

California Statewide Communities Development Authority (CSCDA)

Community Facilities District No. 2016-02
(Delta Coves)

Special Tax Bonds
Series 2019

September 2019



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Transaction Summary

Issuer	California Statewide Communities Development Authority
Series	Community Facilities District No. 2016-02 (Delta Coves) Special Tax Bonds, Series 2019
Developer	SDC Delta Coves, LLC (the “Developer”)
Project	The Delta Coves Project
Estimated Par Amount	\$11,115,000*
Ratings	Non-Rated
Tax Status	Tax-Exempt
Structure	Fixed Rate, Final Maturity on September 1, 2049
Pricing	October 2, 2019*
Closing	October 17, 2019*
Security	Principal of and interest on the Bonds is payable from the annual Special Tax to be levied and collected on Taxable Property within the related Improvement Area and from the proceeds, if any, from the foreclosure and sale of such property for delinquency of such Special Tax
Use of Proceeds	<ul style="list-style-type: none"> a) Finance certain development impact fees and the acquisition of certain public infrastructure improvements needed to mitigate the impacts of the development of property within the California Statewide Communities Development Authority Community Facilities District No. 2016-02 b) make a deposit to the Reserve Fund c) pay capitalized interest on the Bonds through September 1, 2020, and; d) pay certain costs of issuing the Bonds
Optional Redemption Provisions*	The Bonds maturing on and after September 1, 2030 shall be subject to optional redemption prior to their stated maturity dates as a whole or in part on any date on or after September 1, 2029, at a redemption price equal to the principal amount of the Bonds or the portions thereof called for redemption, together with accrued interest thereon to the date fixed for redemption, without premium

*Preliminary and subject to change

Contra Costa County

Overview

- The County of Contra Costa (the “County”) was incorporated in 1850 as one of the original 27 counties of the State of California (the “State”)
- The County is comprised of 19 incorporated cities and towns, including Richmond, Antioch, Concord and Martinez (County Seat) and is one of nine counties that make up the San Francisco-Oakland Bay Area MSA
- Since 2009, the County has experienced steady population growth of approximately 1% ¹ per year – much of this growth has been due to in-migration of businesses and residents from other Bay Area counties with high cost of living
- The County’s economy is well diversified and the County’s 2018 unemployment rate of 3.5% ² was well below the State average of 4.2% ²
- As of 2016, the County’s median household income was \$90,920 ³, which was significantly higher than the State median of \$67,715 ³ – the County had the 5th highest level of median household income in the state

Key Statistics

Year of Incorporation:	1850
Forms of Government:	General Law
Fiscal Year Ending:	June 30
Area of County:	805 Square Miles
Population (as of Jan 1, 2018):	1,149,363 (0.9% avg. annual growth since 2009)
Median Household Income (2016)	\$90,920 (5th highest in state)
New Home Sales – Avg. Base Price	\$1,023,361 (1Q 2019) ⁴

¹ Source: California Department of Finance (estimate for January 1 of each year)

