

# BOND OPPORTUNITIES FOR LAND DEVELOPMENT

## BOLD Program

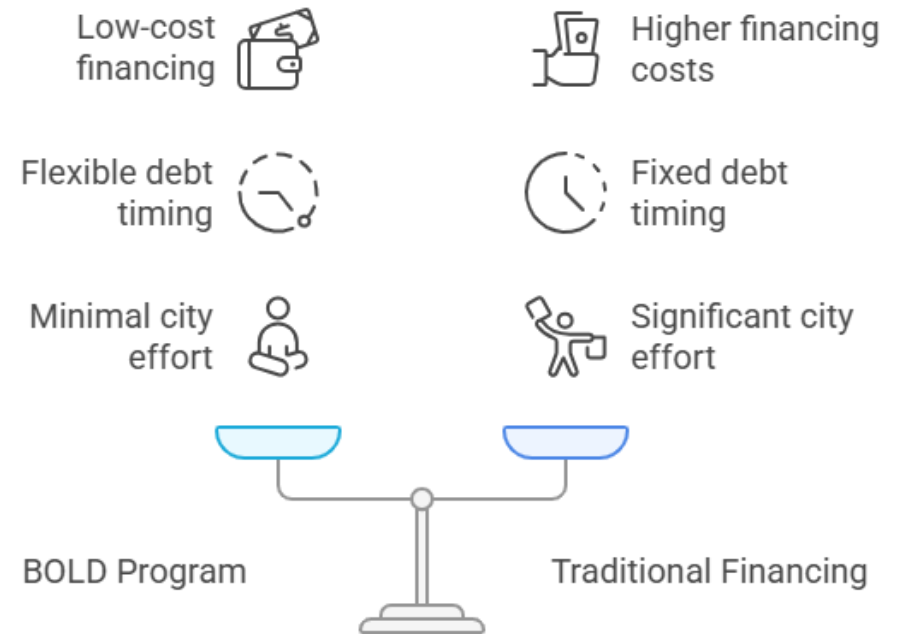


# The BOLD Program

## What is the BOLD Program and why is it being offered?

- Bond Opportunities for Land Development (BOLD) is a financing program offered by the California Municipal Finance Authority (CMFA) that allows for the financing of public infrastructure for development projects.
- Any public agency can participate in the BOLD program, which offers low-cost, tax-exempt financing for development projects.
- To facilitate the program, Community Facilities Districts (CFDs) will be formed, managed and administered by CMFA, and minimal City of Manteca efforts will be required in the process. The formation of a CFD will not necessitate the issuance of bonds or payment of debt service until a project is ready to issue debt.
- A CFD may be formed for a project with bonds issued at a later time when it best meets the project's development timeline.
- Bonds will be issued at multiple times throughout the year and may include more than one CFD, offering the advantage and option of low-cost, pooled financing.

### Compare BOLD Program Benefits



# The BOLD Program

## Community Facilities District Basics

Under the BOLD Program, CMFA will create Community Facility Districts to finance eligible improvements.

Eligible improvements are extremely flexible and include:

- Streets and Sidewalks
- Sewer and Water Treatment Capacity
- Water and Sewer Lines
- Flood Control
- Parks
- Open Space
- Street Lighting

The **BOLD Program** also allows for the ongoing funding of services



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# The BOLD Program

## Benefits

- Outsourcing of the CFD formation and bond issuance process
- No cost to join the program and any administrative costs that are borne by the City are reimbursed
- Tax bills reflect CMFA and not the City of Manteca name
- No ongoing continuing disclosure requirement by City of Manteca
- Bond documents and actions all undertaken by CMFA
- Provides funding source for new public improvements
- BOLD team conducts detailed review of Developer payment requests and administers disbursement of CFD bond proceeds upon obtaining City of Manteca approvals
- In the case of default, no liability to the City



# The BOLD Program

## Select Benefits for the City of Manteca

- Ability to levy special taxes at the maximum tax rate. **Funds available for the City annually**, after priority administrative expenses, debt service payments, and pay GO (if applicable)
- After bonds mature, ability to convert a portion of facilities special tax into **long-term services or maintenance tax** for the life of the District to fund City Improvements.



