

Capistrano Unified School District



Report on the Sale of \$8.19 Million of Special Tax Bonds for CFD 2005-1 Whispering Hills



Presented by Lori Raineri
January 22, 2014

Tonight's Agenda

- **Results of Bond Issuance for CFD 2005-1 Whispering Hills**
- **Planned Phase 2 Bond Issuance for Whispering Hills**
- **Recommended Next Steps**



CFD 2005-1 “Whispering Hills”

- **“Rancho San Juan” Development**
 - **“Valinda” Homes**
 - **“Mirador” Homes**

- **South of San Juan Hills High**
- **272 acres total**
- **60 acres for development**

- **140 SF homes planned**
- **15 custom lots planned**

- **\$30 million bonds authorized**



First Phase of Bonds

- **Depends on taxation from developed property only**
 - **64 units for FY 2013-14 (permits pulled by 1/1)**
 - **74 units thereafter (permits pulled by 6/14)**
 - **Taxes will escalate 2% annually⁽¹⁾**

- **Proceeds from the bonds are to be allocated as follows:⁽²⁾**
 - **Upfront costs, reimbursements, and reserve fund**
 - **60% of remainder goes to Developer as partial payment for portion of purchase price for San Juan Hills High School site (\$6 million interest-free obligation)**
 - **40% remaining goes to City of San Juan Capistrano for City Facilities**

(1) Per CFD 2005-1 Rate and Method of Apportionment

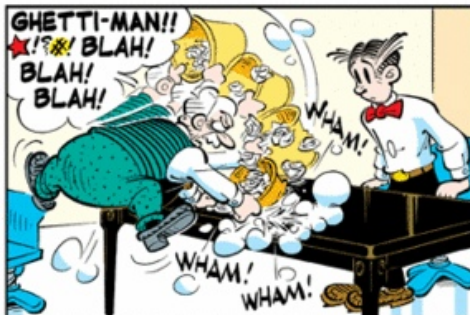
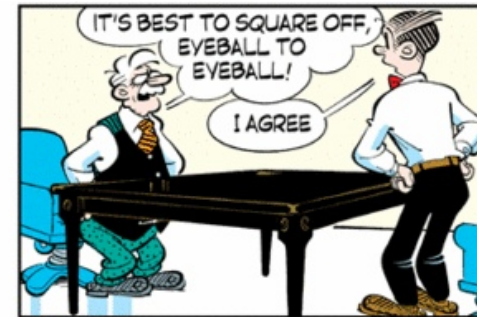
(2) Per First Amended Mitigation Agreement

