

**AGENDA
SPECIAL CITY COUNCIL MEETING
CITY OF BANNING
BANNING, CALIFORNIA**

January 24, 2017
3:00 p.m.

Banning Civic Center
Council Chambers
99 E. Ramsey St.

I. CALL TO ORDER

- Roll Call – Councilmembers Andrade, Franklin, Peterson, Welch, Mayor Moyer

II. PUBLIC COMMENTS – *On Items Not on the Agenda*

A five-minute limitation shall apply to each member of the public who wishes to address the Mayor and Council on a matter not on the agenda. A thirty-minute time limit is placed on this section. No member of the public shall be permitted to “share” his/her five minutes with any other member of the public. (Usually, any items received under this heading are referred to staff or future study, research, completion and/or future Council Action.) (See last page. PLEASE STATE YOUR NAME AND ADDRESS FOR THE RECORD.

III. STUDY SESSION

1. Statewide Community Infrastructure Program (SCIP) (ORAL)
- Presentation from James Hamill, CSCDA (California
Statewide Communities Development Authority)

IV. ADJOURNMENT

Pursuant to amended Government Code Section 54957.5(b) staff reports and other public records related to open session agenda items are available at City Hall, 99 E. Ramsey St., at the office of the City Clerk during regular business hours, Monday through Friday, 8 a.m. to 5 p.m.

*The City of Banning promotes and supports a high quality of life that ensures a safe
and friendly environment, fosters new opportunities and provides responsive,
fair treatment to all and is the pride of its citizens.*

NOTICE: Any member of the public may address this meeting of the Mayor and Council on any item appearing on the agenda by approaching the microphone in the Council Chambers and asking to be recognized, either before the item about which the member desires to speak is called, or at any time during consideration of the item. A five-minute limitation shall apply to each member of the public, unless such time is extended by the Mayor. No member of the public shall be permitted to “share” his/her five minutes with any other member of the public.

Any member of the public may address this meeting of the Mayor and Council on any item which does not appear on the agenda, but is of interest to the general public and is an item upon which the Mayor and Council may act. A five-minute limitation shall apply to each member of the public, unless such time is extended by the Mayor. No member of the public shall be permitted to “share” his/her five minutes with any other member of the public. The Mayor and Council will in most instances refer items of discussion which do not appear on the agenda to staff for appropriate action or direct that the item be placed on a future agenda of the Mayor and Council. However, no other action shall be taken, nor discussion held by the Mayor and Council on any item which does not appear on the agenda, unless the action is otherwise authorized in accordance with the provisions of subdivision (b) of Section 54954.2 of the Government Code.

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the City Clerk's Office (951) 922-3102. **Notification 48 hours prior to the meeting** will enable the City to make reasonable arrangements to ensure accessibility to this meeting. [28 CFR 35.02-35.104 ADA Title II]

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 joint powers authority sponsored by the League of California Cities and the California State Association of Counties to promote bond programs of public benefit for its members
- Any City/County/Special District can participate in SCIP
- SCIP has issued \$350 MM in bonds since its inception in 2003
- These are 30 year tax exempt bonds secured by property owner assessments



