interest rate market. In fact, depending on the maturity, U.S. Treasury yields fluctuated higher by as much as 8 to 14 basis points on the day of pricing. Despite challenging market conditions, the 2023E Bonds were fully subscribed and sold at competitive spreads to benchmark U.S. Treasuries. The True Interest Cost for the 2023E Bonds was 8.70%.

3Roots San Diego is located in the surrounding hills of Sorrento Mesa in the City of San Diego. The Developer of this project is Mesa Canyon Community Partners, LLC, which is a

joint venture comprising Lennar Homes, Shea Homes and Cal West as the homebuilders. The 2023E Bonds were sold to finance development impact fees for the second phase of development within 3Roots San Diego, which will include 360 condominiums and townhomes at full build out. The 3Roots San Diego master plan includes up to 1,800 residential units, a maximum of 160,000 square feet of non-residential uses, and a 1.5-acre transit center.



Sale in Progress SCIP 2023F Bonds ("SCIP Series C") (\$20.485 million*)

SCIP 2023F ("SCIP Series C") remains on schedule. Project due diligence is presently underway and the public hearing is scheduled for November 16th. The bond sale is anticipated to occur late-November 2023, with closing and delivery of funds expected to happen mid-December 2023. Total estimated par amount is \$20.485 million*. Over \$16.23 million* of development impact fees and public improvements are expected to be funded from bond proceeds. Nine projects are expected to move forward for funding. When complete, the eight residential projects are expected to add a total of 667 homes to the California housing supply.

Location	Project	Developer	No. of Units	Est. Par Amount
Lancaster, City of	Primrose	KB Home of Greater Los Angeles Inc.	98	1,500,000
Anaheim, City of	Sunflower	KB Home Coastal Inc.	83	770,000
Elk Grove, City of	Elliott Springs (Unit 1 - Phase 2)	Elliott Homes	151	6,020,000
	Sheldon Farms North Commercial	Capital Rivers Commercial	n/a	1,605,000
Sacramento, City of	Northpointe Ventris	Next Generation Capital	85	2,250,000
Vacaville, City of	Foxboro Knoll	Pulte Home Company, LLC	58	2,335,000
Wheatland, City of	Caliterra Ranch (Village II)	K. Hovnanian California Region, Inc.	90	2,610,000
Yuba, County of	Dantoni Ranch	LGI Homes - California LLC	102	3,395,000
Total		9 Projects	667	\$20,485,000

**Preliminary and subject to change.*

\$5,700,000*

**CSCDA Community Facilities District No. 2022-12
(Rohnert Park - SOMO Village IA-1)
Special Tax Bonds, Series 2024**

CSCDA is forming a community facilities district for the SOMO Village project in the City of Rohnert Park. Once complete, SOMO Village will provide residents an inspiring environment to live, work and play. With access to amenities such as coworking space, indoor and outdoor recreational areas, eateries, and entertainment, residents will be able to easily connect with like-minded people and make choices that simply feel good.



SOMO Village is being developed by SOMO Living and SOMO Management LLC. Development plans for SOMO Village are approved for 1,750 homes of all sizes, including 254 affordable units. Homes will incorporate the latest technology in a walkable community of interconnected streets, parks, art, and easy transportation. The CFD being formed will be for Improvement Area No. 1, which is expected to encompass over 15 acres and include 142 residential units once fully built.

The Bonds are expected to be non-rated and amortized over 30 years. Bond proceeds are expected to be used to fund the construction of roadway, water system, storm drain, sewer, parks, trails, landscaping and open space improvements. The bond sale is expected to occur in January 2024.

**Preliminary and subject to change.*

\$14,000,000*

**CSCDA Community Facilities District No. 2020-02
(Banning - Atwell IA-3)
Special Tax Bonds, Series 2024**



CSCDA is planning another bond sale for Community Facilities District No. 2020-02 (Atwell) located in the City of Banning, within Riverside County. This sale will be for Improvement Area No. 3 ("IA-3") and reflects the third bond sale for the Atwell project.

IA-3 is expected to encompass approximately 63 gross acres of land within the City of Banning, of which 36.27 acres are expected to be developed to facilitate the construction of 311 single family residential units, including various amenities. Tri Pointe Homes is the developer and homebuilder for this project. Eligible facilities and fees that may be financed include, but are not limited to roadways, public streets, wet utilities, drainage systems, public safety facilities, parks, trails, and landscaping improvements.

