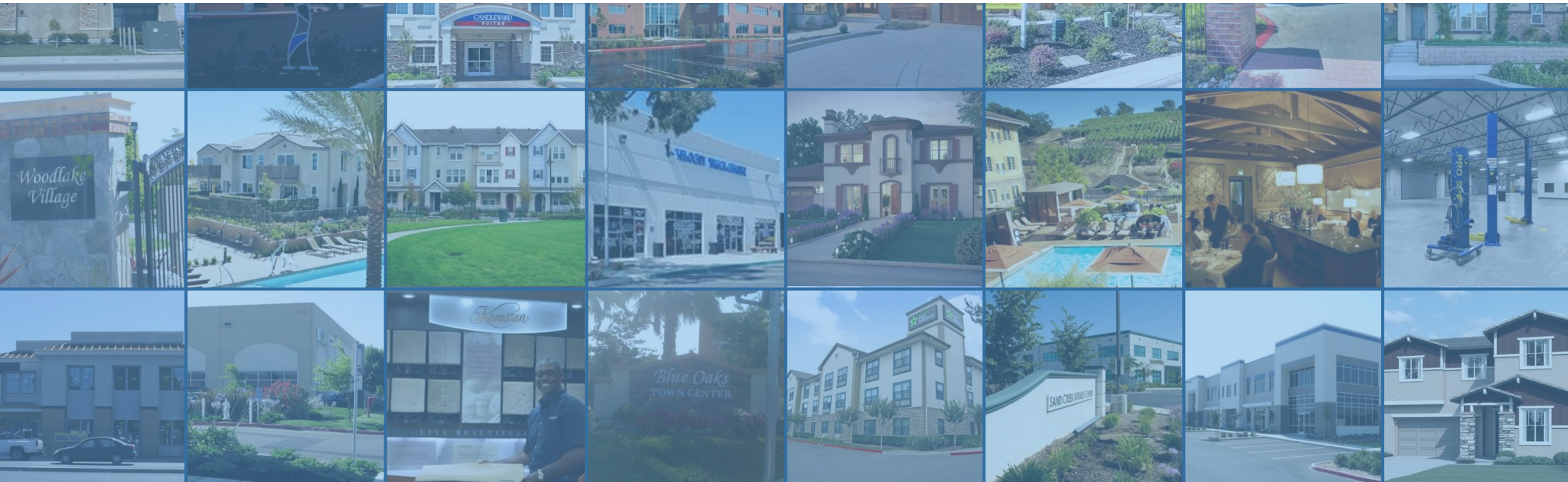


Statewide Community Infrastructure Program



A Program of the California Statewide Communities Development Authority



What is the Statewide Community Infrastructure Program?



- SCIP is a pooled tax exempt bond financing program which can finance impact fees and public improvements for private developments
- Any City/County/Special District can participate in SCIP
- The bonds are issued by the California Statewide Communities Development Authority (CSCDA) which is a Joint Powers Authority sponsored by the League of California Cities and the California State Association of Counties to promote bond programs of public benefit to its members
- These are 30 year fixed-rate tax-exempt bonds secured by property owner assessments
- There are typically two issues a year (in the Spring and Fall). SCIP has issued nearly \$400 MM in bonds since its inception in 2003
- The Program also allows CSCDA to establish stand-alone Mello-Roos Community Facilities Districts which allow for financing of public improvements and services