Bond Issuance Process

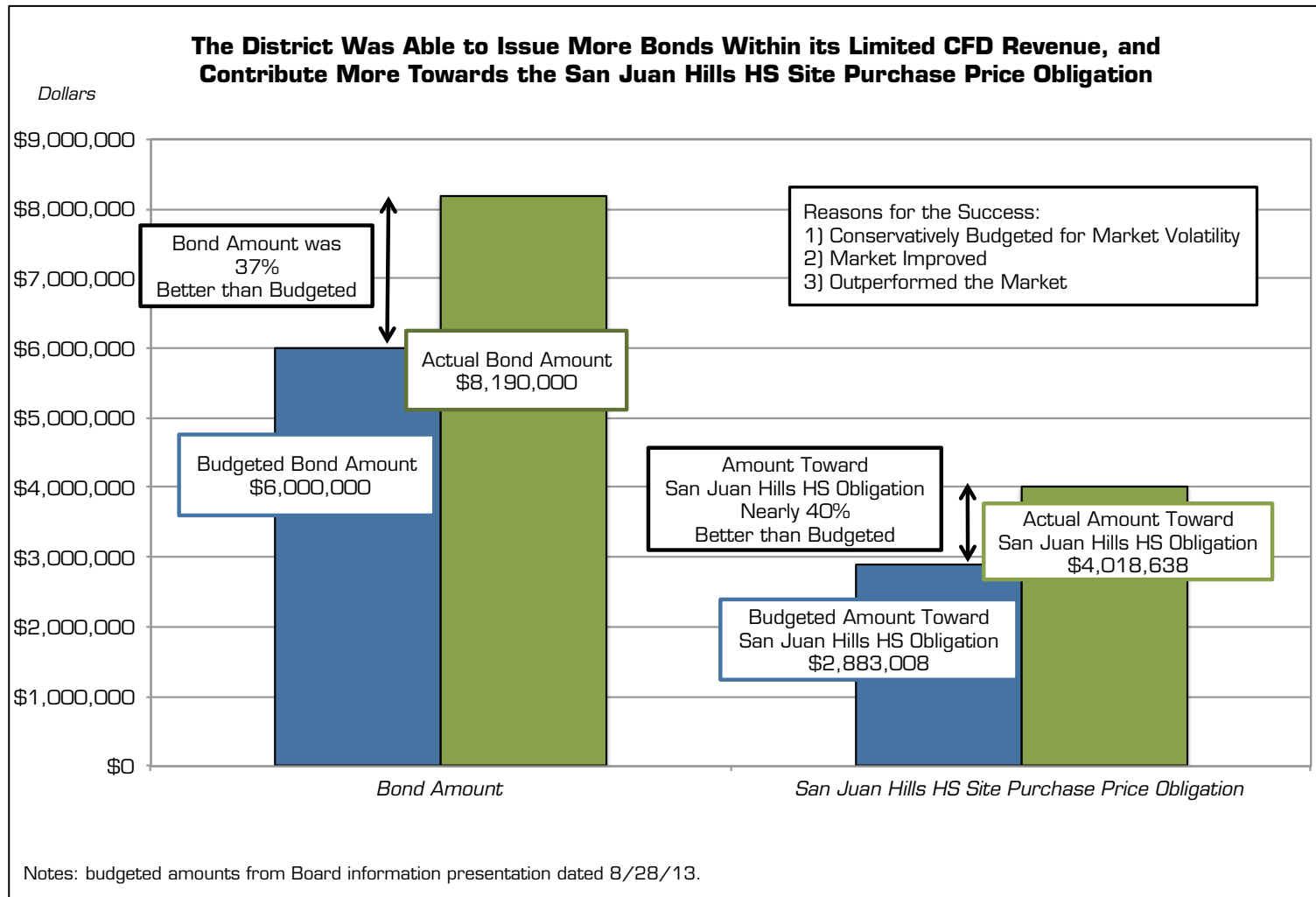
- **Financing best practices as published by the Government Finance Officers Association (GFOA) indicated a negotiated sale would be best to price the interest rates in this case.**
 - **Due to credit perception and lack of CFD history**
- **Following an RFP process consistent with GFOA best practices, De La Rosa & Co. was selected as the underwriter.**
- **Preliminary pricing negotiation on October 23.**
 - **Review of market overall**
 - **Comparison of proposed interest rates to other bond sales**
- **Final pricing negotiation on October 24.**
 - **Final interest rates agreed to and locked**