² Source: California Employment Development Department

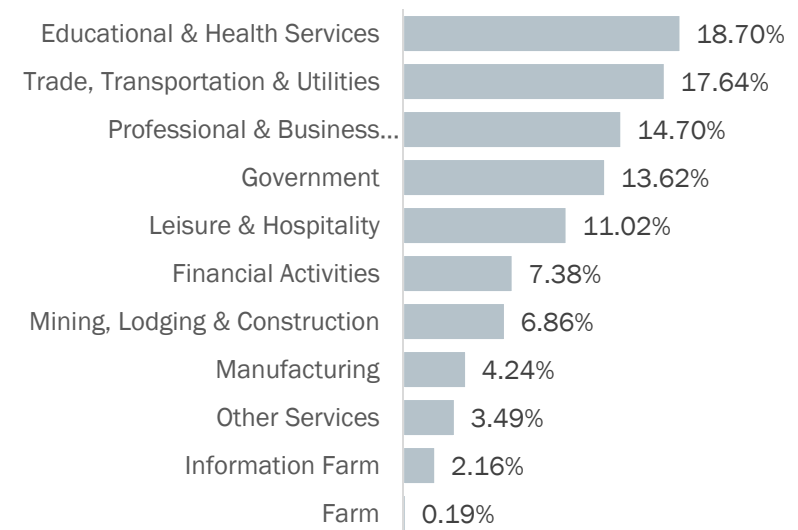
³ Source: U.S. Census Bureau

⁴ Source: The Gregory Group

Contra Costa County on the Map



Employment by Sector ²



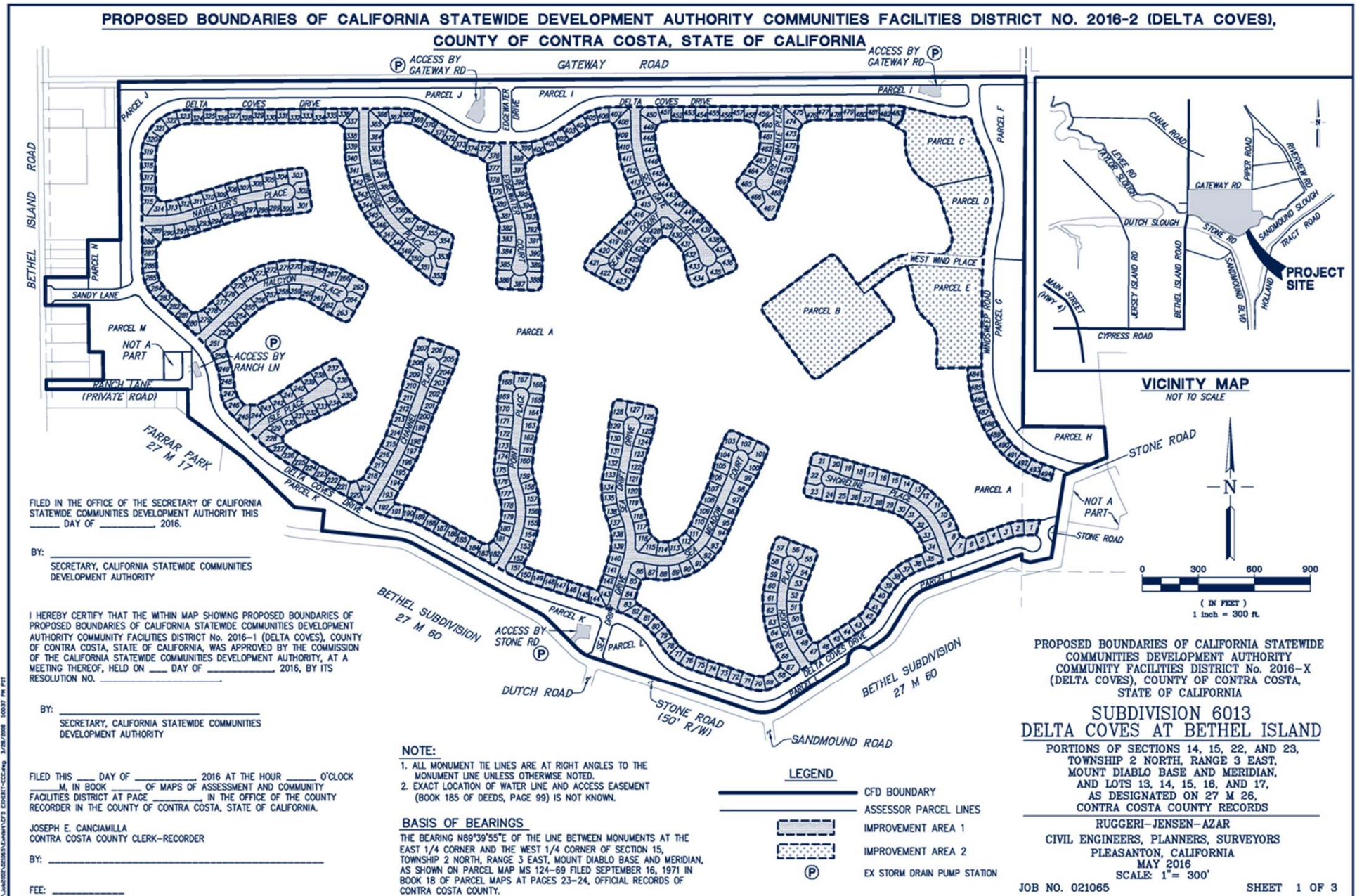
Community Facilities District No. 2016-02 (Delta Coves)

- Community Facilities District No. 2016-02 (the “District”) is located in the eastern portion of Contra Costa County and consists of approximately 310 acres, as well as a large saltwater lagoon
 - Approximately 61.26 acres is within Improvement Area No. 1 and 15 acres is within Improvement Area No. 2
 - Improvement Area No. 1 is zoned and entitled for 494 waterfront single-family detached homes
 - Improvement Area No. 2 is zoned for 66 cottage and townhome units
- The District is bordered by older waterfront residences with access to Dutch Slough on its southern edge, by Bethel Island Road on its western front, Bethel Island Golf Course and residential properties in the north, and small acreage residential/ranch properties, including trailer/RV park and additional waterfront properties on its eastern side
- Amenities in the Delta Coves Project include, or will include:
 - The saltwater lagoon available for use by the public to swim, engage in water sports, and fish; and
 - The Island Camp Building: a 4,500 square foot private recreational facility that is expected to include a pool area, fire pit, restrooms, picnic area, parking lot, and 230 private boat slips with access to the Sacramento-San Joaquin Delta

Delta Coves – Bethel Island (Aerial Map View)



