



RUSD

RIVERSIDE UNIFIED
SCHOOL DISTRICT

CFD No. 35

Community Facilities District No. 35 (Primrose) Series 2021 Special Tax Bonds

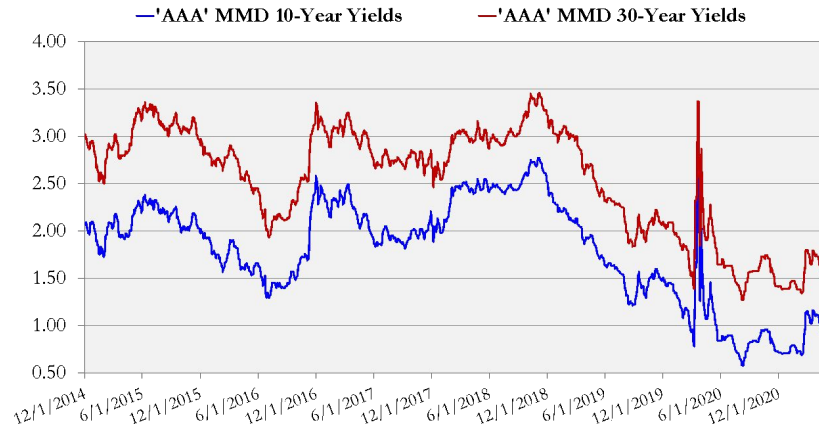
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May 11, 2021

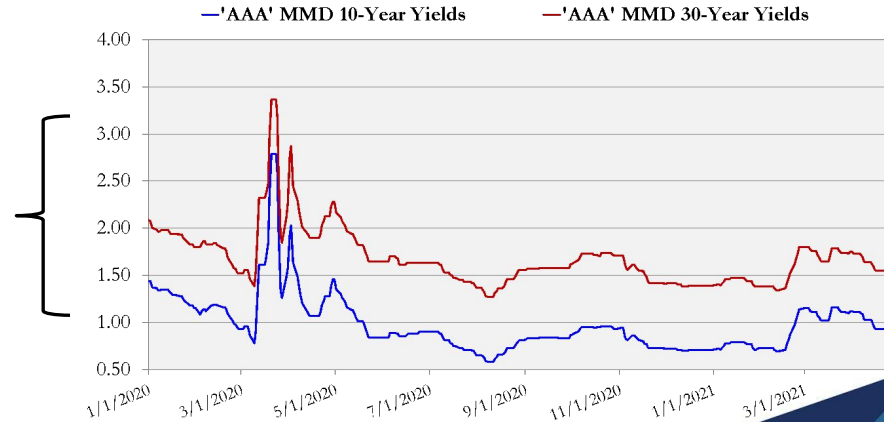
Summary of Market Conditions

- ❖ Since the beginning of the 2020 year, the coronavirus epidemic has been the focal point of market headlines. During the middle of March to early April 2020, there was extreme volatility in the financial markets, including municipal bond interest rates
- ❖ Concern over global growth concerns, COVID-19 outbreak, geopolitical events and U.S. election have kept investors in high demand of safe asset classes like Treasuries and municipal bonds. Long-term interest rate are extremely low from a historical standpoint

Historic Change in 'AAA' MMD Yields
(December 1, 2014 through April 23, 2021)



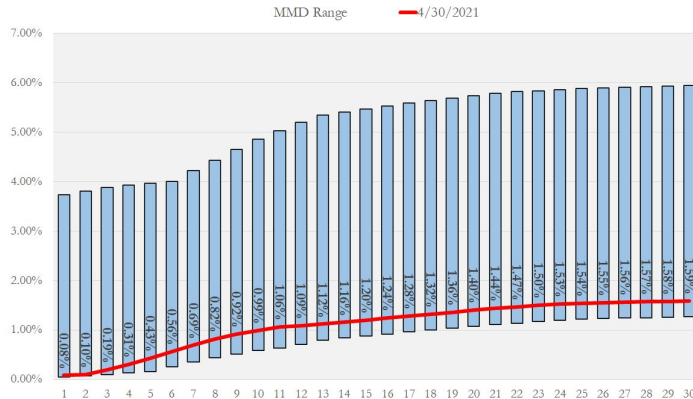
Historic Change in 'AAA' MMD Yields
(January 1, 2020 through April 23, 2021)