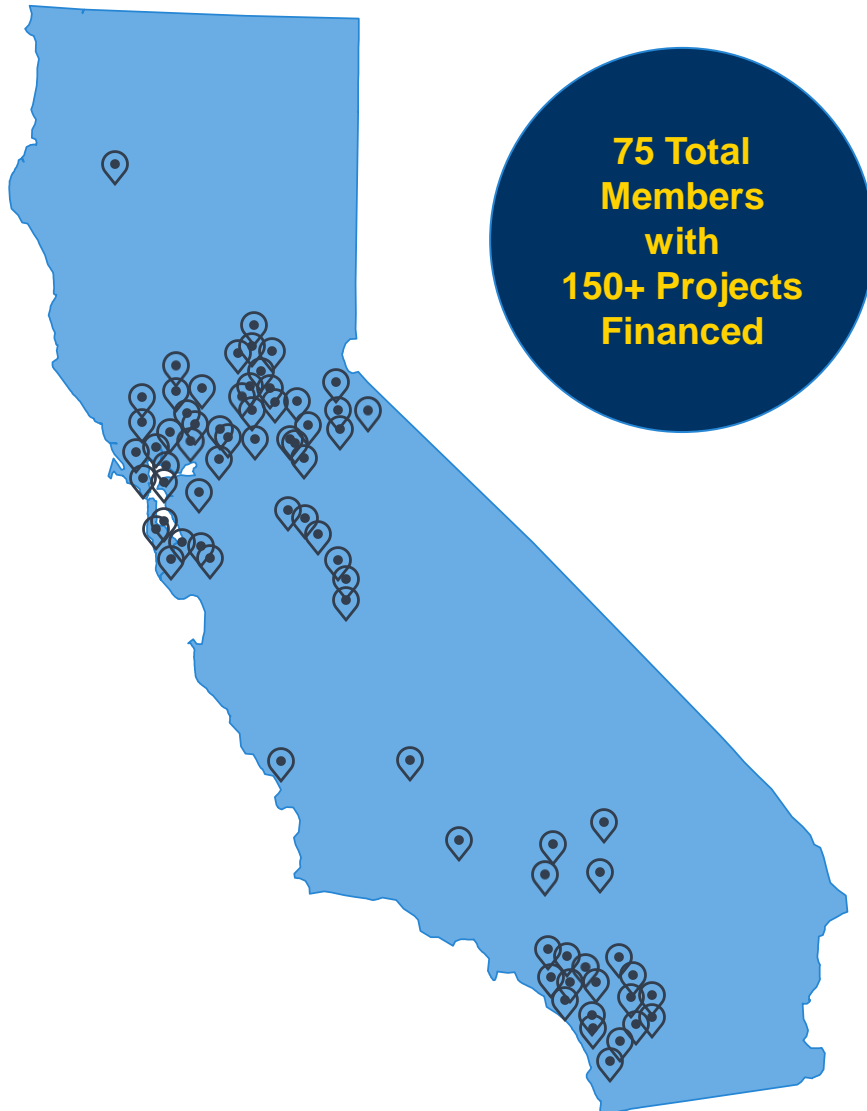


Who Uses SCIP?



More than 70 Participating Local Agencies across California with a Growing List of Recurring Developer Clients

Member Map



Participating Local Agencies

- City of Alameda
- American Canyon
- Bakersfield
- Blythe
- Brentwood
- Calistoga
- Cathedral City
- Chula Vista
- City of Citrus Heights
- Clovis
- Coachella Valley Water District
- Cosumnes CSD
- Corona
- City of Dana Point
- Desert Hot Springs
- Diablo Water District
- Dublin
- Dublin San Ramon Services District
- East Palo Alto
- Eastern Municipal Water District
- East Bay Municipal Water District
- County of El Dorado
- Elk Grove
- Fairfield
- Folsom
- Fremont
- Galt
- Gardena
- Healdsburg
- Hercules
- County of Imperial
- Ironhouse Sanitary District
- Lathrop
- Lincoln
- Live Oak
- Livermore
- Madera
- Manteca
- Menifee
- Millbrae
- Morgan Hill
- Morro Bay
- Murrieta
- City of Napa
- County of Napa
- Newport Beach
- Norco
- Oakley
- Oxnard
- Palm Springs
- Petaluma
- Placer
- Redding
- Richmond
- Rialto
- Rio Vista
- County of Riverside
- Rocklin
- Roseville
- San Diego
- San Marcos
- County of San Mateo
- Santa Rosa
- Sonoma, County of
- South Placer Municipal Utility District
- Stockton
- Thousand Oaks
- Tracy
- County of Tuolumne
- Ukiah
- Vallejo
- West Sacramento
- Woodland
- Yuba City
- Yucaipa Valley Water District

