

SCIP

Statewide Community Infrastructure Program

A Program of the California Statewide Communities Development Authority



CSCDA
CALIFORNIA STATEWIDE COMMUNITIES
DEVELOPMENT AUTHORITY

What is the Statewide Communities Infrastructure Program (SCIP) ?

- SCIP is a pooled tax exempt bond financing program which can finance impact fees and public improvements for private developments
- The bonds are issued by the California Statewide Communities Development Authority (CSCDA) which is a JPA sponsored by the League and CSCA to promote bond programs of public benefit to its members
- Any City/County/Special District can participate in SCIP
- SCIP has issued \$200 MM in bonds since its inception in 2003
- These are 30 year tax exempt bonds secured by property owner assessments



SCIP Overview / Team

Program:

- Statewide Community Infrastructure Program (“SCIP”)

Issuer:

- California Statewide Communities Development Authority (“CSCDA”)

Purpose:

- Financing of Development Impact Fees & Improvements

Security:

- 1913 / 1915 Act Special Assessment Obligations

Finance Team:

- RBC Capital Markets – Bond Underwriter
- Orrick, Herrington, & Sutcliffe – Legal Counsel
- Bond Logistix – Program Administrator
- David Taussig and Associates – Assessment Engineer

Who Uses SCIP?

- SCIP provides local agencies a means of offering competitive financing to all developers as a turn key solution which minimizes local agency staff time
- 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 can finance projects which range in size from \$500,000 up to \$20,000,000 or higher
- SCIP provides diversity to investors and economies of scale to its participants which ultimately translates to competitive interest rates and lower costs



SCIP Local Agencies



SCIP Program - Mechanics

Program Type	Program Description
Impact Fee Reimbursement Program:	Reimburses property owners for Impact Fees collected when a Building Permit is Issued
Impact Fee Pre-Funding Program:	Provides advance funding of Impact Fees requirement as a condition of land entitlements
Acquisition Funding:	Provides funding of improvements completed by developer. Local agency administers the acquisition agreement.
CFD Financing:	CFDs can be funded by SCIP through CSCDA on an issue-by-issue basis



Reimbursement, Pre-Funding Programs and Acquisition Funding can be combined.

Eligible Fees and Improvements

- Fees for infrastructure to be owned by public agency
 - Does not include school, housing, fire, and police fees
- Improvements identified in the 1913 / 1915 Assessment Act, including but not limited to, are listed below:



Eligible Improvements

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

Local Agency Requirements

- Must be a member of CSCDA
- Adopt resolution consenting to use of the SCIP program
 - Contained in SCIP manual
- Submit SCIP Applications
 - Each prospective project will submit an application with a local agency contact
- When tax-exempt bonds are issued, the City executes a bond closing certificate, which confirms that:
 - The infrastructure financed through SCIP with bond proceeds, is public infrastructure
 - Property being assessed has valid entitlements
 - Funds will not be spent in violation of federal tax law
- Approve Requisition of Funds



Benefit Assessment Formula

- Benefit Requirement - The SCIP Program is an Assessment District program requiring an allocation of Development Impact Fees or Public Infrastructure /Facilities Costs by land use category. These allocations are based on relative levels of benefit received from Fees or Public Infrastructure/Facilities by each land use category, and are expressed as Equivalent Dwelling Units

- Benefit Criteria – Depends on the type of facility being funded.
 - Development Impact Fee – Based on Municipality’s existing Fee Study
 - Roads and Transportation Facilities – Based on Average Daily Trips
 - Water and Sewer Facilities – Based on Water Usage Factors
 - Flood Control Facilities – Based on Drainage Runoff Coefficients
 - Parks – Based on household size (SFD vs. SFA) or employees per 1,000 square foot of non-residential floorspace

Estimated Bond Amounts

- The following table presents estimated assessment amounts for various project amounts
- In general, costs of issuance are approximately 6% and the bond reserve fund is 7% (excludes capitalized interest)