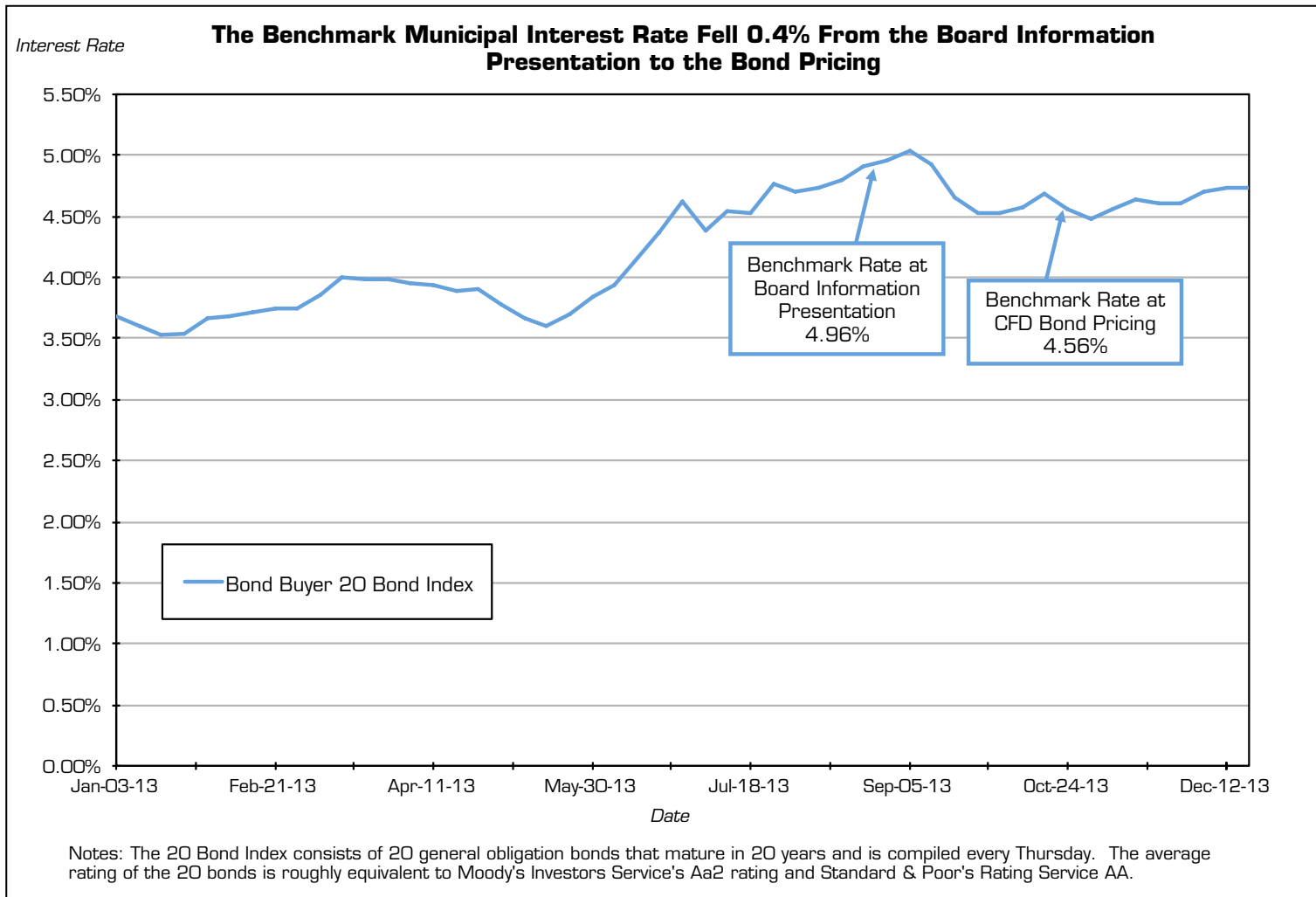
Good Negotiation?