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



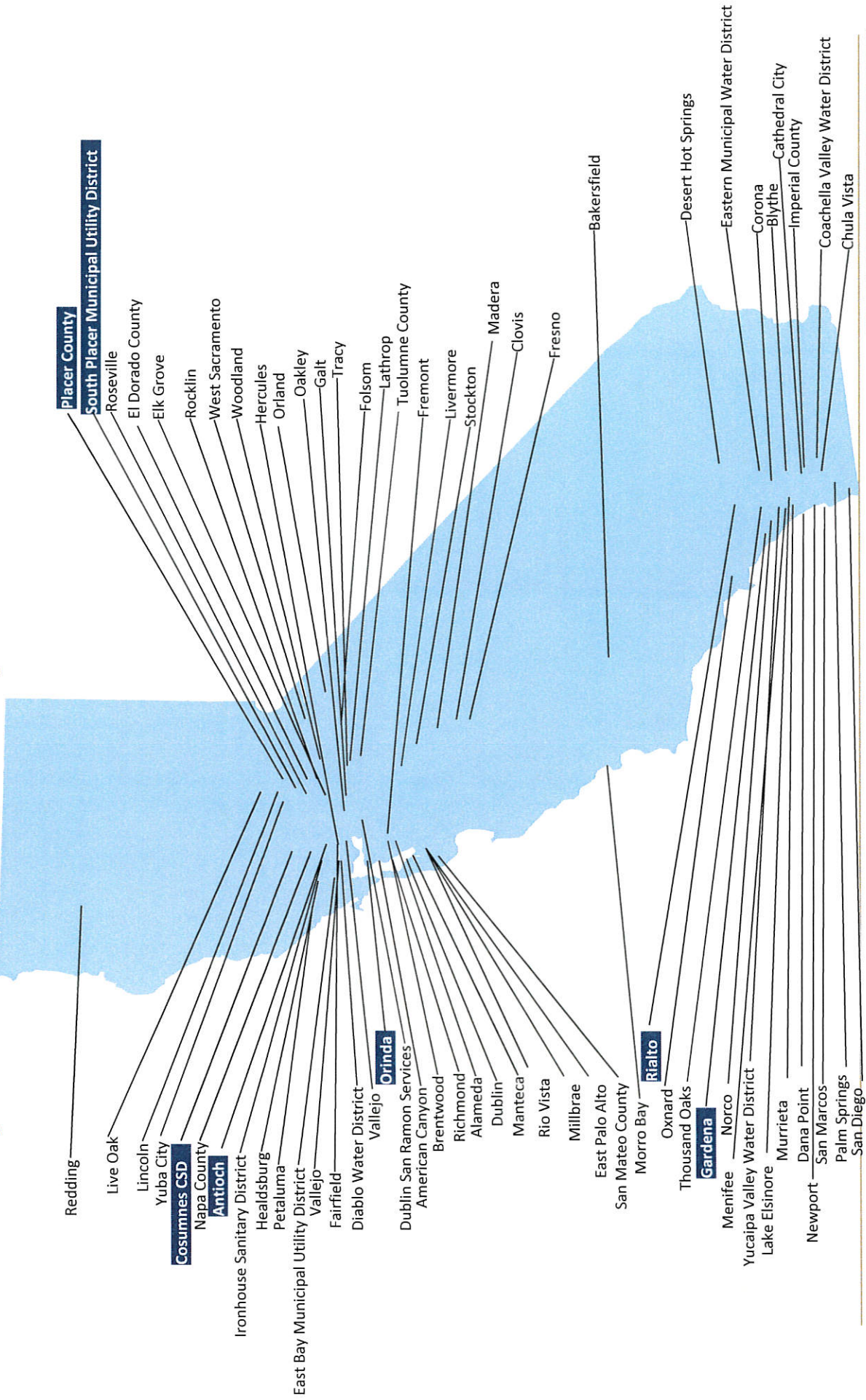
SCIP Overview / Team

Finance Team:

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

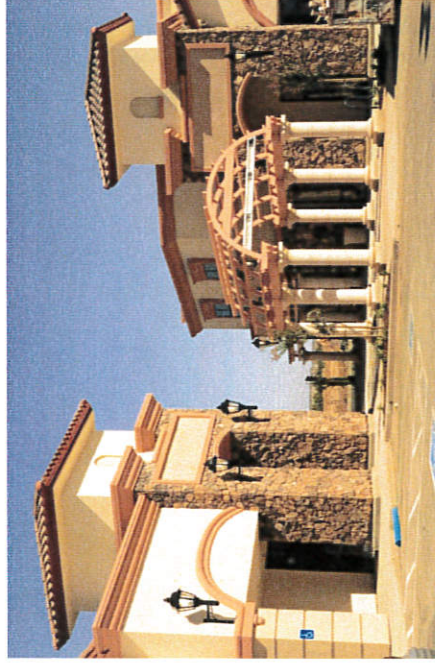
Participating Local Agencies

More than 70 Local Agencies across California participate in the SCIP Program



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:

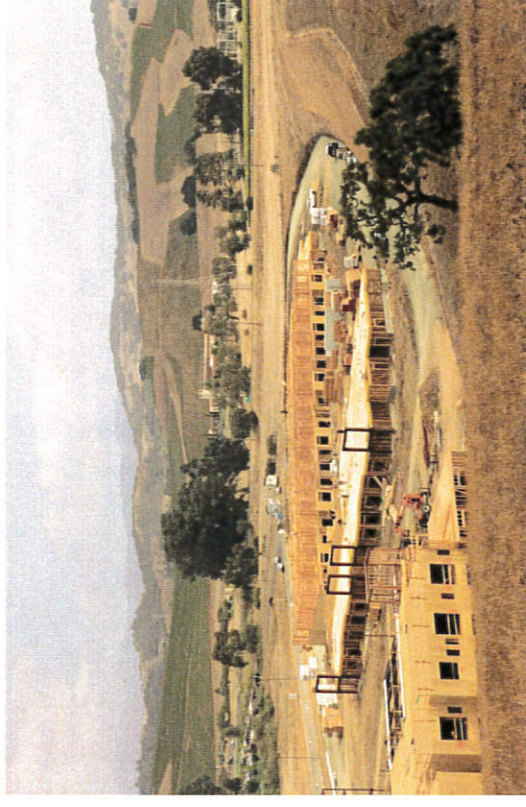


Eligible Improvements

- 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
 - Prepared for by CSCDA, including a staff report
- 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



