



# Community Facilities Districts Economic Impact

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October 1, 2020

# Community Facilities Districts (CFDs) in California

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- Mello-Roos Community Facilities Act of 1982 (Government Code 53311 et. seq.)
  - Authorized in 1982 in response to Proposition 13
  - Situation addressed: Provide long-term financing for public facilities and certain public services for newly developing areas
- Statewide\*
  - 282 agencies
  - 982 separate CFDs have issued bonds
  - 1,392 bond issues totaling \$16.1 billion
- Riverside County\*
  - 42 agencies
  - 369 separate CFDs have issued bonds
  - \$3.7 billion bonds outstanding

\*As of Fiscal Year Ending 2018, per CDIAC Yearly Fiscal Status Report 2017-2018

# EMWD's Community Facilities Districts (CFDs)

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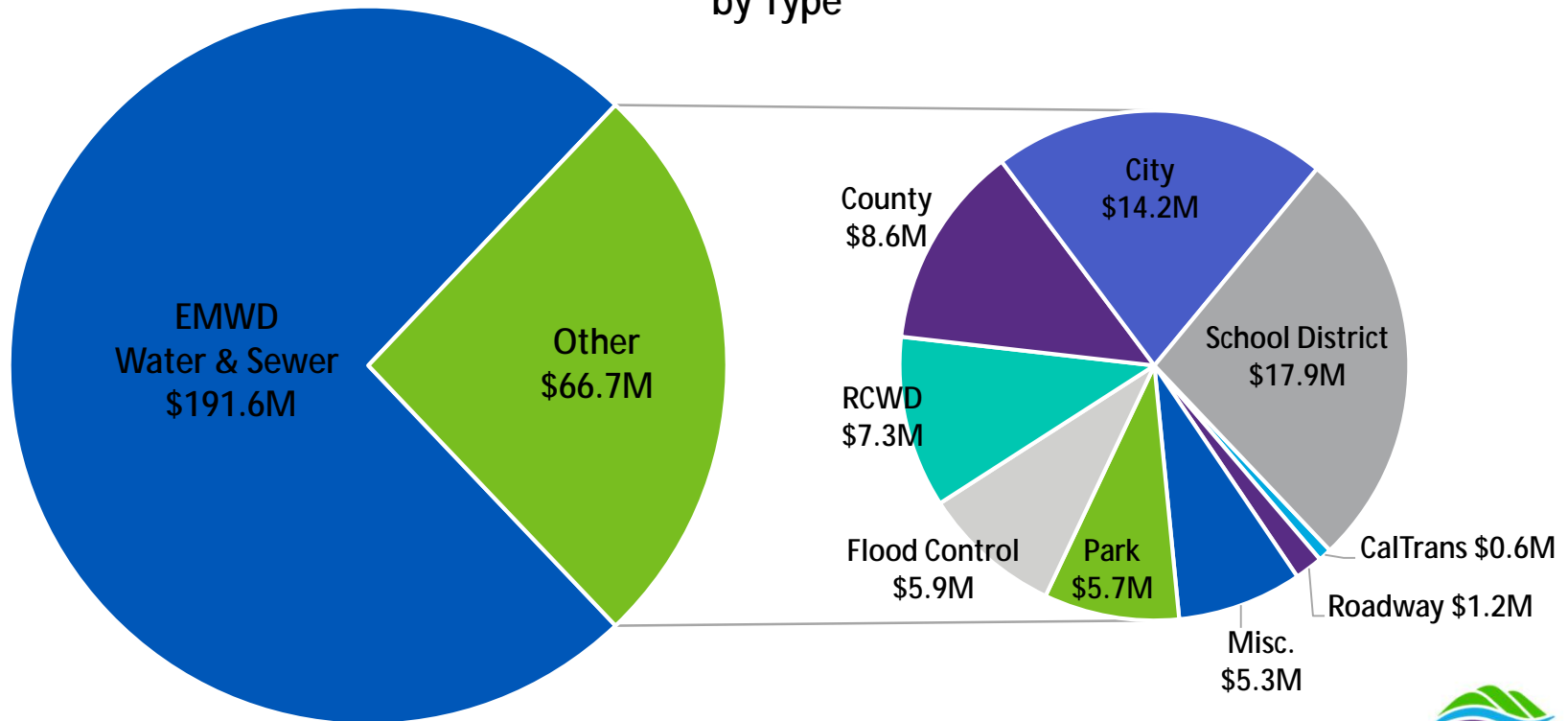
- **62 CFDs** formed with **102 total financing areas** (i.e. Improvement Areas)
  - Over 16,500 homes built within CFD projects
- Comprehensive Debt Policy sets CFD requirements and guidelines
- **68 bond issues**, financing over **\$258 million** of public infrastructure