Summary of Market Conditions

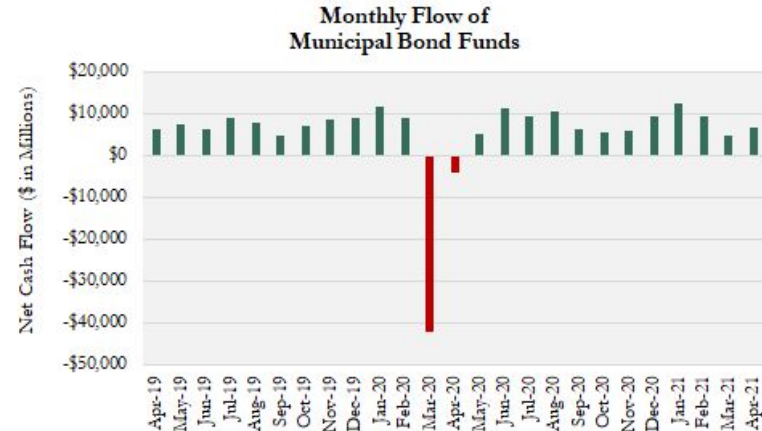
- ❖ **Municipal Market Data (MMD): 'AAA' rated yield curve index published daily by Thomsen Reuters. All tax-exempt municipal bonds price based on a spread to MMD**

Historical MMD Yield Curve Range: 2005 to Present Day



- ❖ **The MMD yield curve throughout all maturities as of April 23 is still considered historically low over the past fifteen years**

- ❖ **New municipal issuance has retreated to its historical level down from the pre-election volume**
- ❖ **U.S. Municipal fund flows also reported \$1.9 billion of inflows for the week ended April 23**



Community Facilities District No. 35



- ❖ **On June 11, 2019, the Board of Education of the School District approved a resolution to form Community Facilities District (“CFD”) No. 35 and authorized the issuance of bonds in an aggregate principal amount not to exceed \$1,900,000**
- ❖ **CFD No. 35 is expected to issue the first and final series of special tax bonds in the not-to-exceed amount of \$1,900,000 to fund school facilities**
- ❖ **As of April 2021, the development within CFD No. 35 is as followed:**
 - **Total planned development: 63 units**
 - **Building permits issued for: 63 units**
 - **Homes sold to individual homeowners: 63 units**
 - **Homes closed to homeowners: 50 units**

Boundary Map of CFD No. 35



- ❖ **School of Attendance:**
 - **Liberty Elementary**
 - **Chemawa Middle**
 - **Arlington High**

Series 2021 Special Tax Bonds Overview*



Sources & Uses

SOURCES		
Bond Proceeds		
Par Amount	\$	1,145,000.00
Net Premium/Discount		(851.85)
	\$	1,144,148.15
Total Sources	\$	1,144,148.15
USES		
Project Fund Deposits		
RUSD School Fees	\$	851,057.70
Other Fund Deposits		
Debt Service Reserve Fund	\$	61,450.00
Delivery Date Expenses		
Cost of Issuance	\$	200,000.00
Underwriter's Discount		28,625.00
	\$	228,625.00
Other Uses of Funds		
Contingency	\$	3,015.45
Total Uses	\$	1,144,148.15

