



**Digital Assurance Certification**

## Filing Certificate

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**DAC transmitted the Rating Change to EMMA/SID (if applicable) on behalf of Sacramento, CA, City of under their SEC Rule 15c2-12 Continuing Disclosure Agreement.**

Transmission Details: P21524800

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Date & Time Stamp:	04/02/2026
Document:	Rating Change: S&P Upgrades Rating - McKinley Village CFD No. 2015-04, Series 2020
DAC Bond Coversheet:	Yes
Transmitted to:	MSRB-EMMA
Total CUSIPs associated with this Filing:	12
Filing made on Series:	2020

**Codes:** **P** (Prerefunded), **R** (Refunded), **U** (Unrefunded), **E** (Escrowed), **A** (Advance Refunding), **D** (Defeased), **T** (Tendered), **V** (Derivatives), **UD** (Undetermined), **NLO** (No Longer Outstanding)

**Red:** Original CUSIPs - filing missed · **Blue:** Non-Original CUSIPs - filing missed · **Green:** Outstanding CUSIPs - filing made ·  
**Black:** Inactive CUSIPs

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1. Issue: City of Sacramento McKinley Village Community Facilities District No. 2015-04 (Improvements), Special Tax Bonds, Series 2020, \$8,540,000, Dated: July 1, 2020

CUSIP: 786071PX2, 786071PY0, 786071PZ7, 786071QA1, 786071QB9, 786071QC7,  
786071QD5, 786071QE3, 786071QF0, 786071QG8, 786071QH6, 786071QJ2

**No missing CUSIPs for this bond issue**

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**EVENT NOTICE PURSUANT TO S.E.C. RULE 15c2-12  
RATING CHANGE**

Dated: April 2, 2026

NOTICE IS HEREBY GIVEN that on April 2, 2026, Standard & Poor's Global Ratings ("**S&P**") upgraded the long-term rating to A from A- with a stable outlook for the City of Sacramento's McKinley Village CFD No. 2015-04 (Improvements) Special Tax Bonds, Series 2020.

The ratings report from S&P is attached.

City of Sacramento



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Brian Wong  
Debt Manager

Attachment: S&P Ratings Report

Research Update:

# Sacramento McKinley Village Community Facilities District No.2015-04, CA Bond Rating Raised To 'A' On Improved Economy

April 2, 2026

## Overview

- S&P Global Ratings raised its long-term rating on the [Sacramento McKinley Village Community Facilities District \(CFD\) No. 2015-04](#), Calif.'s series 2020 special tax bonds outstanding to 'A' from 'A-'.
- The outlook is stable.
- The upgrade reflects material improvements in the CFD's 10 largest-taxpayer concentration, which has diversified as the district became fully developed,. This improvement has led to stronger assessments in the CFD's district characteristics and financial profile to strong and adequate, respectively.

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## Rationale

### Security

Revenue from a special tax levied on taxable parcels within the CFD secures the bonds. Special taxes are levied pursuant to California's Mello-Roos Community Facilities Act of 1982 and are not unlimited ad valorem property taxes. However, the City of Sacramento collects these taxes at the same time and in the same manner as municipalities collect property taxes on behalf of the CFD.

Bond provisions require a debt service reserve fund (DSRF) policy funded through an investment-grade surety provider. The reserve requirement is funded at the lesser of 100% of maximum annual debt service, 125% of the average annual debt service, or 10% of the initial principal amount of the bonds. Given the lien is closed, except for refunding purposes, the DSRF will not increase throughout the life of the bonds.

### Credit highlights

The rating reflects our view of the CFD's adequate economic fundamentals, as characterized by the district's healthy population growth and participation in the broad and diverse Sacramento-Roseville-Folsom metropolitan statistical area (MSA); these strengths are offset by the CFD's adequate incomes that are in line with national averages; elevated price volatility compared with

those of the state and the nation, partially a result of the district's relative affordability; and the city of [Sacramento](#)'s unemployment rate, which is slightly above national levels.

Our view of district being strong takes into account the CFD being fully built out, with our forward-looking analysis of minimal taxpayer concentration and all units are individually owned by the end user, and its strong overall VTL ratio at 17.6x, although these strengths are partially offset by the district's small size.

The adequate financial profile incorporates our forward-looking analysis of the district's special tax levy rates, yielding an adequate maximum loss-to-maturity (MLTM) ratio of 14%. At this MLTM ratio, the CFD could withstand the permanent loss of its 10 largest taxpayers over 3x. We note that the district has historically had a low delinquency rate, which was 0.31% in 2025, and its lien is closed.