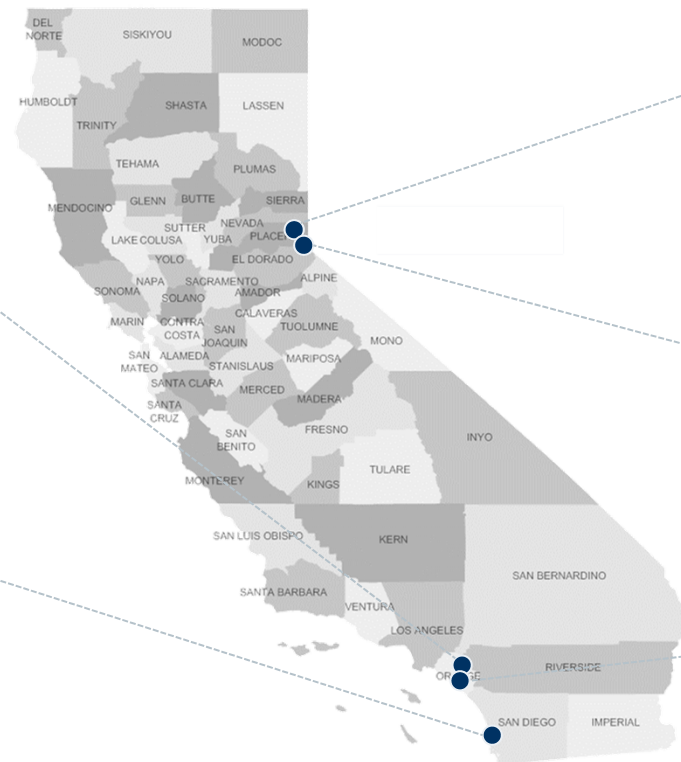
Community Facilities District Boundary Map



The Developer

- SDC Delta Coves, LLC (the “Developer”) is a Delaware limited liability company that was formed for the purpose of acquiring and developing property in the Delta Coves Project
- The Developer has entered into a Development Management Agreement with DMB Development, LLC
 - For the Delta Coves Project, DMB Development, LLC is performing the master developer work, including the re-entitlement, accounting, project and construction management, and sales and marketing of the property to homebuilders
- DMB Development provides development and asset management services throughout the western United States, focusing primarily on upscale real estate markets and resort recreation projects.

California Project Development Experience

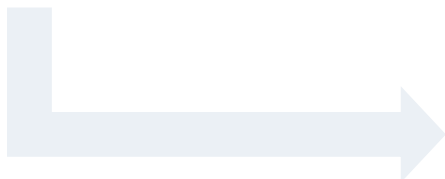


Source: DMB Development, LLC

Development Plan

- The majority of the taxable property in the District is currently owned by the Developer, with 126 lots conveyed/under contract/sold to Blue Mountain Communities and Davidson Builders as of August 1, 2019
- During the initial phase of the Developer's marketing plan, the Developer plans to market residential lots to merchant builders in four distinct product segments:

Initial Phase of Marketing Plan by Product Segment



Product Segments	Sq. Ft. Range	Number of Model / Production Homes	Estimated Base Price
Small Home Lots	1,800 – 2,200 sf	3 / 81	\$784,000
Med Home Lots	2,201 – 2,600 sf	0 / 0	888,000
Large Home Lots	2,601 – 3,200 sf	1 / 22	1,042,000
Custom Home Lots	3,000+ sf	3 / 16	1,279,000
Total:		7 / 119	

Status of Development

Improvement Area No. 1 ("IA No. 1")

Status	# of Lots	Commentary
Infrastructure Improvements (streets, paving, curbs & sidewalks, etc.)	–	All onsite improvements for 494 lots in IA No. 1 are substantially complete
Lots Conveyed to Blue Mountain	26	As of July 15, 2019
Lots to be Conveyed/Under Contract/Sold to Blue Mountain	<u>58</u>	100% Small Home Lots (1,800 - 2,200 square foot range)
Total Lots Conveyed/Under Contract/Sold to Blue Mountain	84	Blue Mountain is purchasing the lots for \$27.3 million; as of 8/1/19 they have pulled 12 building permits and have started production home construction
Lots under Development and Sales Management Agreement with Davidson Builders	42	Davidson Builders is purchasing the lots for \$20.21 million; the lots are for Large Homes (2,601 - 3,200 sf) and Custom Homes (3,000+sf); as of 8/1/2019, Davidson Builders is near completion of four model homes and has pulled 7 building permits for production home construction, which has since started
Total Lots Marketed/Sold/Under Contract	126	Blue Mountain is currently under contract to sell two homes (est. sales price: \$811,000 to \$854,400) with close expected in 4Q 2019 Davidson Builders is currently under contract to sell two homes (est. sales price: \$1,140,900 to \$1,384,918) with close expected in 1Q 2020

Improvement Area No. 2 ("IA No. 2")

Status	# of Lots	Commentary
Infrastructure Improvements (streets, paving, curbs & sidewalks, etc.)	–	All lots remain in super pad condition, with infrastructure substantially complete at each parcel perimeter; improvement and utility plans processed for building the Island Camp Amenity access
Lots to be Sold to Single Buyer	66	Buyer is expected to start construction in second quarter of 2021 for two product types: (i) 30 cottage units and (ii) 36 multi-story townhomes
Total Lots Marketed/Sold/Under Contract	0	Developer has not entered into any sales agreements as of September 2019