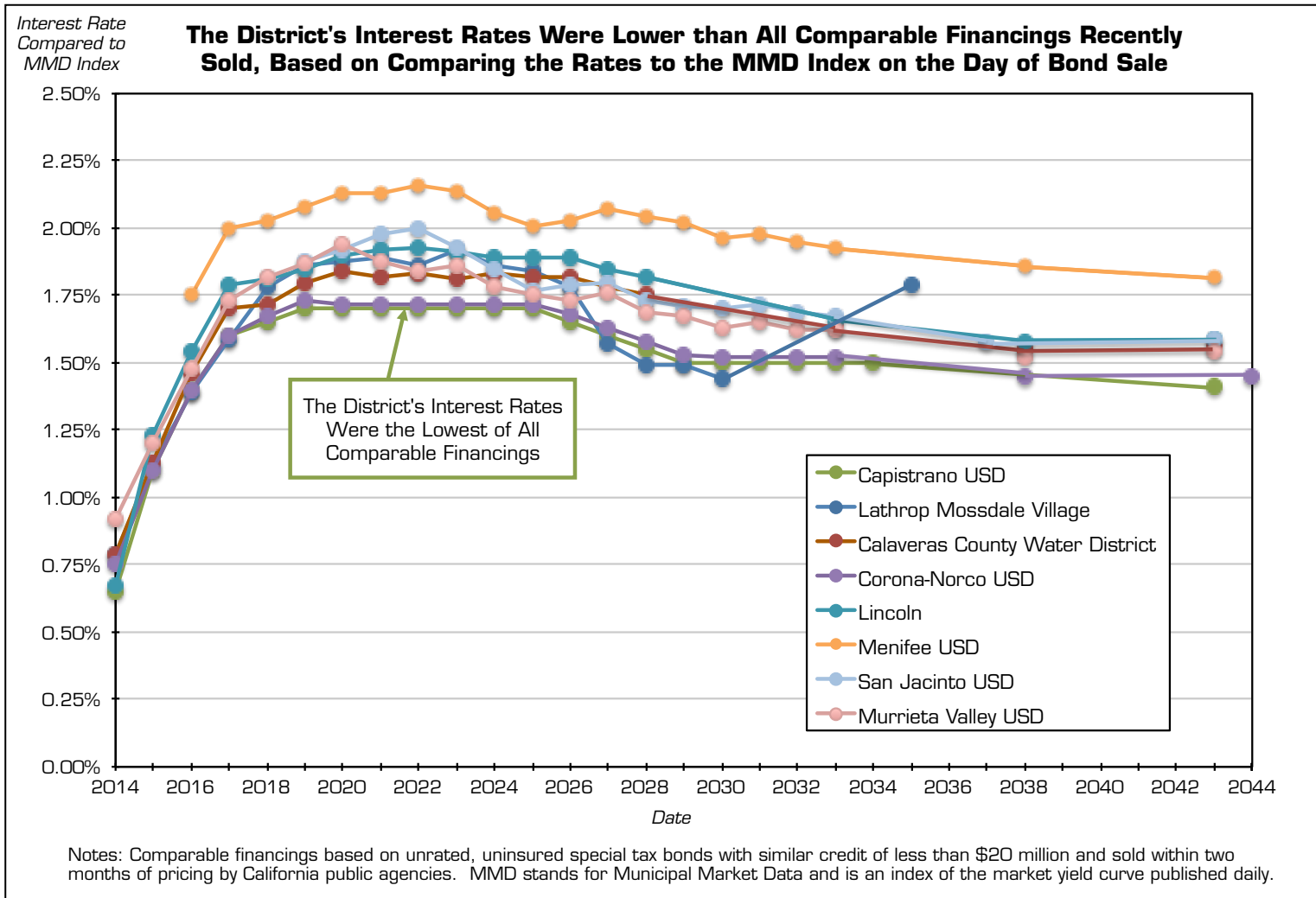
Success!