### Remaining Special Taxes

Annual funds available after expenses and debt service



### Long-Term Services or Maintenance Tax

Funds for city improvements after bonds mature



# The BOLD Program

## Minimum Requirements to Participate:



- **Minimum size of \$500,000**
- **Required deposit to pay for formation of the CFD**
- **While a CFD can be formed, bond issuance will typically need to meet the following conditions:**
  - Project must have all discretionary development entitlements
  - Tax burden (including all other taxes) cannot exceed 2% of the estimated value of the home
  - Value of the property must be at least 4 times the bond lien and other overlapping debt
  - Project must meet the goals and policies of the City of Manteca

# The BOLD Program

## CFD Formation Steps

- Developer submits application for their project to participate in BOLD
  - An Application for the program is available as a PDF document that can be filled out and submitted to CMFA online.
- BOLD team works with applicant and local agencies to determine which facilities are eligible to be funded with tax-exempt bond proceeds or, if needed, taxable bonds
  - Tax-exemption - Fees must be used on eligible capital projects and be expended within 3 years
- Local Agency agrees to approve the project's participation in BOLD
  - Local Agency does not issue debt or provide ongoing administration and continuing disclosure documents

**Developer provides deposit to CMFA to pay for formation of the CFD**

**Special tax consultant drafts the Rate and Method of Apportionment and prepares CFD boundary map**

**CFDs are established by CMFA and special taxes are billed in CMFA's name**

**Formation proceedings are conducted by CMFA**

**Public hearing and landowner vote are conducted by CMFA**

**CFDs can be formed in as little as 3 months**

# The BOLD Program

## Bond Issuance Steps

- |  |   |  |  |
|--|---|--|--|
| ■ Once the CFD is formed and special tax is authorized to be levied, Bonds can be issued | ■ Bonds can be issued shortly after CFD formation or after an extended period of time depending on needs of project and status of development | ■ Bonds for larger CFDs may be issued on a stand-alone basis | ■ Most smaller CFDs (in terms of units and amount borrowed) will be issued as part of a Pooled Bond Funding Program – bonds for multiple CFDs issued through a single bond issue |
| ■ CMFA authorizes the sale of the bonds and issues bonds upon request                    | ■ CMFA approves Bond and disclosure documents   | ■ Bonds are marketed and sold to investors by Piper Sandler  | ■ Financing is closed and funds are delivered to pay infrastructure costs  |



# Giving Back to Communities

CMFA strives to maintain a fee structure that is lower than other JPA conduit issuers. In addition to lower borrowing and administration costs, **CMFA shares a portion of all issuance fees directly with its member communities.** A grant from a portion of the issuance fee is made to the California Foundation for Stronger Communities (CFSC) to fund charities designated by the member communities and approved by the CFSC Board of Directors.