# Impact of CFD Bond Financing Proceeds

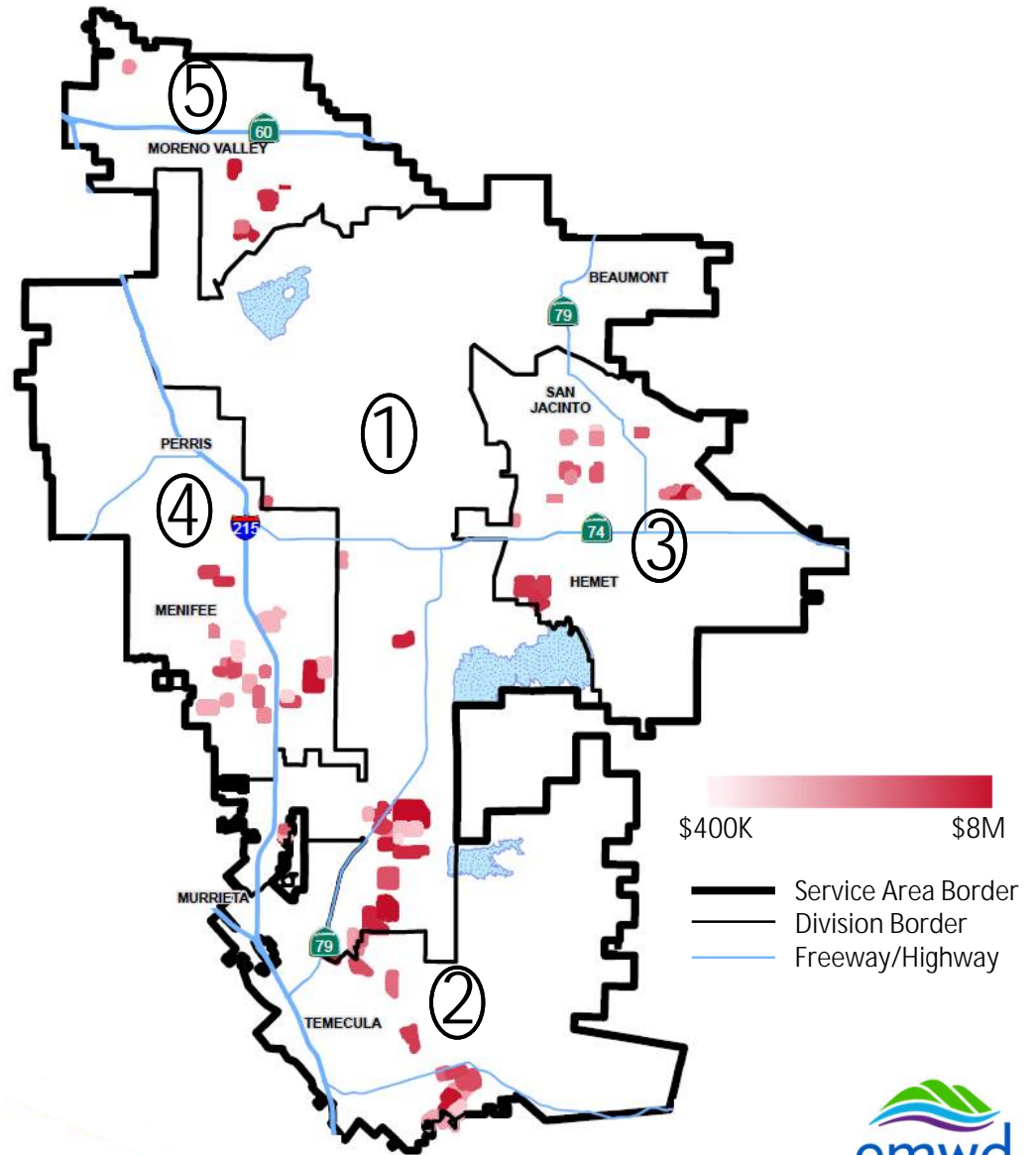
- CFDs are fundamental for new infrastructure
- The District has invested over **\$258 million** in the community, providing funds for water, sewer, school districts, cities, and other improvements