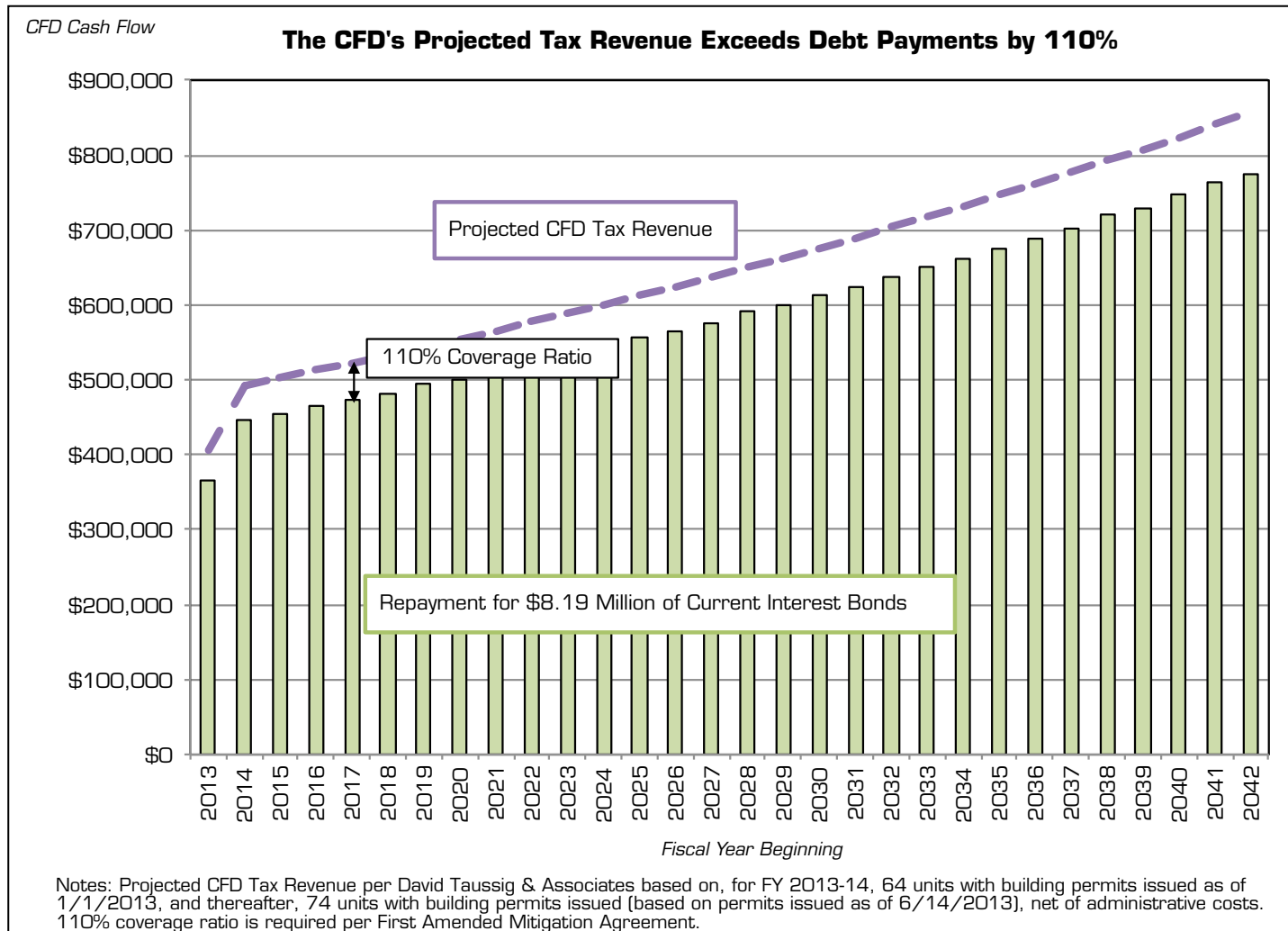
Bond Market Conditions



Performance Against the Market

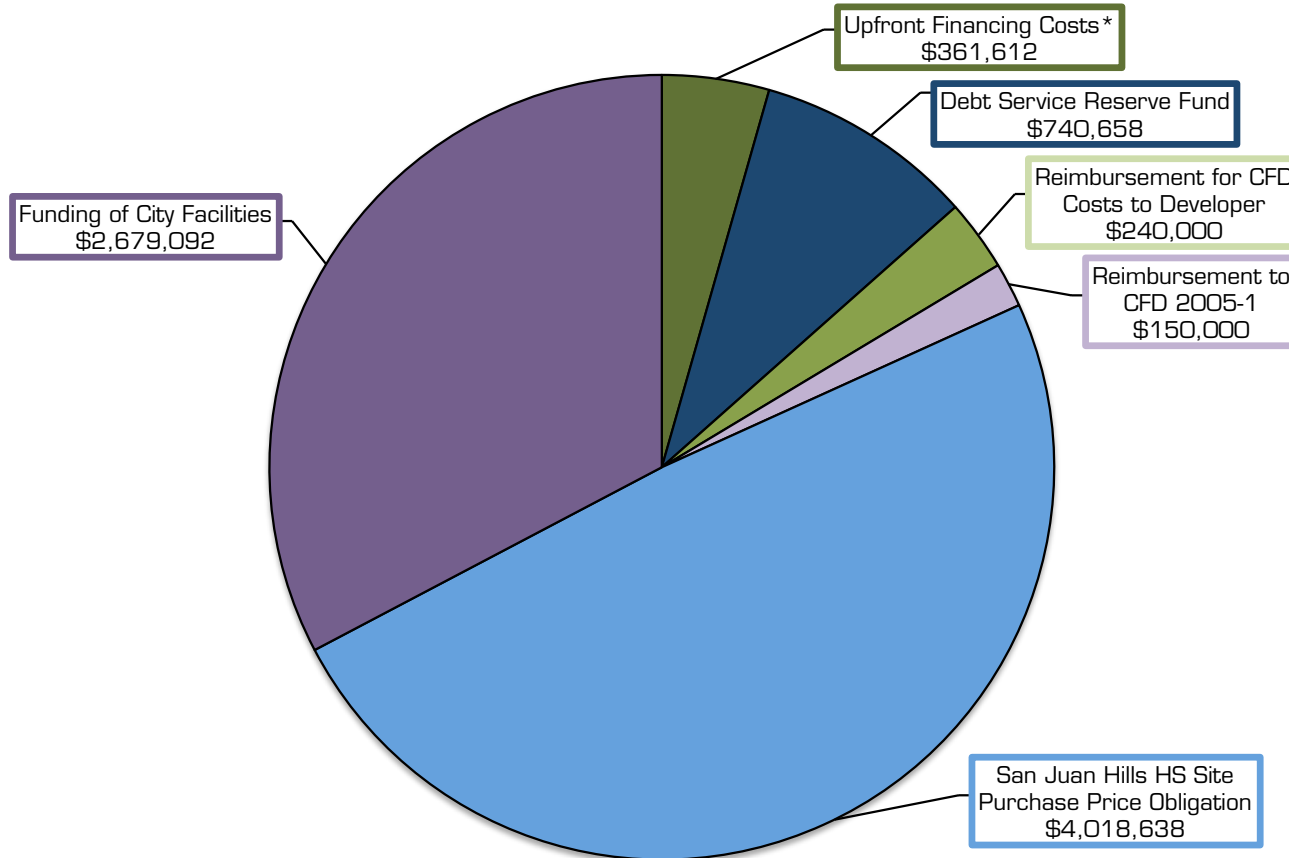


\$8.19 Million of Bonds Issued



Allocation of Bond Funds

Over \$4 Million of the District's \$6 Million San Juan Hills High School Site Purchase Price Obligation Has Been Satisfied



Notes: *Upfront financing costs include original issue discount, underwriter's discount and costs of issuance. Allocations for reimbursements and 60%-40% split of available funds between San Juan Hills HS Site Purchase Price Obligation and Funding of City Facilities per First Amended Mitigation Agreement.