Pooled Bond Program | Select Commercial / Industrial Projects



<p>Vineyard Pointe</p>  <p>Quick Facts Century Mgmt Company</p> <p>Office Bldg 1.5 Acres 19.5k SQFT</p>	<p>Top Golf</p>  <p>Quick Facts Topgolf USA</p> <p>Commercial 12 Acres N/A</p>	<p>Pleasant Grove Mktplace</p>  <p>Quick Facts Silvercreek Yuba</p> <p>Retail Bldgs 2.1 Acres 15.4k SQFT</p>	<p>Harbor Point</p>  <p>Quick Facts Foothill Tech Properties</p> <p>Office Space 2.0 Acres 26.8k SQFT</p>	<p>Hampton Inn</p>  <p>Quick Facts OTO Development</p> <p>Hotel 3.0 Acres 68.2k SQFT</p>
<p>Meritage Hotel</p>  <p>Quick Facts Napa Hospitality</p> <p>Resort Hotel 10.1 Acres 127.0k SQFT</p>				<p>Chevy Cadillac Dealer</p>  <p>Quick Facts Argonaut Holdings</p> <p>Dealership 7.6 Acres 31.4k SQFT</p>
<p>Budo</p>  <p>Quick Facts KD Properties</p> <p>Restaurant 0.7 Acres 9.0k SQFT</p>	<p>Venture Commerce Ctr</p>  <p>Quick Facts Venture Corp</p> <p>5 Ind. Bldgs 4.2 Acres 66.8k SQFT</p>			



Pooled Bond Program | Select Residential Projects




<p>Ferro Ronconi</p>  <p>Quick Facts Seecon Built Homes Residential 27.0 Acres 160 Units</p>	<p>Bella Fiore</p>  <p>Quick Facts Meritage Homes Residential 13.5 Acres 98 Units</p>	<p>Foothills American Dream</p>  <p>Quick Facts John Mourier Construction Residential 7.5 Acres 59 Units</p>	<p>The Overlook</p>  <p>Quick Facts Renasci Wilson Est. Residential 28.2 Acres 28 Units</p>	<p>Orchard Park III</p>  <p>Quick Facts Meritage Homes Residential 29.5 Acres 113 Units</p>	
<p>Newfield</p>  <p>Quick Facts KB Homes Residential 5.0 Acres 96 Units</p>				<p>Evans Estates (I&II)</p>  <p>Quick Facts Development Solutions Residential 71.1 Acres 438 Units</p>	
<p>Vista Del Sur</p>  <p>Quick Facts Southview Development Residential 5.1 Acres 88 Units</p>				<p>Milner Terrace</p>  <p>Quick Facts Meritage Homes Residential 19.8 Acres 75 Units</p>	
<p>1 The City of SAN DIEGO</p>				<p>2 CITY OF GARDENA INCORPORATED 1930</p>	<p>3 THE CITY OF BRENTWOOD</p>

Stand-Alone Bond Program | Assessment & Community Facilities Districts



<p>Rio Bravo</p>  <p>Quick Facts G.L. Bruno Associates CFD Med. / Retail / Res. 46.4 Acres</p>	<p>Orinda Wilder</p>  <p>Quick Facts OG Property Owner CFD Residential 1,572.0 Acres 245 Units</p>	<p>Emerson Ranch</p>  <p>Quick Facts Brookfield Homes AD Residential 140.25 Acres 567 Units</p>	<p>Delta Coves</p>  <p>Quick Facts Argent CFD Residential 310.0 Acres 560 Units</p>	<p>University District (Phase I)</p>  <p>Quick Facts Brookfield Residential CFD Residential 35.2 Acres 399 Units</p>
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Yucaipa VWR