Source: The Developer

Financing Plan

- The Developer has financed its land acquisition and various site development costs related to its property within the District through equity contributions of the Developer – no debt has been incurred in connection with the development of the District
- However, the Developer intends to use a combination of equity contributions, land sales revenues, and proceeds from the 2016 Bonds and the Bonds to finance the required improvements to the District, and presently believes that it will have sufficient funds to complete the proposed development of the Delta Coves Project
 - Up to \$55 million of bonds may be issued for IA No. 1 and a maximum of \$7 million of bonds may be issued for IA No. 2 under the resolution adopted on July 7, 2016

Loan from INCA Capital

- In connection with the vertical development of the 42 lots under the Davidson Agreement, DC Homes took out a vertical construction revolving loan in the maximum amount of \$12,000,000 from INCA Capital (the “INCA Loan”)
- The INCA Loan was closed on June 14, 2019 and is due on December 13, 2020, but has an option for a six-month extension if at least 8 homes have been closed to homeowners
- The INCA Loan is secured by a Deed of Trust on the 42 Davidson lots and 23 additional lots owned by the Developer in Improvement Area No. 1
- The INCA Loan is drawn upon in connection with the vertical construction of each home and when the vertical construction is completed and the home is closed, then loan proceeds drawn for the construction of the home is repaid
- As of August 5, 2019, the INCA Loan is in good standing

Although the Developer expects to have sufficient funds available to complete its development in the District, commensurate with the development timing described in the Official Statement, there can be no assurance that amounts necessary to finance the remaining development costs will be available from the Developer or any other source when needed. Neither the Developer nor any of its related entities are under any legal obligation of any kind to expend funds for the remaining development of and construction on its property in the District. Any contributions by the Developer to fund the costs of such development are entirely voluntary. If and to the extent that internal financing, sales proceeds, or Bond proceeds are inadequate to pay the costs to complete the development and other financing by the Developer is not put into place, there could be a shortfall in the funds required to complete the proposed development by the Developer and portions of the project may not be developed.

Status of Authorized Improvements and Other Improvements

- A portion of the proceeds of the Bonds will be used to finance development impact fees for the Local Agency Participants (i.e., Diablo Water District, Ironhouse Sanitary District and Bethel Island Municipal Improvement District) and Authorized Improvements (see table below).
- Cost estimates are as of August 31, 2019, and subject to final cost accounting, review and approval.

	Actual/Estimated Costs	Amount Reimbursed from Prior Bond Proceeds	Approximate Percentage Complete	Approximate Remaining Cost to Complete
Authorized Improvements				
Sanitary Sewer ¹				
In Tract Sewer Distribution System	\$3,966,705	\$0	100%	\$0
Sewer Pump Station	1,680,853	0	100%	0
Sewer Overflow Ponds	436,109	0	50%	218,055
Breach Structure	8,380,333	(8,380,333)	100%	0
Storm Drainage ²	19,238,858	(672,851)	100%	0
Domestic Water ³	17,953,760	0	100%	0
Chemical Feed Buiding	2,245,931	0	100%	0
Water Tank Facility	9,045,539	0	5%	8,593,262
Subtotal	\$62,948,088	(\$9,053,184)		\$8,811,316
Non-CFD Improvements				
Storm Drainage - Harbor re-circulation system	\$543,276	\$0	100%	\$0
Street Improvements ^{4 5}	6,509,758	0	88%	781,171
Franchise (Dry) Utilities	16,000	0	100%	0
Landsaping/Fencing/Signage	9,839,417	0	70%	2,951,825
Common Amenities/Public Services ⁶	7,825,564	0	82%	1,408,601
Subtotal	\$24,734,015	\$0		\$5,141,597
Total Development Costs	\$87,682,103	(\$9,053,184)		\$13,952,914

1) Does not include sewer connection fees payable with each building permit of approximately \$4.3 million for the Delta Coves Project, eligible for financing from proceeds of bonds sold for the Community Facilities District.

2) The proceeds of the Bonds are expected to be used to pay for a portion of the storm drainage improvement costs.

3) Does not include water connection fees payable with each building permit of approximately \$5.5 million for the Delta Coves Project, eligible for financing from proceeds of bonds sold for the Community Facilities District.

4) Streets were originally completed prior to acquisition; costs to complete are for pot holing and repairs to roadways.

5) Budget for street improvements includes improvements on island club parcel to prepare site.

6) These costs include the Island Club, Marina Facilities, and primary and secondary entries.