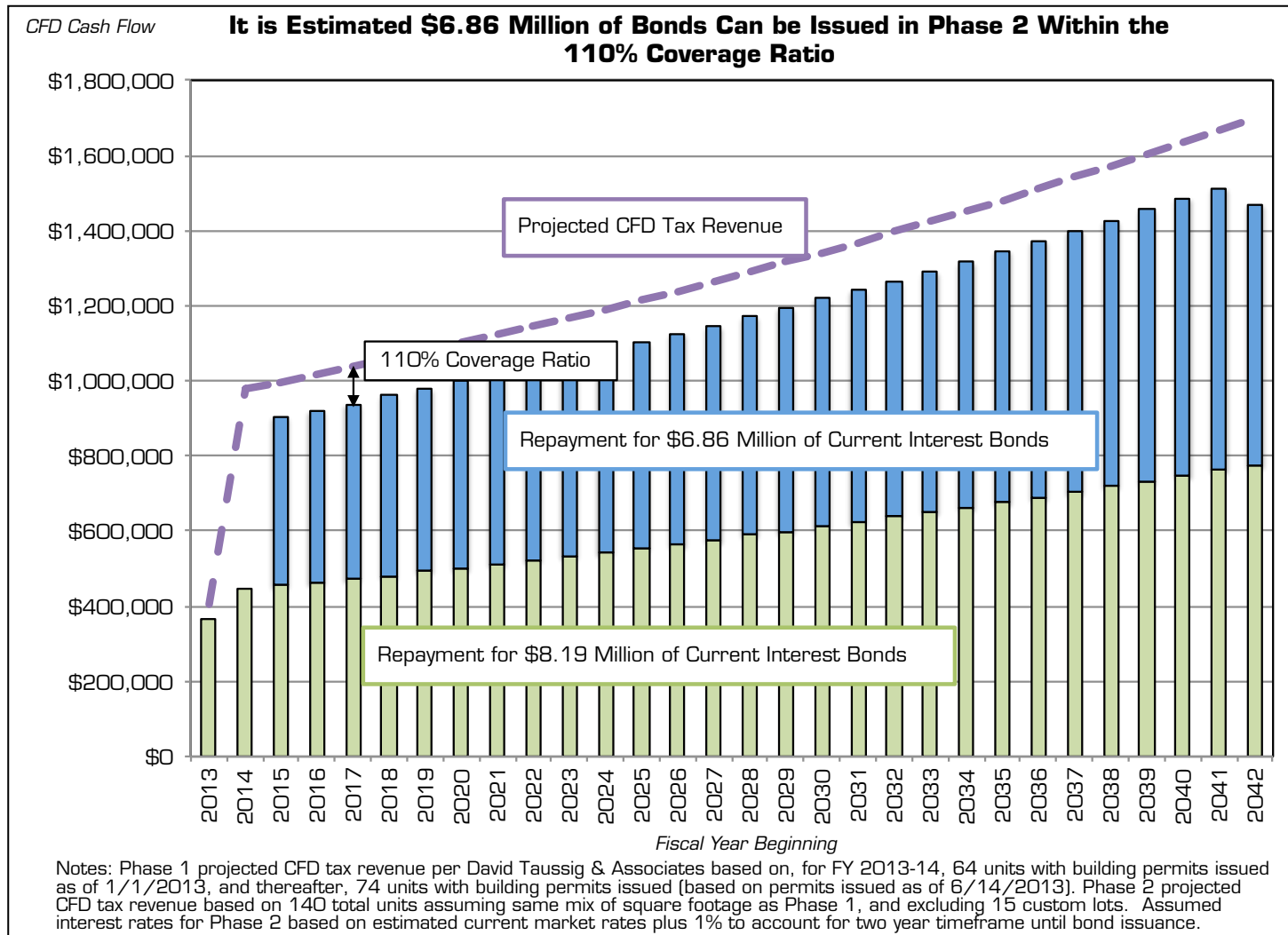
Second Phase of Bonds

- **Continues to depend on tax from developed property only**
 - **140 units expected to be sold by early 2016**
 - **Bond issuance planned for FY 2015-16**
 - **Taxes will continue to escalate 2% annually⁽¹⁾**
- **Proceeds from the bonds are to be allocated as follows:⁽²⁾**
 - **Upfront costs and reserve fund**
 - **60% of remainder, until \$6 million paid in total, goes to Developer as payment for portion of purchase price for San Juan Hills High School site**
 - **40% of remainder goes to City of San Juan Capistrano for city facilities**
 - **Remainder goes to District for school facilities**