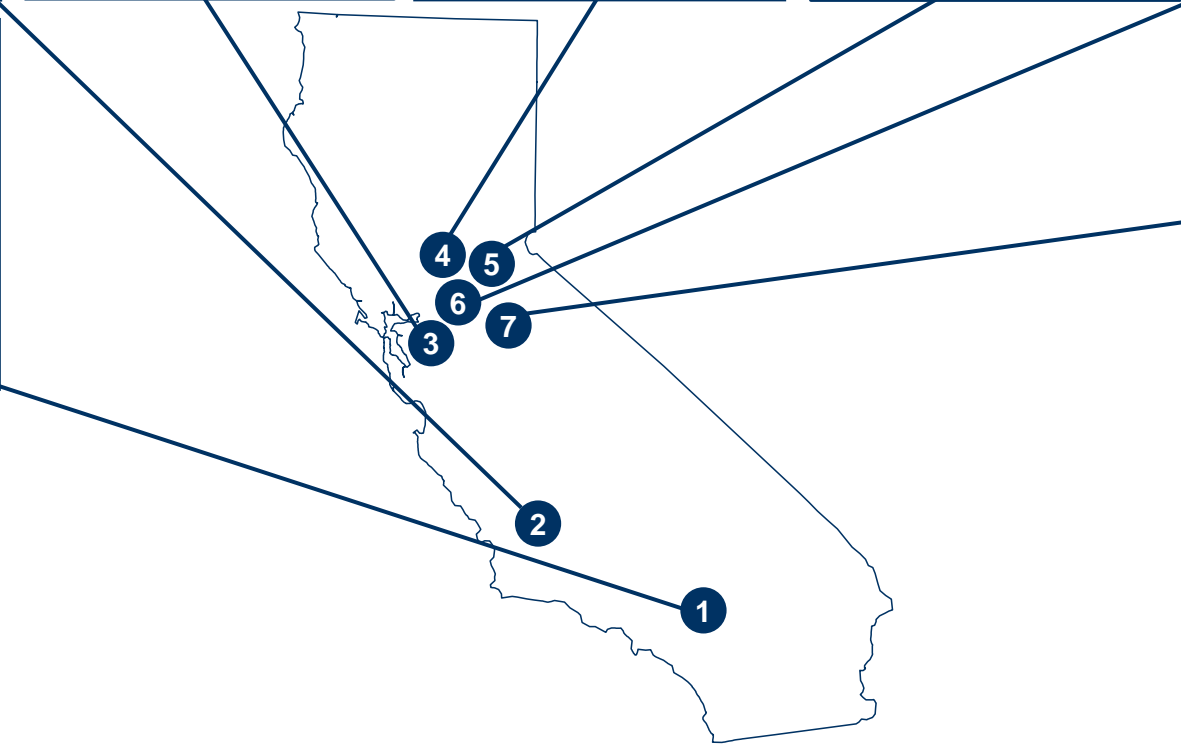


Quick Facts
 Multiple Developers
 CFD
 Mixed Use
 852.4 Acres
 2,400 Units

Manteca Lifestyle Center



Quick Facts
 Manteca Venture
 CFD
 Retail Shops
 58.1 Acres
 30 Units



Program Breakdown



Quick Facts

\$391.7 million in total issuance

26 bond issues since 2003

163 projects financed across the state

→ **10,071** residential units

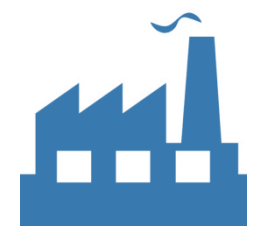
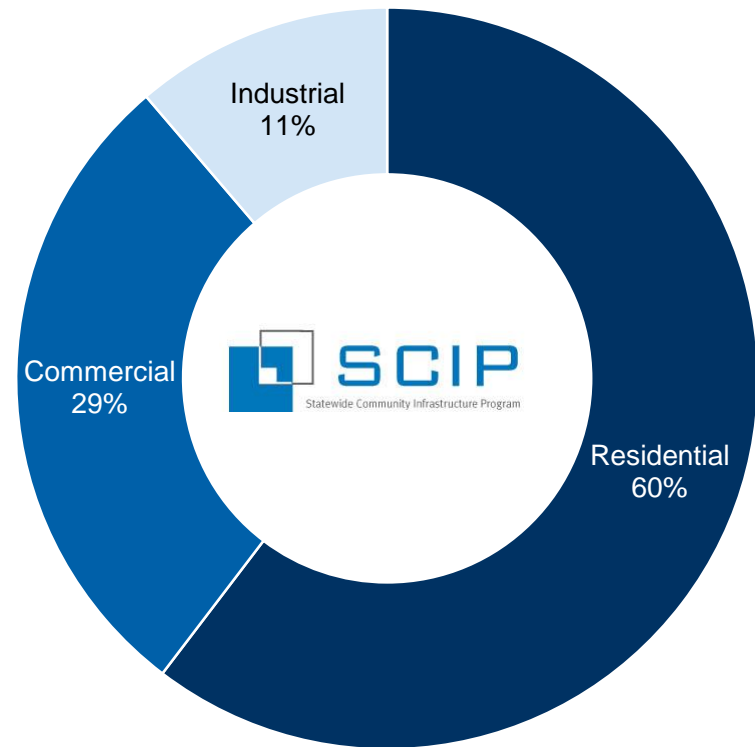
→ **12.941 million** commercial square feet