Estimated Bond Amounts				
<u>Fees and Improvements</u>	<u>Bond Amount</u>	<u>Interest Rate</u>	<u>Term (Years)</u>	<u>Annual Payment</u>
\$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

Conducting the Proceedings

- SCIP Prepares the Engineer's Reports
- Districts are established by SCIP on a City-by-City or County-by-County basis
- Proceedings conducted by CSCDA
- Hearing and Landowner Vote conducted by CSCDA
- CSCDA authorizes the sale of bonds
- City or County does not issue bonds or levy assessments

SCIP Tasks and Responsibility

SCIP Task and Responsibility Schedule	
Task	Responsibility
Conducting the Proceedings	CSCDA
Issuing Bonds	CSCDA
Administering the District <ul style="list-style-type: none"> • Tax Roll • Lot Splits • Rebate • Continuing Disclosure • Foreclosure 	CSCDA / BLX / DTA
Entitlements	Developers in Conjunction with Local Agency
Payment of Fees or Completion of Improvements	Developers
Bond Payments (Investor Risk)	Landowners

Community Facilities District (“CFDs”)

- CSCDA can also establish, sell bonds and levy special taxes for CFDs on behalf of local agencies
- CFDs will be financed on a stand alone basis
- No benefit requirement, only a “reasonableness” test
- CFD financings are for specific projects and districts
 - May include one or more developers

- CSCDA will review local agency CFD guidelines (if available)
- CSCDA requires a minimum 4x value to lien ratio
- Maximum tax rate cannot exceed 2% of home sales prices
- May use 2% escalating debt service if permitted by local agency
- Local agency can establish more stringent guidelines
- Local agency must identify funding priorities (infrastructure, fees, etc.)
- CSCDA is authorized to proceed by a Resolution adopted by local agency (which will include a form of acquisition agreement)



SCIP Conclusion

- Well suited for commercial, industrial, and residential projects
- Alternative for Fee Deferral Programs
- Simple application and administration process
- Long term fixed rate financing at competitive tax-exempt rates



SCIP Transactions

Date of Issuance	Issuer	Series	Par Amount	Purpose
October 2003	CSCDA	Series 2003A	\$6,270,000	SCIP Pooled Revenue
December 2004	CSCDA	Series 2004A	\$3,590,000	SCIP Pooled Revenue
July 2005	CSCDA	Series 2005A	\$10,645,000	SCIP Pooled Revenue
October 2006	CSCDA	Series 2006A	\$19,015,000	SCIP Pooled Revenue
June 2007	CSCDA	Series 2007A	\$25,545,000	SCIP Pooled Revenue
November 2007	CSCDA	Series 2007B	\$10,460,000	SCIP Pooled Revenue
December 2007	CSCDA	Series A (2007)	\$37,500,000	Stand Alone CFD
July 2008	CSCDA	Series 2008A	\$21,805,000	SCIP Pooled Revenue
June 2010	CSCDA	Series 2010A	\$6,180,000	SCIP Pooled Revenue
September 2011	CSCDA	Series 2011A	\$9,190,000	SCIP Pooled Revenue
December 2012	CSCDA	Series 2012	\$21,030,000	Reassessment Refunding
May 2013	CSCDA	Series 2013A	\$6,245,000	Stand Alone CFD
August 2013	CSCDA	Series 2013	\$14,444,827	SCIP Pooled Revenue Refunding
May 2014	CSCDA	Series 2014A	\$4,680,000	SCIP Pooled Revenue
November 2014	CSCDA	Series 2014	\$11,015,000	Stand Alone Assessment District
January 2015	CSCDA	Series 2014B	\$11,105,000*	SCIP Pooled Revenue
2015	CSCDA	Series 2015A	\$20,000,000*	SCIP Pooled Revenue
2015	CSCDA	Series 2015	\$12,000,000*	Stand Alone Assessment District
2015	CSCDA	Series 2015	\$11,000,000*	Stand Alone CFD
2015	CSCDA	Series 2015	\$15,000,000*	Stand Alone CFD

SCIP Contact Information

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