

Improvement Area 4
City of Stockton
Community Facilities District No. 2018-2
(Westlake Villages II)
Special Tax Bonds Series 2025

August 12, 2025
Agenda Item 16.1

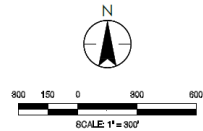
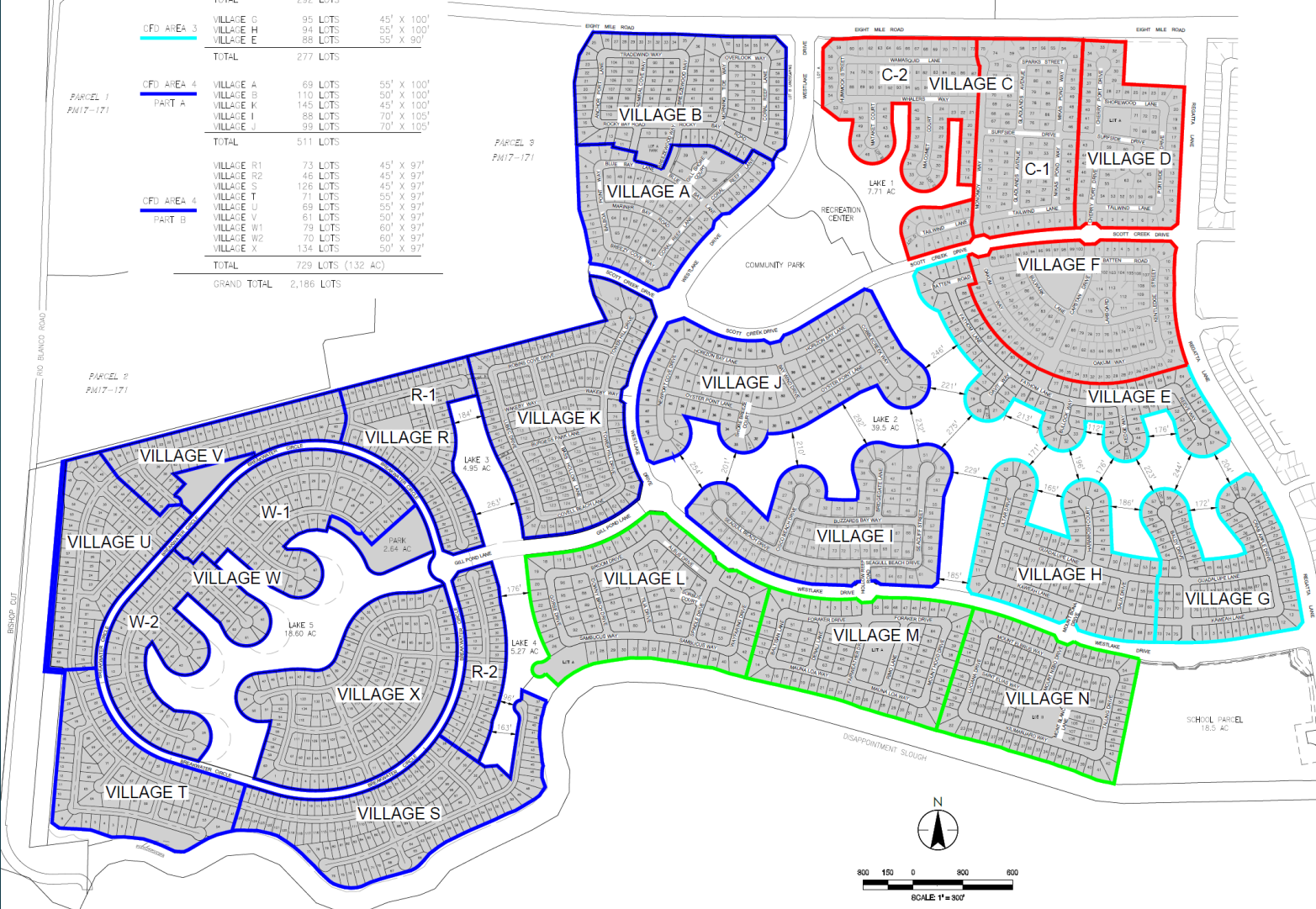
History of the District