7 CFDs established

→ **\$121.3** in CFD bonds issued to date

→ **\$138.3** in additional CFD bonds authorized

Project Land Use



Program Benefits



- SCIP provides **local agencies** a means of offering competitive financing to all developers as a turnkey solution which minimizes local agency staff time
- The Program can finance projects which range in size from \$500,000 up to \$20,000,000 or higher
- **Developers** use SCIP for a variety of reasons:
 - ① Can be part of the capital mix of debt, equity, public financing
 - ② Provides off balance sheet/land secured non recourse debt
 - ③ Can provide competitive advantages with respect to residential marketing
- SCIP provides diversity to investors and economies of scale to its participants which ultimately translates to competitive interest rates and lower costs

Local Agencies Save Time & Effort



Resources Can be Used Elsewhere

Developers Gain Access to Capital








Project Economics are Improved



Program Type

Description

Program Type	Description	Description
Pooled Assessment District Issuance	 Impact Fee Reimbursement Program	Reimburses property owners for Impact Fees paid at Building Permit but prior to the Issuance of the SCIP bonds. (Note: Application must be submitted no more than 60 days before the fees are paid)
	 Impact Fee Pre-Funding Program	Pre-pays impact fees which would normally be due at building permit and for which the developer will receive a fee credit when otherwise due
	 Funding of Public Improvements	Public improvements can be finance on an acquisition basis when complete pursuant to an acquisition agreement between the developer and the local agency. Prevailing wage applies to the improvements being funded
	 Combined Funding Program	<p style="text-align: center;">Reimbursement, Pre-Funding Programs and Acquisition Funding <u>can be combined</u></p>
Stand-Alone CFD Issuance	 Community Facilities Districts (CFDs)	CFDs can be created and funded through SCIP and CSCDA on a stand alone basis. The Local Agency will request formation of the CFD and adopt a joint facilities agreement (JCFA) specifying which facilities are eligible. (Note: May include Operations and Maintenance Fees)

What Can be Financed through the Program?



Eligible Fees

Fees for infrastructure to be owned by public agency

Does not include school, housing, fire, and police fees

Eligible Improvements

Improvements identified in the 1913 / 1915 Assessment Act, including but not limited to, are listed below:

- | | |
|------------------------|---------------------------------|
| ➔ Street and Roadways | ➔ Street lighting |
| ➔ Freeway Interchanges | ➔ Parking |
| ➔ Pedestrian Malls | ➔ Landscaping |
| ➔ Sidewalks | ➔ Sewer and Pipelines |
| ➔ Storm Drainage | ➔ Parks and Parkways |
| ➔ Flood Control | ➔ Bridges and Thoroughfares |
| ➔ Water Supply | ➔ Bicycle and Pedestrian Trails |
| ➔ Gas Supply | ➔ Open Space and Greenbelts |





- ① Must be a Member of CSCDA (no cost to join and CSCDA currently has 532 members)
- ② Adopt SCIP Resolution consenting to use of the SCIP Program (again no cost to join)
 - a) Sample Resolutions and Agreements are contained in the SCIP Manual and proposal by SCIP Legal Counsel
- ③ Developers can submit funding applications online but they must be signed by the Local Agency prior to the Public Hearing
- ④ Will review and verify eligible fees and improvements contained in the Engineer's Report prepared by SCIP
- ⑤ Will execute an acquisition agreement to reimburse developer for public improvements, the form of which is included with the SCIP Resolution
- ⑥ Funds will be spent in accordance with federal tax law
- ⑦ Approve requisition of funds