CFD No. 35 Debt Service Coverage

Date	Principal	Interest	Total Debt Service	Net Revenue Stream	Debt Service Coverage
9/1/2022	\$20,000	\$41,128	\$61,128	\$92,280	150.96%
9/1/2023	25,000	35,250	60,250	92,280	153.16%
9/1/2024	25,000	34,500	59,500	92,280	155.09%
9/1/2025	25,000	33,750	58,750	92,280	157.07%
9/1/2026	25,000	33,000	58,000	92,280	159.10%
9/1/2027	25,000	32,250	57,250	92,280	161.19%
9/1/2028	30,000	31,250	61,250	92,280	150.66%
9/1/2029	30,000	30,050	60,050	92,280	153.67%
9/1/2030	30,000	28,850	58,850	92,280	156.81%
9/1/2031	30,000	27,850	57,850	92,280	160.07%
9/1/2032	35,000	26,450	61,450	92,280	150.17%
9/1/2033	35,000	25,050	60,050	92,280	153.67%
9/1/2034	35,000	23,850	58,850	92,280	157.34%
9/1/2035	35,000	22,731	57,731	92,280	159.84%
9/1/2036	35,000	21,813	56,813	92,280	162.43%
9/1/2037	40,000	20,894	60,894	92,280	151.54%
9/1/2038	40,000	19,744	59,744	92,280	154.46%
9/1/2039	40,000	18,594	58,594	92,280	157.49%
9/1/2040	40,000	17,444	57,444	92,280	160.64%
9/1/2041	45,000	16,294	61,294	92,280	150.55%
9/1/2042	45,000	15,000	60,000	92,280	153.80%
9/1/2043	45,000	13,850	58,850	92,280	157.34%
9/1/2044	45,000	12,300	57,300	92,280	161.05%
9/1/2045	50,000	10,950	60,950	92,280	151.40%
9/1/2046	50,000	9,450	59,450	92,280	155.22%
9/1/2047	50,000	7,950	57,950	92,280	159.24%
9/1/2048	50,000	6,450	56,450	92,280	163.47%
9/1/2049	55,000	4,950	59,950	92,280	153.93%
9/1/2050	55,000	3,300	58,300	92,280	158.28%
9/1/2051	55,000	1,850	56,850	92,280	162.89%
Total	\$1,145,000	\$625,990	\$1,770,990	\$2,768,400	N/A

* Preliminary, subject to change.

Sample Tax Bills – Tax Class 1



**RIVER SIDE UNIFIED SCHOOL DISTRICT
COMMUNITY FACILITIES DISTRICT NO. 35
ESTIMATED FISCAL YEAR 2021-2022 SAMPLE TAX BILL
SINGLE FAMILY RESIDENTIAL PROPERTY: TAX CLASS 1 (>2,100 SF)**

Assessed Valuation and Property Taxes	Percent of Net Value	Expected Amount
AVERAGE ASSESSED VALUE [1]	\$320,893	
NET ASSESSED VALUE [1]	\$313,893	
Average Unit Size for Developed Property [2]	2,131 Square Feet	
Average Lot Size for Residential Property [3]	4,032 Square Feet	
AD VALOREM PROPERTY TAXES [4]		
Basic Levy	1.00000%	\$3,138.93
Metropolitan Water District G.O. Bonds	0.00350%	\$10.99
City of Riverside G.O. Bonds	0.00531%	\$16.67
Riverside Unified School District G.O. Bonds	0.09473%	\$297.35
<u>Riverside City Community College G.O. Bonds</u>	<u>0.01470%</u>	<u>\$46.14</u>
Total General Property Taxes and Overrides	1.11824%	\$3,510.08
ASSESSMENTS, SPECIAL TAXES AND PARCEL CHARGES		
Northwest Mosquito & Vector Control District [5]		\$11.10
County Service Area 152 - Riverside Stormwater [6]		\$10.00
Metropolitan Water District West Standby Charge [7]		\$9.22
Flood Control Stormwater/Cleanwater [8]		\$2.13
<u>Riverside Unified School District CFD No. 35 [9]</u>		<u>\$1,640.71</u>
Total Assessments and Parcel Charges		\$1,673.18
PROJECTED TOTAL PROPERTY TAXES		\$5,183.24
Projected Total Effective Tax Rate (as % of Total Assessed Value)		1.61525%

Source: DTA, Riverside County Assessor, Riverside County Economic Development Agency, Metropolitan Water District

[1] Based on the average Assessed Value for 6 Tax Class 1 units with improvement values as of January 1, 2020 provided by the Riverside County Assessor. Net Assessed Value includes \$7,000 homeowner's exemption. Total Assessed Value used to determine Total Effective Tax Rate.

[2] Based on the average unit size for all Tax Class 1 units.

[3] Based on the average lot size for all Tax Class 1 units.

[4] Estimated based on actual Fiscal Year 2020-2021 ad valorem rates.

[5] Estimated based on the Fiscal Year 2020-2021 rate of \$11.10 per benefit unit.