Fees and Facilities Funded by CFD Bonds  
by Type



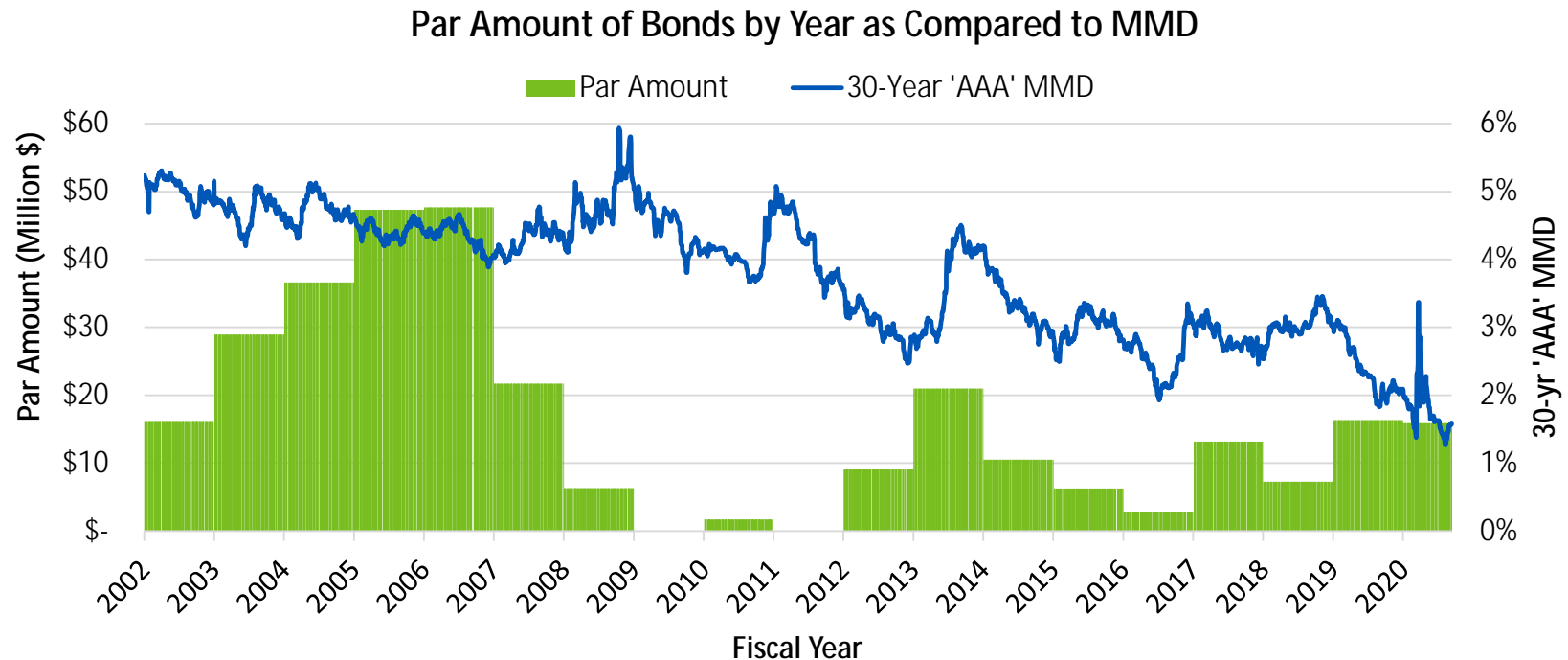
# Public Improvements Funded by CFD Bond Proceeds