Estimated Bond Amounts



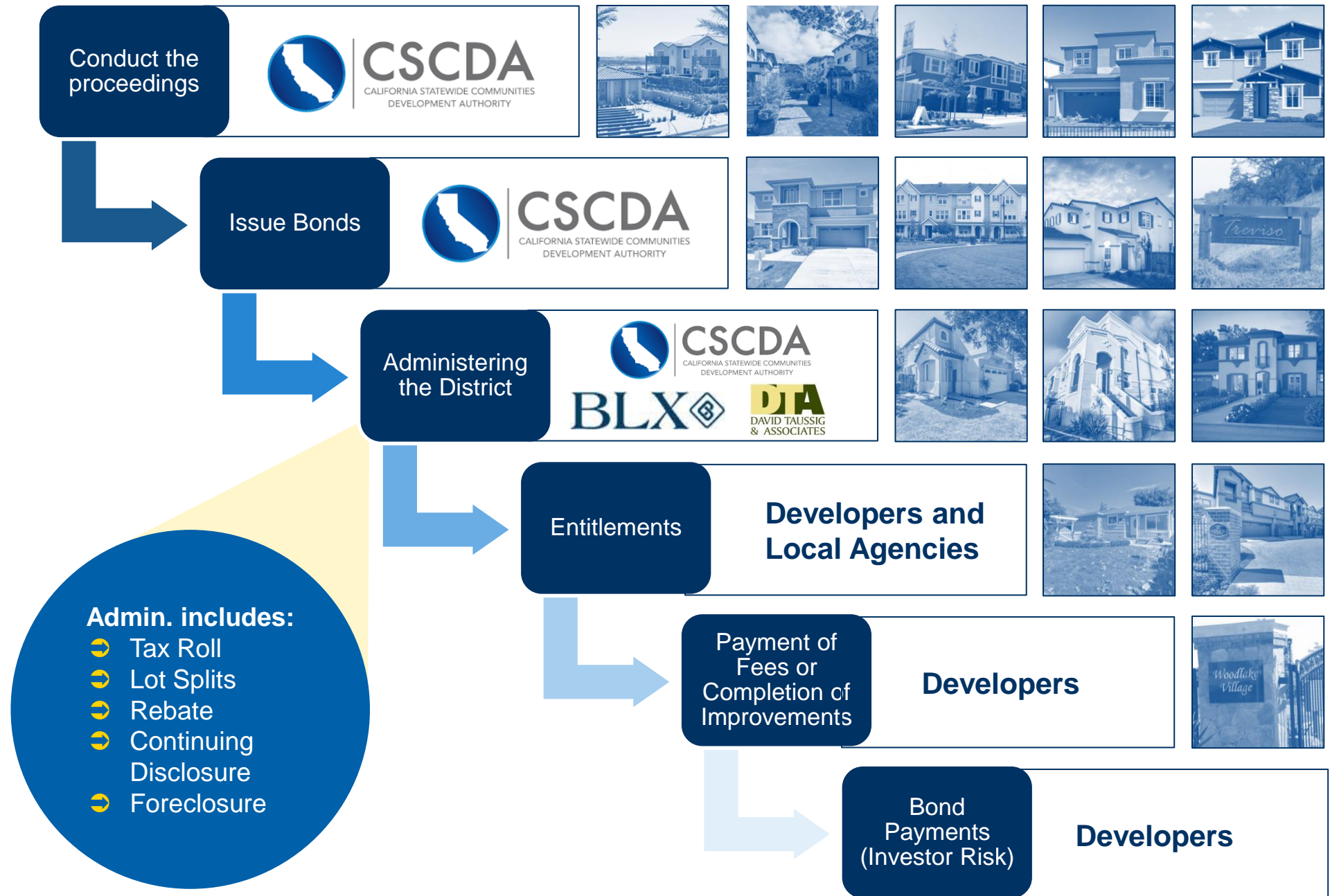
30-year fixed rate bond issue at an assumed interest rate of 4.75%