(1) Per CFD 2005-1 Rate and Method of Apportionment

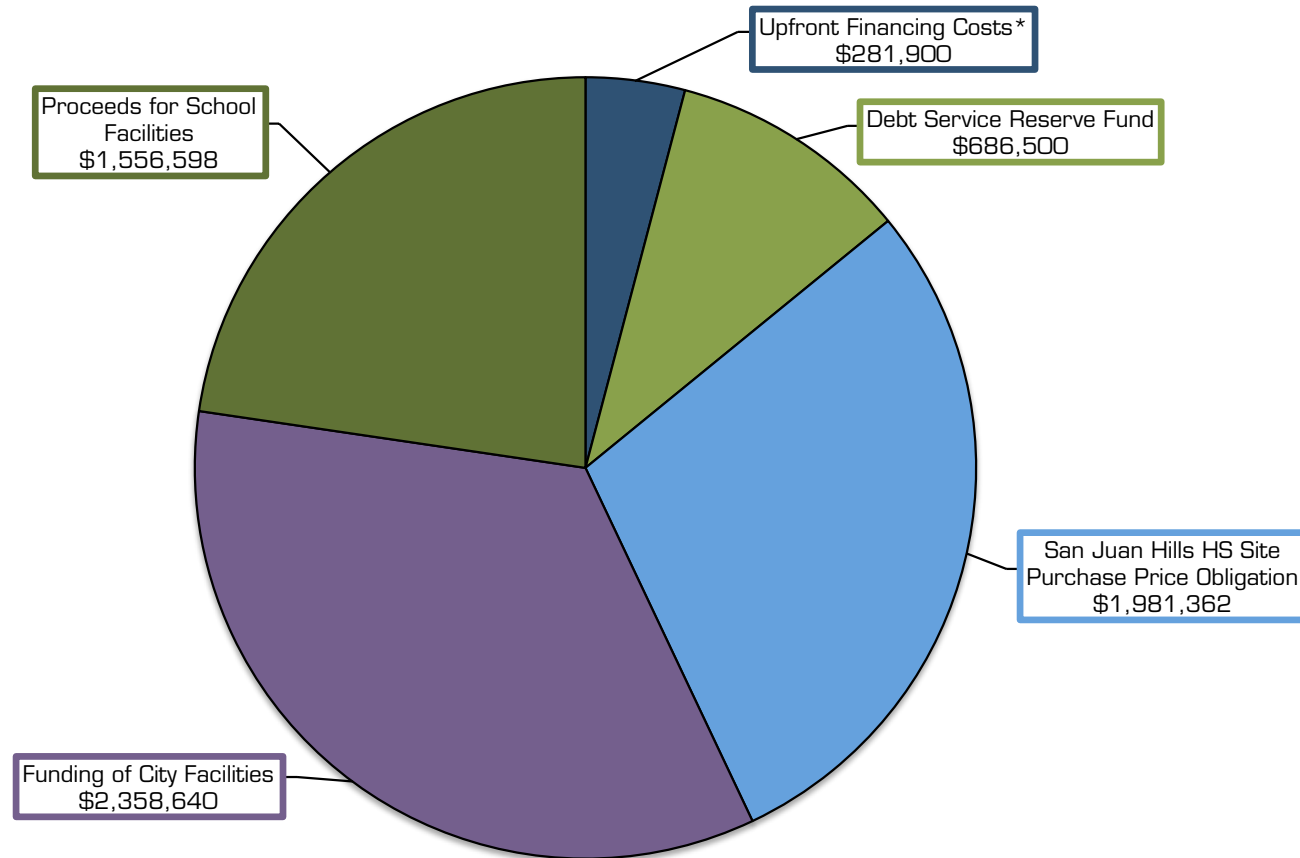
(2) Per First Amended Mitigation Agreement

Just Under \$7 Million Estimated for Phase 2



\$1.5 Million for Schools in FY 2015-16

Over \$1.5 Million of the Phase 2 Bond Issuance is Estimated to Be Available for Facilities Projects



Notes: *Upfront financing costs include original issue discount, underwriter's discount and costs of issuance. Allocations based on First Amended Mitigation Agreement.

Review of Recent Changes to Bond Portfolio

Series	Bond Structure	New Money Issuance	Refunding Issuance
A	CIBs	\$17,400,000	\$0
B	CIBs	\$17,875,000	\$0
C	CIBs	\$17,600,000	\$0
2012 Rfg	CIBs	\$0	\$27,455,000
Total		\$64,999,930	\$27,455,000

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Series	Bond Structure	New Money Issuance	Refunding Issuance
1997	CIBs	\$11,005,000	\$0
2002	CIBs	\$31,950,000	\$0
2012 Rfg	CIBs	\$0	\$19,635,000
Total		\$42,955,000	\$0

Series	Bond Structure	New Money Issuance	Refunding Issuance
2003	CIBs	\$43,605,000	\$0
	CIBs Esc	\$6,070,000	\$0
2013 Rfg	CIBs	\$0	\$43,110,000
Total		\$49,675,000	\$43,110,000

Series	Bond Structure	New Money Issuance	Refunding Issuance
1993	CIBs	\$8,515,000	\$0
1997	CIBs	\$12,500,000	\$0
1998	CIBs	\$8,747,089	\$22,612,911
2013 Rfg	CIBs	\$0	\$14,430,000
Total		\$29,762,089	\$37,042,911

Series	Bond Structure	New Money Issuance	Refunding Issuance
2013	CIBs	\$8,190,000	\$0
Total		\$8,190,000	\$0

Recommended Next Steps

- **Developer will notify the District when 140th unit of CFD 2005-1 is expected to be sold.**
 - **Information update presentation to the Board.**

- **Upcoming Board Meeting: consideration of a plan to wind down Community Facilities Districts.**

- *Questions?*



Planets Don't Always Align

Real Life Adventures