The CFD was formed in 2015 to provide financing for public improvements within the district. The city district makes up almost 50 acres and is approximately 1.4 miles east of downtown Sacramento. Residents within the city participate in the Sacramento-Roseville-Folsom MSA, and its local economy has historically been centered on government services, agriculture, and riverfront outdoor activities. Sacramento's comparatively affordable housing stock compared with that of California has supported the city's strong population growth.

The rating further reflects our view of the CFD's:

- Adequate economic fundamentals, characterized by accelerating local population growth that is above the national level, participation in an MSA, low foreclosure rates, adequate median household effective buying income at 106% of the U.S., historically elevated home price volatility relative to the state and the U.S., and real estate affordability ratios that compare less favorably with those of the nation but are better than those of the state's.
- Strong district characteristics, including the district's fully built-out status, with residential properties that are individually owned, very low taxpayer concentration with the 10 largest taxpayers accounts for 5.2% of the special tax levy, no meaningful exposure to any single taxpayer, and strong overall value-to-lien of about 31.5x, offset by the small district size at 352 parcels.
- Adequate financial profile characterized by a 14% MLTM ratio compared with the 5.2% contribution of the top-10 taxpayers; availability of a fully funded DSRF; a minimum 1.1x annual debt service coverage structure; low annual special tax delinquency rates; the ability to withstand the permanent loss of its top 10 taxpayers; and a closed lien.
- For more information on special assessment ratings in California, see "[U.S. Local Government Credit Brief: California Special Assessment Districts](#)," July 16, 2024.

## **Environmental, social, and governance**

In our view, the CFD has elevated exposure to certain physical risks, including seismic activity and wildfires, that could affect the tax base or local demographic trends; however, we believe that strong state building codes substantially mitigate seismic risks. We also believe the district has elevated physical risk due to the region's exposure to water stress and drought, which can have a significant influence on economic development and agricultural production. However, California has implemented water preservation initiatives, such as the Sustainable Groundwater Management Act and Senate Bill 200, that help mitigate the local economy's elevated exposure to droughts by providing a framework for groundwater management and financial assistance to

upgrade ground wells and filtration systems. We view the CFD’s social and governance factors as neutral within our credit rating analysis.

## Outlook

The stable outlook reflects our expectation that special tax collection rates will remain consistent, supported by the mature and fully developed nature of the CFD, with historically low delinquency rates. This stability is expected to facilitate full and timely debt service payments in the near term.

### Downside scenario

We could lower the rating if the local economy experiences significant housing volatility, increased unemployment rates, and rising delinquency rates, straining the district's capacity to make full and timely debt service payments.

### Upside scenario

We could raise the rating if the CFD’s economic fundamentals or the financial profile improve via materially stronger economic metrics and MLTM ratio, respectively.

#### Ratings List

##### Upgraded

	To	From
<b>Local Government</b>		
Sacramento McKinley Village Community Facilities District No. 2015-04 CA Special Tax Revenues	A/Stable	A-/Stable

The ratings appearing below the new issues represent an aggregation of debt issues (ASID) associated with related maturities. The maturities similarly reflect our opinion about the creditworthiness of the U.S. Public Finance obligor's legal pledge for payment of the financial obligation. Nevertheless, these maturities may have different credit ratings than the rating presented next to the ASID depending on whether or not additional legal pledge(s) support the specific maturity's payment obligation, such as credit enhancement, as a result of defeasance, or other factors.

Certain terms used in this report, particularly certain adjectives used to express our view on rating relevant factors, have specific meanings ascribed to them in our criteria, and should therefore be read in conjunction with such criteria. Please see Ratings Criteria at <https://disclosure.spglobal.com/ratings/en/regulatory/ratings-criteria> for further information. A description of each of S&P Global Ratings' rating categories is contained in "S&P Global Ratings Definitions" at <https://disclosure.spglobal.com/ratings/en/regulatory/article/-/view/sourceId/504352>. Complete ratings information is available to RatingsDirect subscribers at [www.capitaliq.com](http://www.capitaliq.com). All ratings referenced herein can be found on S&P Global Ratings' public website at [www.spglobal.com/ratings](http://www.spglobal.com/ratings).

## Sacramento McKinley Village Community Facilities District No.2015-04, CA Bond Rating Raised To 'A' On Improved Economy

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