Bond Sizing Ranges

Fees and Improvements	Bond Amount	Interest Rate	Term (Years)	Annual Payment
\$500,000	\$570,000.00	4.75%	30	\$35,910
\$1,000,000	\$1,145,000.00	4.75%	30	\$72,437
\$2,000,000	\$2,295,000.00	4.75%	30	\$144,539
\$3,000,000	\$3,445,000.00	4.75%	30	\$217,035
\$5,000,000	\$5,745,000.00	4.75%	30	\$361,935
\$10,000,000	\$11,490,000.00	4.75%	30	\$723,870



SCIP Tasks and Responsibility Schedule

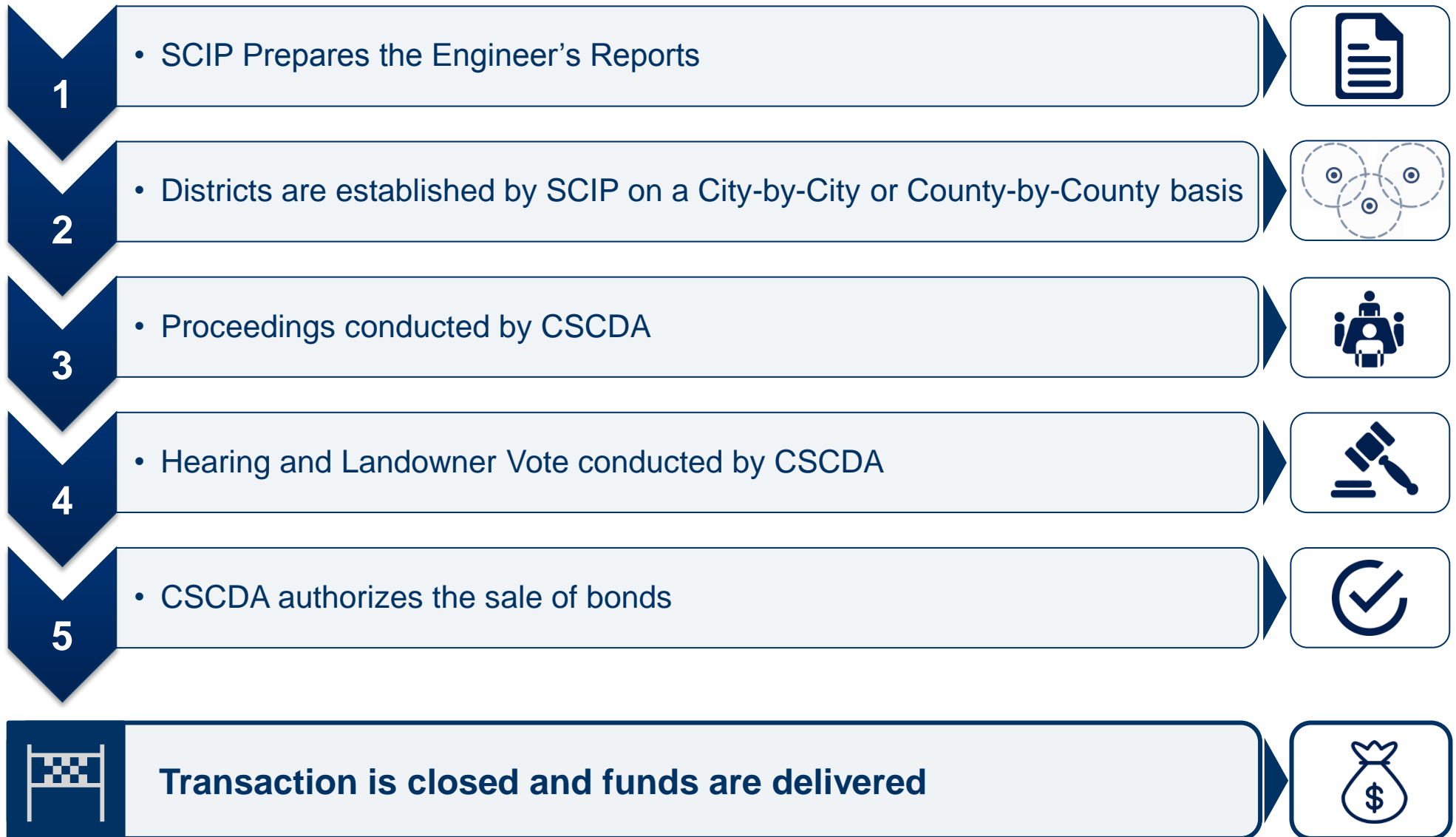


Key Events



The City or County **does not** issue bonds or levy assessments

The schedule of proceedings is described below:





SCIP is available to form CFDs and Issue bonds for Stand Alone Projects

Local Agency will adopt a Resolution requesting CSCDA form a CFD including a Joint Community Facilities Agreement (JCFA)

- Will attach a boundary map of the project
- A list of facilities and fees to be financed
- May include and O&M component in addition to facilities
- Can include more than one Local Agency in the CFD (with approval)

CSCDA credit requirements⁽¹⁾:



- 1 At Least a 4x value to lien ratio (including overlapping debt)
- 2 Combined tax burden cannot exceed 2% of the estimated home value
- 3 Debt service may escalate at up to 2% per year
- 4 Project must have received its discretionary entitlements

The minimum size for a stand alone CFD is \$5 million

(1) If a Local Agency has more stringent requirements those will apply

2003 - Present | Transactions

Appendix I



RBC Capital Markets

Comprehensive Transaction History



Sale date	Issuer	Series	Par	Description	Projects
Oct-03	CSCDA	Series 2003A	\$6,270,000	SCIP Pooled Revenue	5
Dec-04	CSCDA	Series 2004A	\$3,590,000	SCIP Pooled Revenue	10
Jul-05	CSCDA	Series 2005A	\$10,645,000	SCIP Pooled Revenue	10
Oct-06	CSCDA	Series 2006A	\$19,015,000	SCIP Pooled Revenue	11
Jun-07	CSCDA	Series 2007A	\$25,545,000	SCIP Pooled Revenue	11
Nov-07	CSCDA	Series 2007B	\$10,460,000	SCIP Pooled Revenue	8
Dec-07	CSCDA	Series A (2007)	\$37,500,000	Stand Alone CFD (Orinda Wilder)	1
Jul-08	CSCDA	Series 2008A	\$21,805,000	SCIP Pooled Revenue	9
Jun-10	CSCDA	Series 2010A	\$6,180,000	SCIP Pooled Revenue	6
Sep-11	CSCDA	Series 2011A	\$9,190,000	SCIP Pooled Revenue	4
Dec-12	CSCDA	Series 2012	\$21,030,000	Reassessment Refunding	1
May-13	CSCDA	Series 2013A	\$6,245,000	Stand Alone CFD (Manteca)	1
Aug-13	CSCDA	Series 2013	\$14,444,827	SCIP Pooled Revenue Refunding	15
May-14	CSCDA	Series 2014A	\$4,680,000	SCIP Pooled Revenue	3
Nov-14	CSCDA	Series 2014	\$11,015,000	Stand Alone Assessment District (Yucaipa VWR)	1
Jan-15	CSCDA	Series 2014B	\$10,605,000	SCIP Pooled Revenue	5
Jun-15	CSCDA	Series 2015R1	\$29,195,000	SCIP Pooled Revenue Refunding	21
Jun-15	CSCDA	Series 2015	\$33,015,000	Stand Alone CFD Refunding (Orinda Wilder)	1
Aug-15	CSCDA	Series 2015A	\$11,125,000	Stand Alone CFD (Rio Bravo)	1
Sep-15	CSCDA	Series 2015A	\$5,320,000	SCIP Pooled Revenue	4
Dec-15	CSCDA	Series 2015	\$15,305,000	Stand Alone Assessment District (Emerson Ranch)	1
Mar-16	CSCDA	Series 2016A	\$11,275,000	Stand Alone CFD (University District)	1
May-16	CSCDA	Series 2016A	\$10,090,000	SCIP Pooled Revenue	6
Oct-16	CSCDA	Series 2016B	\$11,040,000	SCIP Pooled Revenue	6
Nov-16	CSCDA	Series 2016A	\$11,155,000	Stand Alone CFD (Delta Coves)	1
Feb-17	CSCDA	Series 2017R1	\$35,953,593	SCIP Pooled Revenue Refunding	20
Total			\$391,693,420	26 Transactions	163