[6] Estimated based on the Fiscal Year 2020-2021 rate of \$10.00 per benefit unit.

[7] Estimated based on the Fiscal Year 2020-2021 rate of \$9.22 per parcel or per acre, whichever is greater.

[8] Estimated based on the Fiscal Year 2020-2021 rate of \$3.80 per benefit assessment unit (BAU). For small parcels (less than 1/6 acre), a BAU is equal to the total lot size in SF/7,200. For large parcels (1/6 acre to 2.5 acres), a BAU is equal to 1+(0.1*(total lot size in SF-7,200)/43,560).

[9] Estimated based on the Riverside Unified School District CFD No. 35 Fiscal Year 2021-2022 Special Tax of \$1,640.71 per unit for Tax Class 1 property, which is 76.28% of the Assigned Special Tax. The Assigned Special Tax is \$2,151.00 per unit for Tax Class 1 property. The Assigned Special Tax does not escalate.

Sample Tax Bills – Tax Class 2



**RIVERSIDE UNIFIED SCHOOL DISTRICT
COMMUNITY FACILITIES DISTRICT NO. 35
ESTIMATED FISCAL YEAR 2021-2022 SAMPLE TAX BILL
SINGLE FAMILY RESIDENTIAL PROPERTY: TAX CLASS 2 (1,900 - 2,100 SF)**

Assessed Valuation and Property Taxes		Percent of Net Value	Expected Amount
AVERAGE ASSESSED VALUE [1]	\$239,035		
NET ASSESSED VALUE [1]	\$232,035		
Average Unit Size for Developed Property [2]	1,984 Square Feet		
Average Lot Size for Residential Property [3]	3,920 Square Feet		
AD VALOREM PROPERTY TAXES [4]			
Basic Levy	1.00000%		\$2,320.35
Metropolitan Water District G.O. Bonds	0.00350%		\$8.12
City of Riverside G.O. Bonds	0.00531%		\$12.32
Riverside Unified School District G.O. Bonds	0.09473%		\$219.81
<u>Riverside City Community College G.O. Bonds</u>	<u>0.01470%</u>		<u>\$34.11</u>
Total General Property Taxes and Overrides	1.11824%		\$2,594.71
ASSESSMENTS, SPECIAL TAXES AND PARCEL CHARGES			
Northwest Mosquito & Vector Control District [5]			\$11.10
County Service Area 152 - Riverside Stormwater [6]			\$10.00
Metropolitan Water District West Standby Charge [7]			\$9.22
Flood Control Stormwater/Cleanwater [8]			\$2.07
<u>Riverside Unified School District CFD No. 35 [9]</u>			<u>\$1,600.28</u>
Total Assessments and Parcel Charges			\$1,632.67
PROJECTED TOTAL PROPERTY TAXES			\$4,227.38
Projected Total Effective Tax Rate (as % of Total Assessed Value)			1.76852%

Source: DTA, Riverside County Assessor, Riverside County Economic Development Agency, Metropolitan Water District

[1] Based on the average Assessed Value for 7 Tax Class 2 units with improvement values as of January 1, 2020 provided by the Riverside County Assessor. Net Assessed Value includes \$7,000 homeowner's exemption. Total Assessed Value used to determine Total Effective Tax Rate.

[2] Based on the average unit size for all Tax Class 3 units.

[3] Based on the average lot size for all Tax Class 3 units.

[4] Estimated based on actual Fiscal Year 2020-2021 ad valorem rates.

[5] Estimated based on the Fiscal Year 2020-2021 rate of \$11.10 per benefit unit.

[6] Estimated based on the Fiscal Year 2020-2021 rate of \$10.00 per benefit unit.

[7] Estimated based on the Fiscal Year 2020-2021 rate of \$9.22 per parcel or per acre, whichever is greater.

[8] Estimated based on the Fiscal Year 2020-2021 rate of \$3.80 per benefit assessment unit (BAU). For small parcels (less than 1/6 acre), a BAU is equal to the total lot size in SF/7,200. For large parcels (1/6 acre to 2.5 acres), a BAU is equal to 1+(0.1*(total lot size in SF-7,200)/43,560).