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	9
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	17
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	\$10,115,000	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
Total			\$355,764,827	25 Transactions	133

Appendix: 2016 Case Studies

SCIP Pooled Revenue Bond Transactions

SCIP 2016A

- SCIP 2016A, in an amount of \$10,090,000, was sold in May at a 30 year interest rate of 4.20%. The issue consisted primarily of residential projects in El Dorado County, Brentwood, Manteca and Gardena. These were for the most part undeveloped tracts but in the first stage of pulling building permits and constructing model homes.
- Roseville also participated with its Top Golf project (current Roseville site pictured). Top Golf has been described as the premier new golf experience where hitting microchip guided golf balls is complemented by your favorite food and beverage.
- Developers that participated in SCIP 2016A included KB Homes, DUC construction, DR Horton, Discovery Builders and Meritage. The issue financed a combination of public impact fees and improvements. While there have been non-rated bonds sold at lower rates for more developed property, these are some of the lowest rates we have ever seen of undeveloped land secured bonds.



Topgolf Facility (Now Open)
Roseville, California

SCIP 2016B

- SCIP 2016B, in an amount of \$11,040,000, was sold the week of October 3rd at a 30 year interest rate of 4.37%. Despite adverse market conditions and heavy supply, the Bonds achieved a competitive rate for a non-rated undeveloped land-secured deal on a historic basis. The Bonds financed a combination of public impact fees and improvements.
- The bond issue consisted entirely of undeveloped residential projects located in the cities of Roseville, San Diego, Rocklin, Manteca and Fairfield. The projects located in San Diego and Manteca, Vista del Sur and Evans Estates respectively, have participated in prior SCIP bond issues and are good examples of how the program can be used to finance subdivisions or phases of a single project over time.
- Developers that participated in SCIP 2016B included John Mourier Construction, Tri Pointe Homes, Southview Development Partners and Development Solutions EE.



Foothills American Dream
Roseville, California

SCIP Stand-Alone Transactions

Special Tax Bonds, Series 2016A (University District)

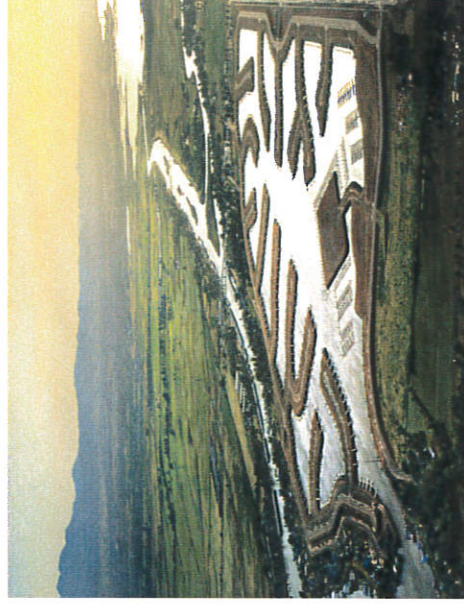
- SCIP 2016A, SCIP sold \$11,275,000 of special tax bonds for the University District Project in Rohnert Park for Brookfield Homes.
- The 30 year bonds sold at a TIC of 4.34% and had a value to lien ratio of 5.8x.
- The rate was exceptional given the largely undeveloped status of the CFD, although 175 of the 399 lots in Phase I had just been sold to merchant builders. They included Richmond America, KB Homes, and Signature, all of which were commencing construction of model homes.
- The site is located directly north of Sonoma State University within the City of Rohnert Park. The transaction financed public facilities fees which were used by the City to construct major city improvements. Phase I is planned for 399 units, the first of 1,454 units within University Park. The CFD is authorized to issue up to \$50 MM in bonds.



University District (Rendition)
Rohnert Park, California

Special Tax Bonds, Series 2016A (Delta Coves)

- CFD No. 2016-02 (Delta Coves) sold \$11,115,000 of Special Tax Bonds on November 16, 2016 at a 30 year interest rate of 5.20%.
- The Bonds were sold during the most turbulent period that the fixed income market has seen in years, with yields rising roughly 50 basis points between the sale and the election (the election being the cause of the spike in market volatility).
- Bond debt service was structured to increase at 2% annually, in lockstep with the tax inflator.
- The CFD comprises 310 acres of undeveloped property located on the California Delta in Bethel Island.
- This represents the first issue of bonded debt for the CFD, which is authorized to incur a not-to-exceed amount of \$62 million between both improvement areas.



Delta Coves
Bethel Island, California

SCIP Contact Information

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Statewide Community Infrastructure Program

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