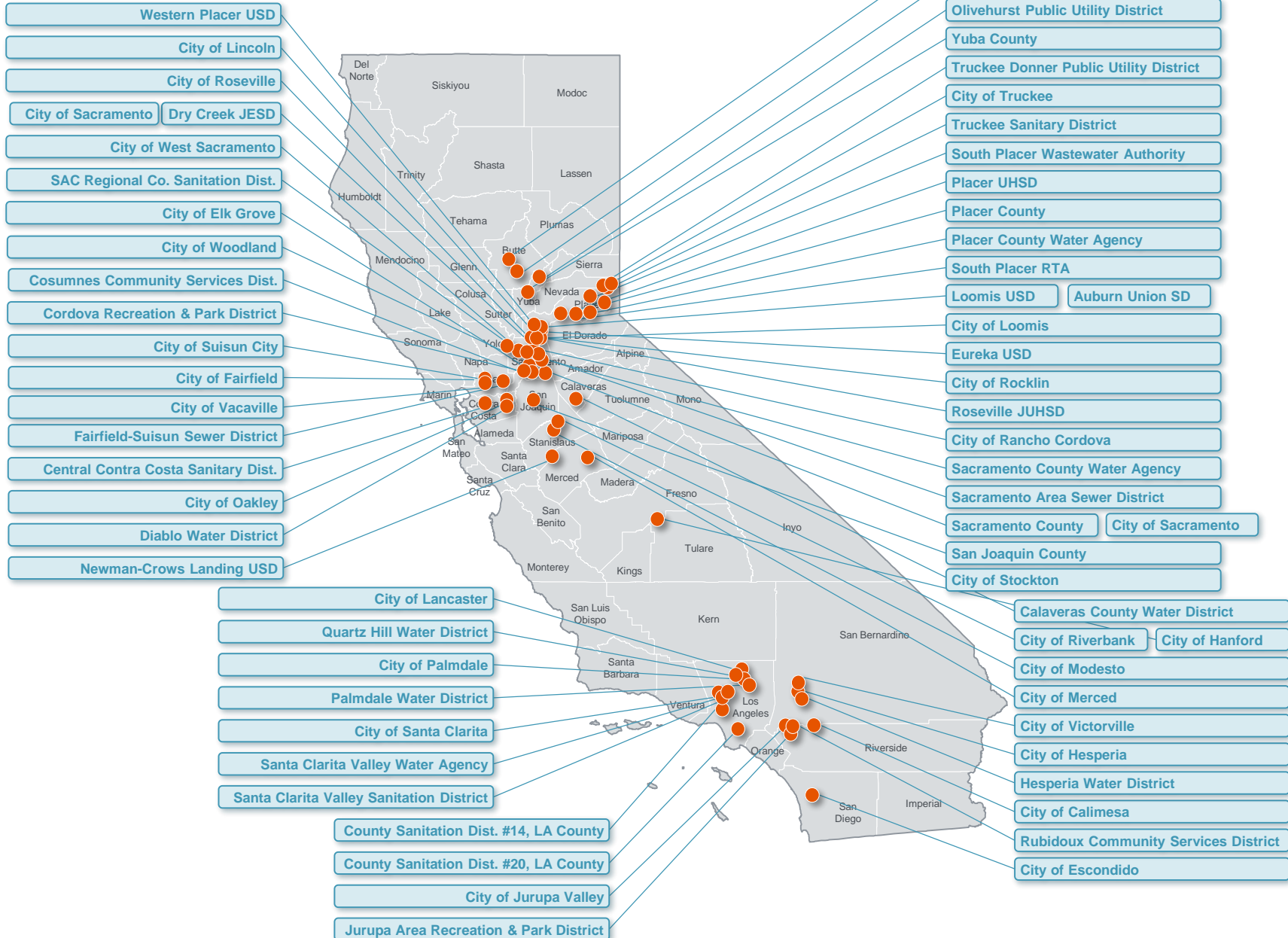
A portion of the annual fees received by CMFA will also be directed to charitable activities within California communities. This unique commitment to give back directly to the communities in which we operate sets CMFA apart from other JPA conduit issuers operating in the State.

By supporting our member communities and their local charities, CMFA is able to directly contribute to the health and welfare of the residents of California. **Over \$34 million of charitable donations has been given to worthy California non-profits thanks to the CMFA fee sharing.**