Source: The Developer

Rate and Method of Apportionment of Special Tax

- Maximum Special Tax for Facilities (“Improvements Special Tax of the Special Tax Levy”):
 - **Undeveloped Property, Taxable Property Owner, Association Property and Taxable Public Property:** The FY 2019-20 the Improvements Special Tax Maximum for each Assessor’s Parcel of Undeveloped Property, Taxable Property Owner Association Property, and Taxable Public Property is \$53,856 per Acre for Improvement Area No. 1 and \$115,141 per Acre for Improvement Area No. 2
 - For each Improvement Area, the Improvements Special Tax Maximum for each Assessor’s Parcel of Undeveloped Property, Taxable Property Owner Association Property, and Taxable Public Property shall be increased annually two percent (2.00%) for any given Fiscal Year
 - **Developed Property:** The Maximum Special Tax for each Assessor’s Parcel classified as Developed Property is the greater of (i) the amount derived by application of the Assigned Improvements Special Tax or (ii) the amount derived by application of the Improvements Special Tax Backup.
 - The Assigned Improvements Special Tax that shall be levied in any Fiscal Year for each Assessor’s Parcel classified as Developed Property is shown on the following slide
 - The FY 2019-20 Backup Special Tax for an Assessor’s Parcel of Developed Property equals \$53,856 per Acre in Improvement Area No. 1 and \$115,141 per Acre in Improvement Area No. 2
 - For each Improvement Area the Assigned Improvements Special Tax and Improvements Special Tax Backup for Developed Property shall be increased annually by 2.00% for any given Fiscal Year
- Method of Apportionment:
 - 1) Developed Property at 100% of Assigned Improvements Special Tax;
 - 2) Undeveloped Property up to 100% of the Improvements Special Tax until (i) the total Improvements Special Tax levied are equal to the Special Tax Requirement for Facilities, or (ii) the Improvements Special Tax levied on Undeveloped Property equals 100% of the Improvements Special Tax Maximum, whichever comes first;
 - 3) Equal percentage increase of the Assigned Improvements Special Tax on each Developed Property up to 100% of the Improvements Special Tax Maximum until (i) the total Special Taxes levied equals the Special Tax Requirement for Facilities, or (ii) the Improvements Special Tax levied on all Developed Property equals 100% of the Improvements Special Tax Maximum for Developed Property, whichever occurs first;
 - 4) Proportional levy of the Improvements Special Tax on each Assessor’s Parcel of Taxable Property Owner Association Property until the lesser of (i) the total Improvements Special Tax levied equals the Special Tax Requirement for Facilities, or (ii) the Improvements Special Tax levied on all Taxable Property Owner Association Property equals 100% of the Improvements Special Tax Maximum for Taxable Property Owner Association Property, whichever occurs first;
 - 5) Proportional levy of the Improvements Special Tax on each Assessor’s Parcel of Taxable Public Property until (i) the total Improvements Special Tax levied are equal to the Special Tax Requirement for Facilities, or (ii) the Improvements Special Tax levied on all Taxable Public Property equals 100% of the Improvements Special Tax Maximum for Taxable Public Property, whichever occurs first.
- ***Under no circumstances will the special tax levied in any fiscal year against any parcel used for private residential purposes be increased by more than 10% above the amount that would have been levied in that fiscal year had there never been any such delinquencies or defaults***

Estimated Fiscal Year 2019-20 Special Tax Assuming Full Buildout

- The following table reflects the annual special tax on Taxable Property within each Improvement Area, by tax zone, per parcel, assuming full buildout of the District.
- The table reflects the Assigned Improvements Special Tax and the maximum allowable levy for each Services Special Tax.

Zone	Improvement Area No. 1 Single Family Detached			Improvement Area No. 2 Single Family		Totals
	1	2	3	1	2	
Description	Premium	Standard	Elbow	Marina Townhouse	Marina Cottage	Totals
Units	43	373	78	36	30	560
Assigned Improvements Special Tax	\$7,894	\$5,755	\$4,676	\$5,328	\$4,279	
BIMID Services Special Tax	1,185	1,185	1,185	625	625	
Fire District Services Special Tax	222	222	222	222	222	
Water District Services Special Tax	101	101	101	123	123	
Total Improvements Special Tax	\$339,456	\$2,146,589	\$364,703	\$191,820	\$128,364	\$3,170,932
Total BIMID Services Special Tax	50,937	441,848	92,397	22,486	18,738	626,406
Total Fire District Services Special Tax	9,558	82,907	17,337	8,002	6,668	124,471
Total Water District Services Special Tax	4,352	37,751	7,894	4,441	3,701	58,140
Total Special Tax	\$404,303	\$2,709,095	\$482,332	\$226,748	\$157,471	\$3,979,949

Source: RBC Capital Markets, LLC; David Taussig & Associates

Estimated Fiscal Year 2019-20 Special Tax based on Current Development Status

- The following table shows the maximum Improvements Special Tax within the District based on current development:

Zone	Improvement Area No. 1 Single Family Detached			Improvement Area No. 2 Single Family		Totals
	1	2	3	1	2	
Description	Premium	Standard	Elbow	Marina Townhouse	Marina Cottage	
Building Permits (as of 5/1/19)	4	14	1	0	0	19
Units	43	373	78	36	30	560
Assigned Improvements Special Tax	\$7,894	\$5,755	\$4,676	\$5,328	\$4,279	
BIMID Services Special Tax	1,185	1,185	1,185	625	625	
Fire District Services Special Tax	222	222	222	222	222	
Water District Services Special Tax	101	101	101	123	123	
Total Improvements Special Tax	\$31,577	\$80,569	\$4,676	\$0	\$0	\$116,822
Total BIMID Services Special Tax	50,937	441,848	92,397	22,486	18,738	626,406
Total Fire District Services Special Tax	889	3,112	222	0	0	4,223
Total Water District Services Special Tax	4,352	37,751	7,894	4,441	3,701	58,140
Total Special Tax	\$87,755	\$563,280	\$105,190	\$26,927	\$22,439	\$805,591

- All remaining property in the District is classified as Undeveloped Property.

