



CALIFORNIA DEBT AND INVESTMENT ADVISORY COMMISSION

CURRENT TOPICS AND PRACTICES IN LAND-SECURED AND DEVELOPMENT FINANCE



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MAY 22, 2024
POMONA, CA

*May 22, 2024
DoubleTree Pomona
3101 West Temple Avenue
Pomona, California*

AGENDA

For many years, land-secured financing has been a critical public finance tool in the development of new homes across the state, but more recently it has become an accepted mechanism to provide public services and to address calls for non-traditional solutions to California's housing crisis. The integration of community facilities districts and tax increment districts have also led to the development of potent long-term financing strategies for infrastructure, housing, and economic development. This program builds from the fundamental land-secured topics to examine current district formation, finance, and administration practices, and explores the strategic application of land-secured and tax increment financing tools to meet a variety of current public finance challenges.

7:30 AM Registration and Continental Breakfast

8:00 AM Introduction and Program Overview

Robert Berry, Executive Director, CDIAC

SESSION ONE

8:10 AM Real Estate Market Trends and Conditions

This opening session will focus on current and unique economic and housing market conditions as well as explanations for apparent contradictions, such as declining inflation amidst economic and employment growth, high mortgage rates and rising home prices, and builder's high base home prices coupled with significant incentives. The presenter will also discuss the possibility of Federal Reserve policy leading to the return of mortgage rates below 4%.

Dr. Joseph T. Janczyk, President, Empire Economics

SESSION TWO

9:10 AM Legal and Legislative Briefing

The presenter will provide an update on various legal matters, legislation, and ballot initiatives that have altered or may alter approaches to housing and infrastructure development, local revenue generation, and the incurrence of debt. The presentation will have special focus on the implications of ACA 1, the Taxpayer Protection and Government Accountability Act, and state housing legislation and legal proceedings on the use of community facilities district and tax increment financing. The session will also include a discussion of recent actions of the SEC and the signals that are being sent to all municipal market participants.

Bradley R. Neal, Shareholder, Stradling Yocca Carlson & Rauth LLP

10:00 AM Break

SESSION THREE

10:15 AM District Formation: Considerations and Strategies

Presenters will provide an in-depth discussion about decisions to be made and action items to occur before the start of the district formation process. Such items include assessing revenue and tax capacity, choosing between a CFD or AD, evaluating the inclusion of other funding mechanisms, involving the school district and/or other overlapping agencies, and allocating capacity between infrastructure and services. Other important topics include procedures to process and evaluate requests to form land-secured districts and policy considerations associated with district formation.

*James V. Fabian, Principal, Fieldman, Rolapp & Associates, Inc.
Eileen Gallagher, Managing Director, Stifel, Nicolaus & Company, Inc.
Susan Goodwin, Managing Principal, Goodwin Consulting Group, Inc.*

SESSION FOUR

11:15 AM Current Application of Land-Secured Financing Districts

Presenters will explore how land-based financing tools are being used by public agencies in new and developed areas to deliver second-generation infrastructure, provide and improve services, and develop long-range multi-phased projects. The session will present strategic approaches to the rate and method of apportionment, establishment of service districts and “100-year CFDs”, pay-go opportunities, district boundaries and annexations, and multi-phased financing. Presenters will use a variety of cases to illustrate the application of these new methods and approaches.

James V. Fabian, Principal, Fieldman, Rolapp & Associates, Inc.

Eileen Gallagher, Managing Director, Stifel, Nicolaus & Company, Inc.

Susan Goodwin, Managing Principal, Goodwin Consulting Group, Inc.

12:15 PM Luncheon

SESSION FIVE

1:15 PM District Formation: Integration of Tax Increment and Land-Secured Districts

The session builds on the consideration and strategies session by exploring opportunities to integrate land-secured and tax increment districts to create an infrastructure financing structure that meet objectives that each tool may not achieve alone. Presenters will provide a fundamental description of the most applicable infrastructure financing districts, discuss the strategic alignment of their complementary features, and present examples of how the districts have been used to achieve an array of housing, economic development, and infrastructure goals.

James V. Fabian, Principal, Fieldman, Rolapp & Associates, Inc.

Eileen Gallagher, Managing Director, Stifel, Nicolaus & Company, Inc.

Susan Goodwin, Managing Principal, Goodwin Consulting Group, Inc.

SESSION SIX

2:15 PM Bond Issuance Strategies in Current Market Conditions

In the current conditions of the municipal market there are a variety of issuance strategies that can mitigate risks and uncover opportunities in the use of land-secured debt. Presenters explore strategies with a focus on issuance timing and property value, security enhancement, ratings, short-term or variable rates, capitalized interest, positive arbitrage, and escrow bonds.

James V. Fabian, Principal, Fieldman, Rolapp & Associates, Inc.

Eileen Gallagher, Managing Director, Stifel, Nicolaus & Company, Inc.

Susan Goodwin, Managing Principal, Goodwin Consulting Group, Inc.

3:15 PM BREAK

SESSION SEVEN

3:25 PM Ongoing District Administration

The key administrative activities that are required to manage land-secured districts on an ongoing basis are key to achieving the objectives of the district and the financing. Presenters will step through the “life cycle of a district”, and in this context discuss the many administrative responsibilities and considerations, including preparation of the annual tax levy; delinquency management; communication with homeowners, realtors, appraisers, and others; working with a district administrator, bond trustee, and dissemination agent; state and federal continuing disclosure obligations; and arbitrage rebate requirements.

Susan Goodwin, Managing Principal, Goodwin Consulting Group, Inc.
Bradley R. Neal, Shareholder, Stradling Yocca Carlson & Rauth LLP

4:25 PM CLOSE OF SEMINAR