[9] Estimated based on the Riverside Unified School District CFD No. 35 Fiscal Year 2021-2022 Special Tax of \$1,600.28 per unit for Tax Class 2 property, which is 76.28% of the Assigned Special Tax. The Assigned Special Tax is \$2,098.00 per unit for Tax Class 2 property. The Assigned Special Tax does not escalate.

Sample Tax Bills – Tax Class 3



**RIVER SIDE UNIFIED SCHOOL DISTRICT
COMMUNITY FACILITIES DISTRICT NO. 35
ESTIMATED FISCAL YEAR 2021-2022 SAMPLE TAX BILL
SINGLE FAMILY RESIDENTIAL PROPERTY: TAX CLASS 3 (<1,900 SF)**

Assessed Valuation and Property Taxes	Percent of Net Value	Expected Amount
AVERAGE ASSESSED VALUE [1]	\$216,142	
NET ASSESSED VALUE [1]	\$209,142	
Average Unit Size for Developed Property [2]	1,779 Square Feet	
Average Lot Size for Residential Property [3]	3,874 Square Feet	
AD VALOREM PROPERTY TAXES [4]		
Basic Levy	1.00000%	\$2,091.42
Metropolitan Water District G.O. Bonds	0.00350%	\$7.32
City of Riverside G.O. Bonds	0.00531%	\$11.11
Riverside Unified School District G.O. Bonds	0.09473%	\$198.12
<u>Riverside City Community College G.O. Bonds</u>	<u>0.01470%</u>	<u>\$30.74</u>
Total General Property Taxes and Overrides	1.11824%	\$2,338.71
ASSESSMENTS, SPECIAL TAXES AND PARCEL CHARGES		
Northwest Mosquito & Vector Control District [5]		\$11.10
County Service Area 152 - Riverside Stormwater [6]		\$10.00
Metropolitan Water District West Standby Charge [7]		\$9.22
Flood Control Stormwater/Cleanwater [8]		\$2.04
<u>Riverside Unified School District CFD No. 35 [9]</u>		<u>\$1,559.85</u>
Total Assessments and Parcel Charges		\$1,582.21
PROJECTED TOTAL PROPERTY TAXES		\$3,930.92
Projected Total Effective Tax Rate (as % of Total Assessed Value)		1.81868%

Source: DTA, Riverside County Assessor, Riverside County Economic Development Agency, Metropolitan Water District

[1] Based on the average Assessed Value for 4 Tax Class 3 units with improvement values as of January 1, 2020 provided by the Riverside County Assessor. Net Assessed Value includes \$7,000 homeowner's exemption. Total Assessed Value used to determine Total Effective Tax Rate.

[2] Based on the average unit size for all Tax Class 3 units.

[3] Based on the average lot size for all Tax Class 3 units.

[4] Estimated based on actual Fiscal Year 2020-2021 ad valorem rates.

[5] Estimated based on the Fiscal Year 2020-2021 rate of \$11.10 per benefit unit.

[6] Estimated based on the Fiscal Year 2020-2021 rate of \$10.00 per benefit unit.

[7] Estimated based on the Fiscal Year 2020-2021 rate of \$9.22 per parcel or per acre, whichever is greater.

[8] Estimated based on the Fiscal Year 2020-2021 rate of \$3.80 per benefit assessment unit (BAU). For small parcels (less than 1/6 acre), a BAU is equal to the total lot size in SF/7,200. For large parcels (1/6 acre to 2.5 acres), a BAU is equal to 1+(0.1*(total lot size in SF-7,200)/43,560).

[9] Estimated based on the Riverside Unified School District CFD No. 35 Fiscal Year 2021-2022 Special Tax of \$1,559.85 per unit for Tax Class 3 property, which is 76.28% of the Assigned Special Tax. The Assigned Special Tax is \$2,045.00 per unit for Tax Class 3 property. The Assigned Special Tax does not escalate.

Financing Schedule



Date	Description
Tuesday, May 11, 2021	Finance Committee Meeting
Thursday, June 17, 2021	District Board of Education Meeting - Consider Resolution of Issuance
Friday, June 18, 2021	Print/Post POS
Thursday, June 24, 2021	Bond Pricing
Thursday, July 8, 2021	Closing

* Preliminary, subject to change.