Estimated Acreage Summary	Improvement Area No. 1	Improvement Area No. 2	Total
Gross Undeveloped Acreage	111.62	25.13	136.75
Less: Public and Homeowners Association Property	(52.93)	(22.10)	(75.03)
Net Undeveloped Taxable Residential Acreage	58.69	3.03	61.72
Undeveloped Property Maximum Special Tax (per acre)	\$53,856	\$115,141	--
Undeveloped Property Maximum Special Tax	\$3,160,809	\$348,877	\$3,509,686
Developed Property Assigned Special Tax	\$116,822	\$0	\$116,822
Total Undeveloped Maximum Special Tax and Assigned Developed Special Tax	\$3,277,631	\$348,877	\$3,626,508

Source: RBC Capital Markets, LLC; David Taussig & Associates

Projected Bond Amortization*

- The Bonds are expected to have a final maturity on September 1, 2049, and interest is expected to be capitalized through September 1, 2020

Estimated Net Debt Service Payment Schedule

Maturity	Principal	Interest	Debt Service	Capitalized Interest	Debt Service Reserve Fund	Net Debt Service
09/01/2020	\$0	\$447,379	\$447,379	\$447,379	\$0	\$0
09/01/2021	20,000	500,175	520,175	-	-	520,175
09/01/2022	35,000	499,275	534,275	-	-	534,275
09/01/2023	45,000	497,700	542,700	-	-	542,700
09/01/2024	60,000	495,675	555,675	-	-	555,675
09/01/2025	70,000	492,975	562,975	-	-	562,975
09/01/2026	85,000	489,825	574,825	-	-	574,825
09/01/2027	100,000	486,000	586,000	-	-	586,000
09/01/2028	120,000	481,500	601,500	-	-	601,500
09/01/2029	130,000	476,100	606,100	-	-	606,100
09/01/2030	150,000	470,250	620,250	-	-	620,250
09/01/2031	175,000	463,500	638,500	-	-	638,500
09/01/2032	195,000	455,625	650,625	-	-	650,625
09/01/2033	215,000	446,850	661,850	-	-	661,850
09/01/2034	240,000	437,175	677,175	-	-	677,175
09/01/2035	260,000	426,375	686,375	-	-	686,375
09/01/2036	285,000	414,675	699,675	-	-	699,675
09/01/2037	315,000	401,850	716,850	-	-	716,850
09/01/2038	345,000	387,675	732,675	-	-	732,675
09/01/2039	375,000	372,150	747,150	-	-	747,150
09/01/2040	405,000	355,275	760,275	-	-	760,275
09/01/2041	440,000	337,050	777,050	-	-	777,050
09/01/2042	470,000	317,250	787,250	-	-	787,250
09/01/2043	510,000	296,100	806,100	-	-	806,100
09/01/2044	550,000	273,150	823,150	-	-	823,150
09/01/2045	595,000	248,400	843,400	-	-	843,400
09/01/2046	635,000	221,625	856,625	-	-	856,625
09/01/2047	1,335,000	193,050	1,528,050	-	-	1,528,050
09/01/2048	1,430,000	132,975	1,562,975	-	-	1,562,975
09/01/2049	1,525,000	68,625	1,593,625	-	949,224	644,401
Total	\$11,115,000	\$11,586,229	\$22,701,229	\$447,379	\$949,224	\$21,304,626

*Preliminary and subject to change

Projected Debt Service Coverage

California Statewide Communities Development Authority
Community Facilities District No. 2016-02 (Delta Coves) Special Tax Bonds, Series 2019
Assigned Special Tax and Estimated Debt Service Coverage Assuming Full Development