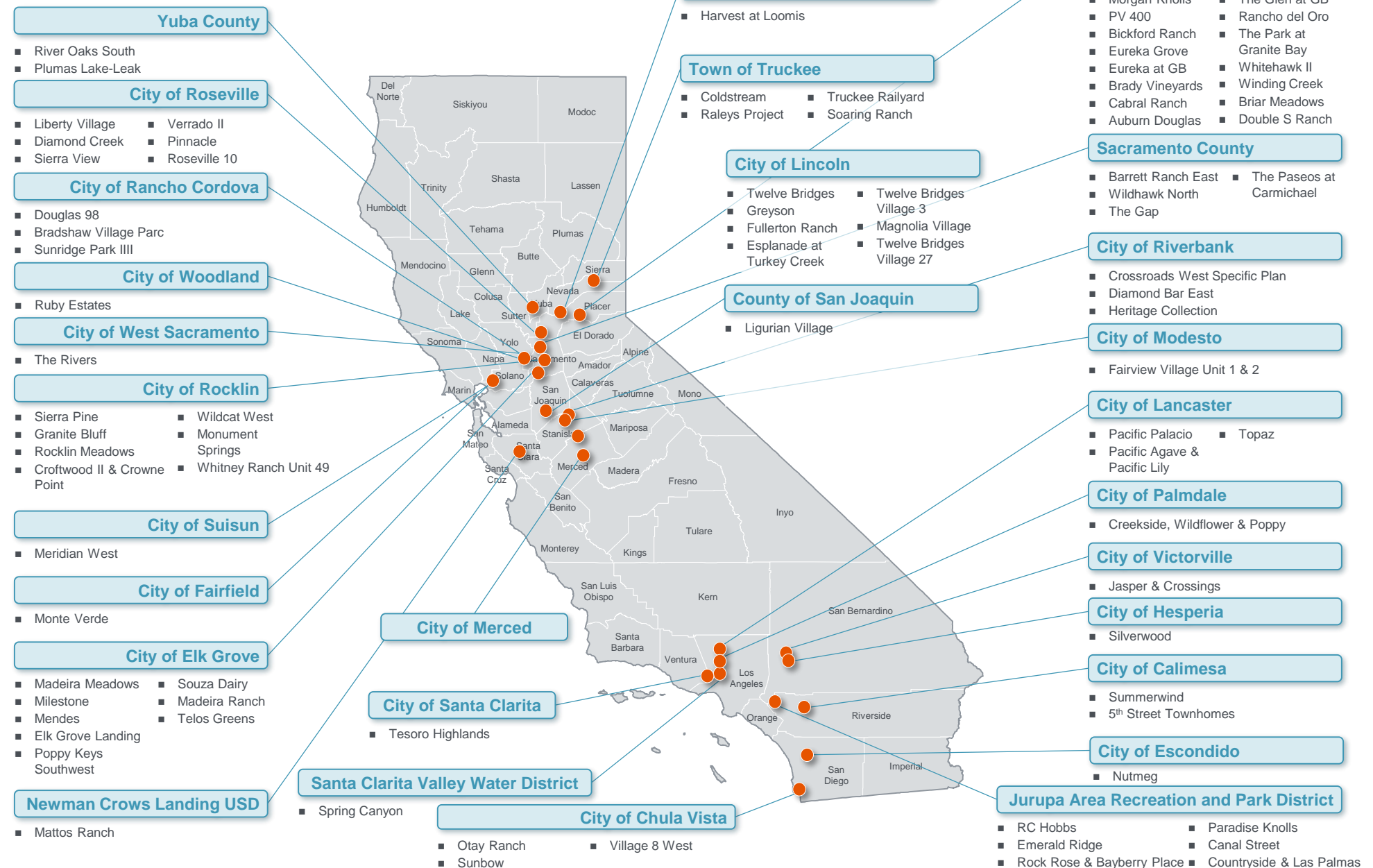
**CMFA sends 25% of revenues generated from Bond Financing to the Respective Local Agencies for Administrative Work**  
**CMFA Donates 25% of Revenues Generated from Financing Activities to CFSC.**



# Authorized Jurisdictions



# Developer Projects



# The BOLD Program

## Summary

- BOLD has been underway since 2018
- Cost-effective and timely alternative to provide CFD financing for smaller projects
  - **Flexibility** on special tax rates and structure; no benefit finding required
- Since 2018, 72 local jurisdictions have approved the BOLD Program
- To date, BOLD Program has formed approximately Community Facilities Districts
- Since 2018, approximately **\$536.37 million in bonds have been issued for 80+ separate projects**
- In the second half of 2025, an additional \$100 million in bonds are expected to be issued for another 11 projects
- BOLD team is happy to talk through any project prior to application

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