Division 1	\$71.8 million
Division 2	\$54.1 million
Division 3	\$47.7 million
Division 4	\$46.8 million
Division 5	\$37.8 million
<b>Total</b>	<b>\$258.2 million</b>



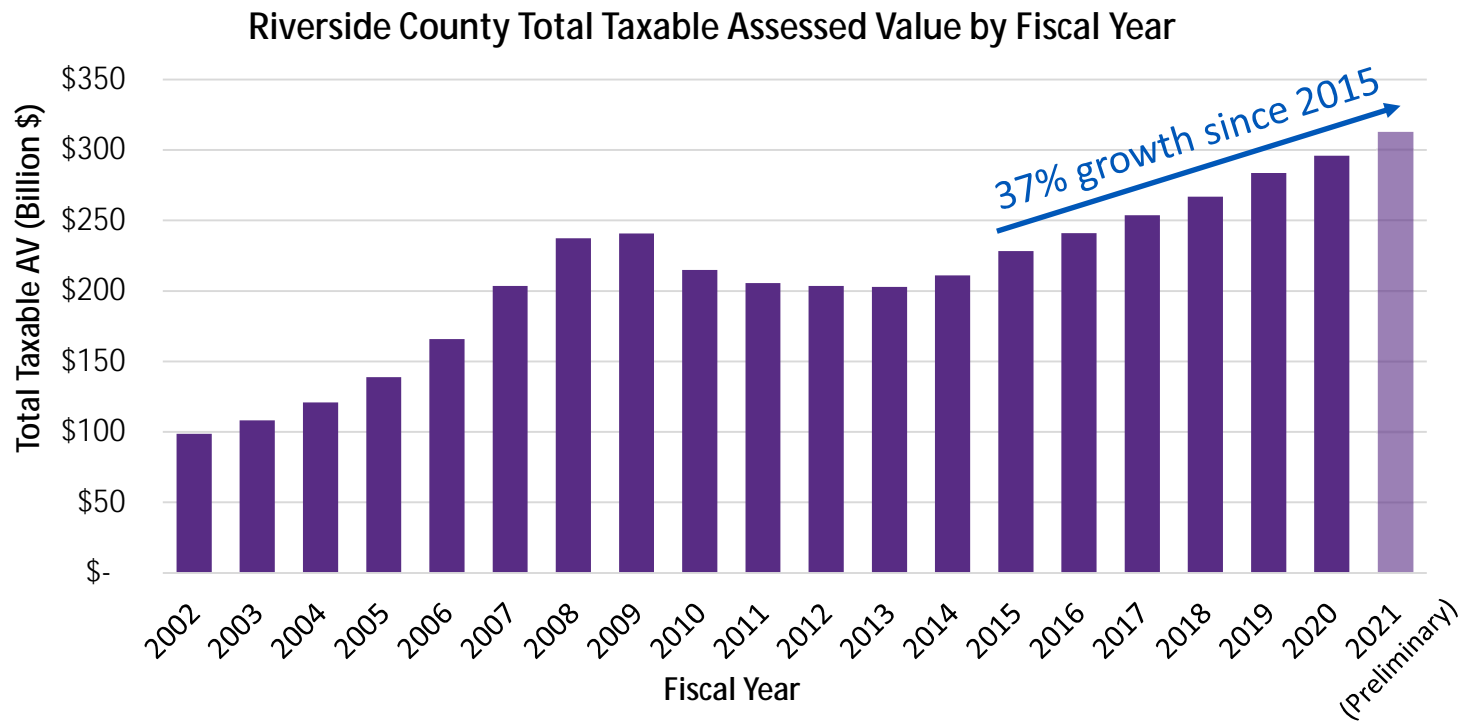
# CFD Bond Sales and Market Trend

- 'AAA' MMD = benchmark interest rate for AAA, or a "perfect" tax-exempt bond
  - Common measure used to gauge the interest rates in the bond market
- EMWD CFD bond issuance follows market trends