Bond Year Ending September 1	Estimated Improvements Special Tax ¹	Services Special Taxes ²	Special Taxes and Proceeds Available for Debt Service	2016 Bonds Debt Service	Bond Debt Service*	Total Parity Bonds Debt Service*	Debt Service Coverage (Including Services Special Taxes)*	Debt Service Coverage (Excluding Services Special Taxes)*
2020	\$3,170,932	\$809,017	\$3,979,949	\$614,000	\$0 ³	\$614,000	6.48	5.16
2021	3,234,350	825,197	4,059,547	626,000	520,175	1,146,175	3.54	2.82
2022	3,299,037	841,701	4,140,738	632,250	534,275	1,166,525	3.55	2.83
2023	3,365,018	858,535	4,223,553	653,000	542,700	1,195,700	3.53	2.81
2024	3,432,318	875,706	4,308,024	662,500	555,675	1,218,175	3.54	2.82
2025	3,500,965	893,220	4,394,185	676,250	562,975	1,239,225	3.55	2.83
2026	3,570,984	911,084	4,482,068	689,000	574,825	1,263,825	3.55	2.83
2027	3,642,404	929,306	4,571,710	705,750	586,000	1,291,750	3.54	2.82
2028	3,715,252	947,892	4,663,144	716,250	601,500	1,317,750	3.54	2.82
2029	3,789,557	966,850	4,756,407	735,750	606,100	1,341,850	3.54	2.82
2030	3,865,348	986,187	4,851,535	748,750	620,250	1,369,000	3.54	2.82
2031	3,942,655	1,005,911	4,948,566	760,500	638,500	1,399,000	3.54	2.82
2032	4,021,508	1,026,029	5,047,537	776,000	650,625	1,426,625	3.54	2.82
2033	4,101,938	1,046,550	5,148,488	790,000	661,850	1,451,850	3.55	2.83
2034	4,183,977	1,067,481	5,251,458	807,500	677,175	1,484,675	3.54	2.82
2035	4,267,657	1,088,830	5,356,487	823,250	686,375	1,509,625	3.55	2.83
2036	4,353,010	1,110,607	5,463,616	842,250	699,675	1,541,925	3.54	2.82
2037	4,440,070	1,132,819	5,572,889	854,250	716,850	1,571,100	3.55	2.83
2038	4,528,871	1,155,475	5,684,347	874,500	732,675	1,607,175	3.54	2.82
2039	4,619,449	1,178,585	5,798,033	892,500	747,150	1,639,650	3.54	2.82
2040	4,711,838	1,202,156	5,913,994	908,250	760,275	1,668,525	3.54	2.82
2041	4,806,074	1,226,200	6,032,274	926,750	777,050	1,703,800	3.54	2.82
2042	4,902,196	1,250,724	6,152,920	947,750	787,250	1,735,000	3.55	2.83
2043	5,000,240	1,275,738	6,275,978	966,000	806,100	1,772,100	3.54	2.82
2044	5,100,245	1,301,253	6,401,497	986,500	823,150	1,809,650	3.54	2.82
2045	5,202,250	1,327,278	6,529,527	999,000	843,400	1,842,400	3.54	2.82
2046	5,306,295	1,353,823	6,660,118	1,023,750	856,625	1,880,375	3.54	2.82
2047	5,412,420	1,380,900	6,793,320	-	1,528,050	1,528,050	4.45	3.54
2048	5,520,669	1,408,518	6,929,187	-	1,562,975	1,562,975	4.43	3.53
2049	5,631,082	1,436,688	7,067,770	-	1,593,625	1,593,625	4.44	3.53

1) Represents an estimated Improvements Special Tax levy equal to the Assigned Improvements Special Tax for Fiscal Year 2019-20, assuming full buildout, escalating at 2% per year.

2) The Services Special Tax is pledged to the payment of debt service on the Parity Bonds. Includes BIMID Services Special Tax, which was levied beginning in Fiscal Year 2016-17, Fire District Services Special Tax, which has not yet been levied and will be levied on developed property in the first fiscal year after a building permit is issued, and the Water District Services Special Tax, which was levied beginning in Fiscal Year 2016-17. Assumes escalation of 2% per year. Such Services Special Taxes increase at different rates as set forth in the respective Rate and Method.

3) Includes capitalized interest through September 1, 2020.

* Preliminary, subject to change.

Effective Tax Rate by Improvement Area

Zone Description	Improvement Area No. 1			Improvement Area No. 2	
	1 Premium	2 Standard	3 Elbow	1 Marina Townhouse	2 Marina Cottage
Average Home Value	\$1,130,000	\$880,000	\$755,000	\$770,000	\$653,000
Ad Valorem Property Taxes					
Base Property Tax Rate	1.000%	1.000%	1.000%	1.000%	1.000%
Other Ad Valorem Tax Rate	0.126%	0.126%	0.126%	0.126%	0.126%
Total Ad Valorem Tax Rates	1.126%	1.126%	1.126%	1.126%	1.126%
Total Ad Valorem Tax	\$12,719.28	\$9,905.28	\$8,498.28	\$8,667.12	\$7,350.17
Projected Overlapping Assessments					
Cc Water Levy Land	\$1.39	\$1.39	\$1.39	\$1.39	\$1.39
Cc-Fed Stormwater Fee	\$21.00	\$21.00	\$21.00	\$21.00	\$21.00
Mosquito & Vector	\$11.88	\$11.88	\$11.88	\$11.88	\$11.88
S/A P-6 Z 301	\$271.06	\$271.06	\$271.06	\$271.06	\$271.06
EBRPD-E County Lld	\$19.70	\$19.70	\$19.70	\$19.70	\$19.70
SFBRA PCL Tax	\$12.00	\$12.00	\$12.00	\$12.00	\$12.00
Serv Area L-100	\$7.46	\$7.46	\$7.46	\$7.46	\$7.46
Beth Is Flood Main	\$90.66	\$90.66	\$90.66	\$90.66	\$90.66
Total Overlapping Assessments	\$435.15	\$435.15	\$435.15	\$435.15	\$435.15
Projected Community Services District Services Tax					
BIMID Services Special Tax	\$1,184.58	\$1,184.58	\$1,184.58	\$624.60	\$624.60
Fire District Services Special Tax	\$222.27	\$222.27	\$222.27	\$222.27	\$222.27
Water District Services Special Tax	\$101.21	\$101.21	\$101.21	\$123.36	\$123.36
Total Overlapping Assessments	\$1,508.06	\$1,508.06	\$1,508.06	\$970.23	\$970.23
Improvements Special Tax based on Assigned Special Tax					
Improvements Special Tax ¹	\$7,894.33	\$5,754.93	\$4,675.68	\$5,328.33	\$4,278.79
Total Improvements Special Tax	\$7,894.33	\$5,754.93	\$4,675.68	\$5,328.33	\$4,278.79
Total Special Taxes & Assessments	\$9,837.54	\$7,698.14	\$6,618.89	\$6,733.71	\$5,684.17
Effective Tax Rate	2.00%	2.00%	2.00%	2.00%	2.00%