- ▶ **District Formation:** June 2018
- ▶ **Location:** North Stockton, South of Eight Mile Road and West of Highway 5
- ▶ **Original Size: 580 Gross Acres**
 - ▶ Split off from CFD 2006-2 in 2018
 - ▶ Original formation included Improvement Area 1
 - ▶ Amended in February 2020 to split off a portion of Improvement Area 1 into Improvement Area 2
 - ▶ Amended in December 2021 to split off a portion of Improvement Area 2 into Improvement Area 3 and Improvement Area 4
 - ▶ CFD 2018-2 planned for 2,186 residential units - 1,240 units in Improvement Area 4 (Part A: 511 Units – Lennar owned, 378 permits, 140 built and sold, Part B: 729 units – Spanos owned, currently undeveloped)
- ▶ **Special Taxes (Improvement Area 4):**
 - ▶ Single-family residential with FY 2025-26 Facilities tax rates ranging from \$2,762 (<1,800 SF) to \$3,822 (>3,000 SF) annually
 - ▶ 2% escalation of facilities tax
 - ▶ City can recover administrative costs as part of the special taxes
 - ▶ A services tax is also paid each year by the property owners
- ▶ **Term of the Improvement Area 4 Facilities Tax:** Fiscal year 2071/72
- ▶ **Bonds:** Bonds approved up to \$90.0 million for Improvement Area 4

CFD 2018-2 Boundary Map

WESTLAKE VILLAGES

	VILLAGE	LOT COUNT	LOT SIZE
CFD AREA 1	VILLAGE C1	87 LOTS	55' X 95'
	VILLAGE C2	101 LOTS	55' X 95'
	VILLAGE D	73 LOTS	55' X 95'
	VILLAGE F	116 LOTS	45' X 100'
	TOTAL	377 LOTS	
CFD AREA 2	VILLAGE L	96 LOTS	60' X 100'
	VILLAGE M	84 LOTS	55' X 100'
	VILLAGE N	112 LOTS	45' X 100'
TOTAL	292 LOTS		
CFD AREA 3	VILLAGE G	95 LOTS	45' X 100'
	VILLAGE H	94 LOTS	55' X 100'
	VILLAGE E	88 LOTS	55' X 90'
TOTAL	277 LOTS		
CFD AREA 4 PART A	VILLAGE A	69 LOTS	55' X 100'
	VILLAGE B	110 LOTS	50' X 100'
	VILLAGE K	145 LOTS	45' X 100'
	VILLAGE I	88 LOTS	70' X 105'
	VILLAGE J	99 LOTS	70' X 105'
TOTAL	511 LOTS		
CFD AREA 4 PART B	VILLAGE R1	73 LOTS	45' X 97'
	VILLAGE R2	46 LOTS	45' X 97'
	VILLAGE S	126 LOTS	45' X 97'
	VILLAGE T	71 LOTS	55' X 97'
	VILLAGE U	69 LOTS	55' X 97'
	VILLAGE V	61 LOTS	50' X 97'
	VILLAGE W1	75 LOTS	60' X 97'
	VILLAGE W2	70 LOTS	60' X 97'
	VILLAGE X	134 LOTS	50' X 97'
	TOTAL	729 LOTS (132 AC)	
GRAND TOTAL	2,186 LOTS		



IA4, Special Tax Bonds, Series 2025

- ▶ Maximum amount of bonds authorized \$90.0 million
- ▶ Series 2025: Not-To-Exceed Issue Size: \$30.0 million
- ▶ Series 2025 Expected Issue Size: \$26.285 million
- ▶ Portion of Interest 3/1/25 and 9/1/25 paid by capitalized interest
- ▶ Debt service increases at 2.00% annually to September 1, 2055
- ▶ 1.10 times debt service coverage each year
- ▶ Estimated fixed costs of issuance of \$325,000 plus underwriter's compensation of \$249,708 for "all-in" cost of \$574,708
- ▶ Issuance planned as non-rated Public Offering

Proposed Timeline

DATE(S)	ITEM
August 12	City Council Consideration
Week of September 8	Print and Post Preliminary Official Statement
Tuesday, September 16 Wednesday, September 17	Pre-Pricing and Pricing
Wednesday, October 1	Closing and Transfer of Funds

Financial Summary

- ▶ There is no impact on the City's General Fund or any other unrestricted fund as a result of taking the recommended action.

Documents for Consideration

- ▶ **Fiscal Agent Agreement:** This agreement governs the terms and conditions of the bonds and the role and responsibilities of the Fiscal Agent. It also includes the covenants of the City concerning the levy of the special tax, foreclosure of delinquent parcels and related matters.
- ▶ **Preliminary Official Statement (Including Continuing Disclosure Certificate):** This is the offering document provided to investors that provides all material information related to the proposed bonds and Improvement Area 4 of the District. This document includes a Continuing Disclosure Certificate, which is the document detailing what ongoing information will be provided to investors.
- ▶ **Bond Purchase Agreement:** This document details the agreement related to the terms of the negotiated sale of the bonds to the underwriter and the conditions for closing the bond issue.

Staff Recommendation

Adopt Resolution authorizing the issuance of special tax bonds for and on behalf of Improvement Area 4 of the Community Facilities District No. 2018-2 (Westlake Villages II), approving and directing the execution of a fiscal agent agreement, approving the form of Preliminary Official Statement, approving sale of such bonds, and approving other related documents and actions.

Questions ?