The CFD is authorized to issue up to \$17.5 million of special tax revenue bonds and the upcoming bond sale is for \$14 million. The non-rated 2024 Bonds are expected to be sold in January 2024.

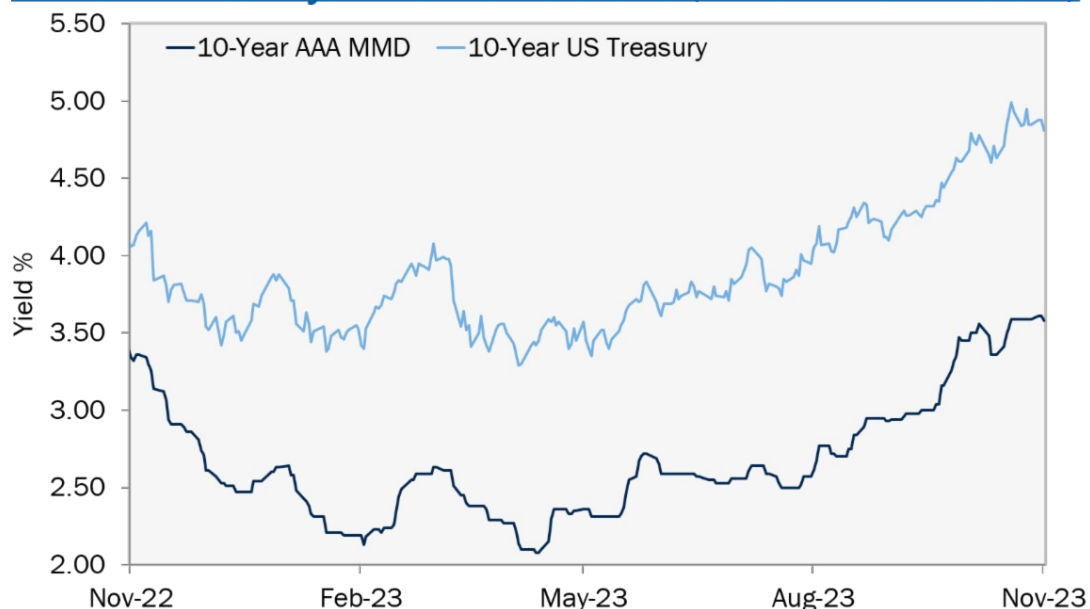
Market Update

As widely expected, yesterday, the Federal Reserve held the fed funds rate unchanged for the second straight time in a targeted range between 5.25% - 5.50%. U.S. equity markets rallied on the news, despite Fed Chair Powell stating that the "the process of getting inflation sustainably down to 2% has a long way to go" and that the FOMC is not considering or even discussing rate reductions at this time. However, the Fed Chair did also state that the risks around the Fed doing "too much or too little" to fight inflation have become more balanced, which many market participants took as a sign that the prospect for a rate hike at the Fed's upcoming December meeting while not completely off the table, has diminished noticeably. The futures market is presently pricing a 25% chance of a rate hike in December, but the consensus is that the hiking cycle has ended for now.

U.S. Treasuries rallied following the FOMC announcement, with the 10- and 30-year yields declining by over 20 basis points since Halloween, to 4.68% and 4.82%, respectively. Benchmark tax-exempt "AAA" MMD yields also followed suit, with the 10- and 30-year yields falling by 17 and 12 basis points to 3.44% and 4.45%, respectively. U.S. Corporate Investment Grade issuance totaled \$8.3 billion last week, bringing 2023 year-to-date volume to \$1.04 trillion. New issue municipal supply totaled \$10.9 billion last week and volume is expected to fall to \$3 billion this week. Municipal bond funds again reported outflows, as \$935 million moved elsewhere last week. This includes \$304 million of flows out of high yield funds.

Year-to-date, there have been approximately \$1.63 billion of California land-secured bonds sold in the public markets. This includes both new construction and refunding transactions, as well as non-rated and investment grade paper. CSCDA has successfully sold \$123 million of non-rated new money California land secured bonds in 2023 and is expected to sell another \$30 million prior to year end. Since 2017, the CSCDA has successfully sold in excess of \$1 billion of California land secured bonds, across 52 separate transactions and remains the most active issuer during this period by both par and number of transactions.

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



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