1) Represents an estimated Improvements Special Tax levy equal to the Assigned Improvements Special Tax for Fiscal Year 2019-20.
Source: Integra Realty Resources.

Value to Lien and Summary Assuming Full Build Out

- The appraised value of the property subject to the lien of the Special Tax, as estimated by the Appraiser (Integra Realty Resources) as of September 1, 2019, subject to the methodology and assumptions contained in the Appraisal, is \$89,559,400
- Estimated value to lien (“VTL”) is approximately 4.04x times the aggregate principal amount of the Parity Bonds on an aggregate basis
- Bonds in each Improvement Area are secured also by the Special Tax collected in the other Improvement Area, pursuant to the provisions of the Indenture and the respective Rate and Method.

Value-to-Lien Ratio and Summary, Assuming Full Buildout

Improvement Area	Description ¹	Number of Lots	Appraised Value	Number of Building Permits	Building Permit Valuation ²	Allocable 2016 Bonds	Allocable Bonds*	Allocable Parity Bonds*	VTL Ratio ^{3 *}
No. 1	Premium	43							
	Standard	373	\$84,429,400	23	\$9,965,975	\$10,260,000	\$10,660,000	\$20,920,000	4.04x
	Elbow	78							
No. 2	Townhome or cottage	66	5,130,000	0	0	820,000	455,000	1,275,000	4.02x
Total:		560	\$89,559,400	23	\$9,965,975	\$11,080,000	\$11,115,000	\$22,195,000	4.04x

1) Refers to location with respect to Improvement Area No. 1 and type of unit with respect to Improvement Area No. 2.

2) Based on the value of building permits obtained by the developers as of August 1, 2019. Source: The Developer. Building permit values are solely an estimation of fair market cost for the improvements and may not represent the value of the property in a foreclosure or other sale.

3) Ratio of appraised value to allocable Parity Bonds. Excludes value of building permits.

Source: Except where otherwise noted, RBC Capital Markets, LLC; Integra Realty Resources.

* Preliminary, subject to change.

Bond Covenants

- **Debt Service Reserve Fund:** The Bonds will be additionally secured with a debt service reserve fund sized to the least of (a) 10% of the proceeds of such Series of Bonds, or (b) the Maximum Annual Debt Service, or (c) 125% of the Average Annual Debt Service of the Bonds

- **Additional Bonds Test:** In addition to the Bonds, the Authority may at any time issue a Series of bonds payable from the Special Tax on parity with the Bonds, if:
 - 1) Special Tax revenue available to the Authority collected at the maximum rate on all Taxable Property produces a sum equal to at least 110% of the annual Debt Service during the Bond Year, and
 - 2) The Aggregate Value to Lien Ratio of all Taxable Property shall be at least 4:1

- **Release of Other Improvement Area:** If Improvement Area No. 1 Bonds or Improvement Area No. 2 Bonds have been defeased or paid in full, the Other Improvement Area may be released with respect to the remaining Bonds outstanding if the following conditions have been satisfied:
 - 1) Special Tax revenue available to the Authority collected at the maximum rate on all Taxable Property in the remaining Improvement Area produces a sum equal to at least 110% of the annual Debt Service during the Bond Year, and
 - 2) The Aggregate Value to Lien Ratio of all Taxable Property in the remaining Improvement Area shall be at least 4:1

- **Covenant for Superior Court Foreclosure:** In the event of any delinquency in the payment of the Special Tax, the Authority may order the institution of a Superior Court action to foreclose the lien therefor within specified time limits.
 - 1) The Authority has covenanted for the benefit of the Owners of the Bonds that it will annually on or before October 1 review the public records of the County relating to the collection of the Special Tax collected in the prior Fiscal Year, and
 - 2) On the basis of such review the Authority shall, not later than December 1 of such year, institute foreclosure proceedings as authorized by the Act.

Delta Coves Project (Subject Photographs of Current Site)



Sidewalk



Typical Subject Lots



Single Family Home Construction



Single Family Home and Boat Docks



Boat Docks



Common Facility Construction



Marina Boat Slips



Single Family Home Construction



Roadway

Source: Integra Realty Resources.

Schedule and Key Contacts

Financing Schedule

August 2019						
S	M	T	W	Th	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

September 2019						
S	M	T	W	Th	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

October 2019						
S	M	T	W	Th	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

Date*	Event
10/02/2019	▪ Bond Pricing
10/09/2019	▪ Post Final Official Statement
10/17/2019	▪ Close

Key Contacts

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* Preliminary, subject to change.