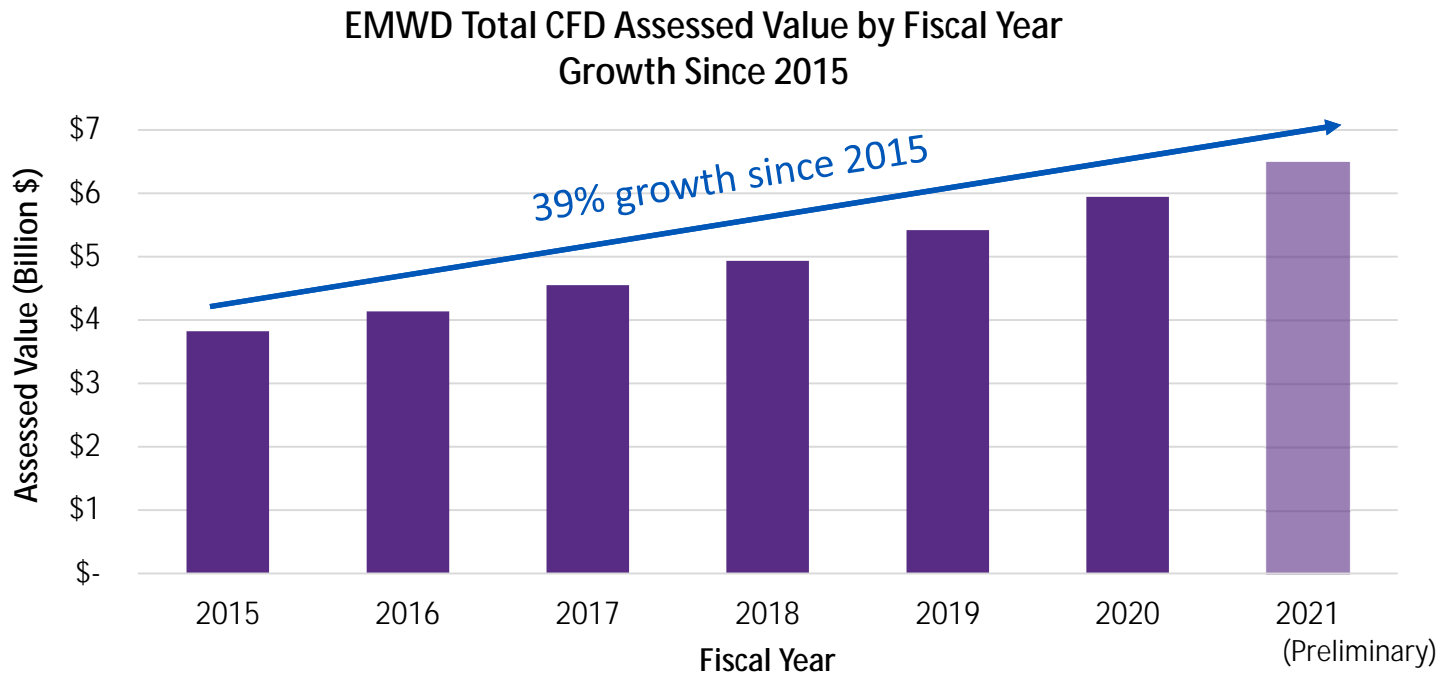
# Growth in Assessed Value – Riverside County

- Riverside County has experienced **217% growth** in AV since 2002
- Improvements funded by bond proceeds have a widespread impact
  - Infrastructure funded correlates to growth in businesses and employment
  - Increased property tax revenue for local government agencies



# Growth in Assessed Value – EMWD CFDs

- EMWD has experienced similar growth in AV within its CFDs since 2015
  - AV for the 56 CFDs levied in 2015 grew from \$3.8 billion to \$5.3 billion
  - 21 new CFDs since 2015 have added an additional \$1.2 billion (**70% increase**)





# Summary

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- #1 issuer of CFDs in California
  - 62 Community Facilities Districts with 102 Improvement Areas
- Over \$258 million economic benefit to community
  - Water, sewer, storm drains, schools, streets, libraries, parks, public buildings
  - Infrastructure supporting 16,500+ homes built
- Assessed Value continues to grow, benefiting the region
  - Local government agencies generate more property tax revenue
- Comprehensive Debt Policy, prudent management, and systematic analysis ensures successful bond financing at favorable market conditions



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