

California Public Debt Issuance Monthly Data

CUMULATIVE CALIFORNIA PUBLIC DEBT ISSUANCE (IN BILLIONS)



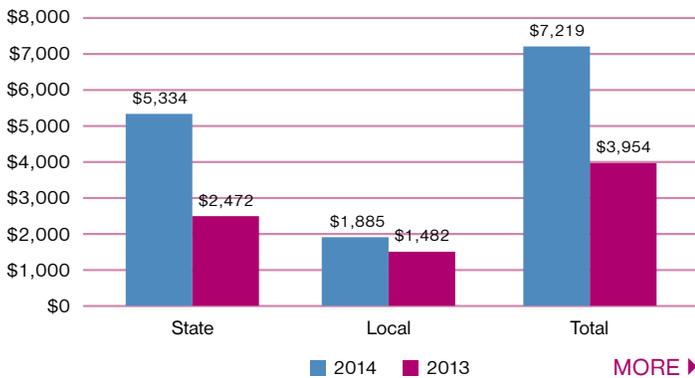
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CALIFORNIA PUBLIC DEBT ISSUANCE, SEPTEMBER (IN MILLIONS)



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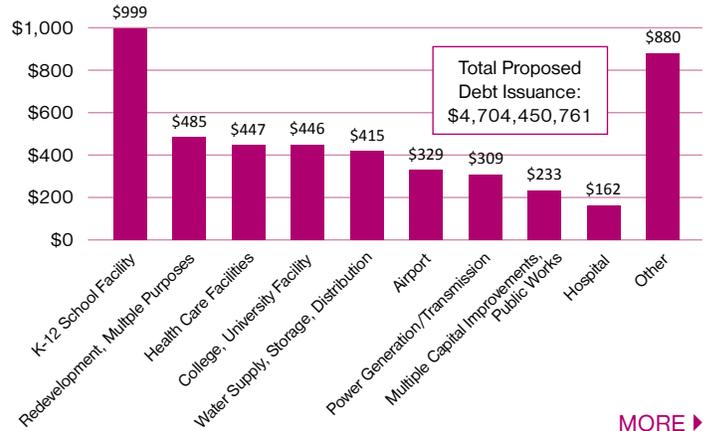
STATE* VERSUS LOCAL DEBT ISSUANCE, SEPTEMBER (IN MILLIONS)



[MORE ▶](#)

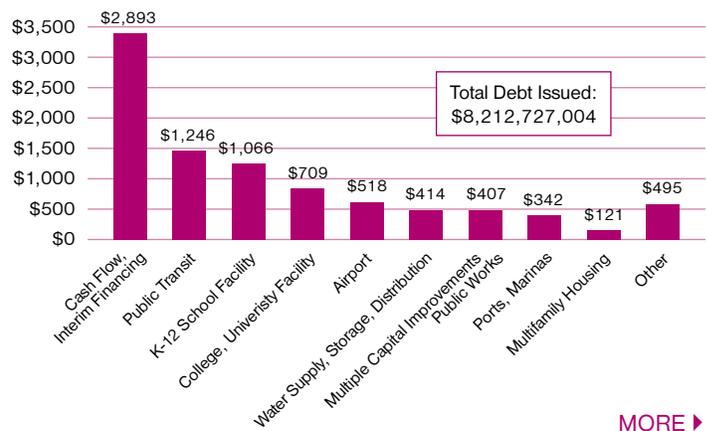
* State issuers include the State of California, its agencies, commissions, authorities, departments and The Student Loan Corporation.

REPORTS OF PROPOSED DEBT ISSUANCE RECEIVED 9-16-2014 THROUGH 10-15-2014, BY PURPOSE (IN MILLIONS)



[MORE ▶](#)

TOTAL REPORTS OF FINAL SALE RECEIVED 9-16-2014 THROUGH 10-15-2014, BY PURPOSE (IN MILLIONS)



[MORE ▶](#)

More detailed debt issuance information is available in the monthly [Debt Line Calendar](#).



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Debt Line publishes articles on debt financing and public fund investment that may be of interest to our readers; however, these articles do not necessarily reflect the views of the Commission.

Business correspondence and editorial comments are welcome.

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MUNICIPAL MARKET REGULATORY ACTIVITY

UPDATES TO OCTOBER

15 MSRB received approval from the SEC to amend Rule G-3 to require dealers to partake in annual training on municipal securities matters. The rule goes into effect on January 1, 2015.

22 MSRB announced a free video series aimed at educating municipal securities investors about disclosure documents. Webinars will take place each Friday for six weeks starting October 31, 2014.

23 MSRB requests comments on draft amendments to extend the rules on gifts, gratuities, and non-cash provisions to municipal advisors. The draft amendments will affect Rule G-20 as well as the record-keeping requirements in Rules G-8 and G-9. Comments are due December 8, 2014.

NOVEMBER

3 SEC, FINRA, and MSRB will hold a compliance outreach program for municipal advisors at the Federal Reserve Bank in Chicago, IL.

10 Comments are due to the SEC on a proposed rule under the Securities Act of 1933 to provide that publication of price-quotes relating to certain security-based swaps would not constitute an offer, offer to sell, or solicitation of an offer to buy or purchase.

14 SEC final rule amendments applicable to credit rating agencies registered as nationally recognized statistical rating organizations (NRSROs).

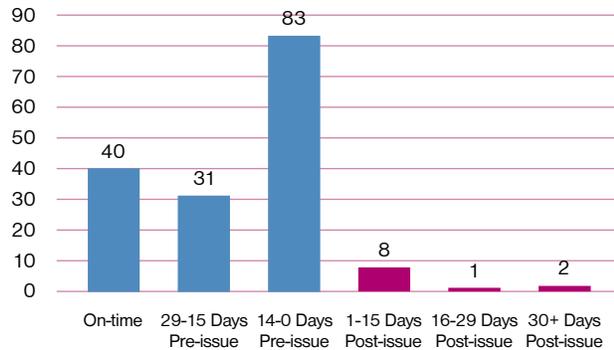
24 SEC final rule requiring prospectuses for public offerings under the Securities Act of 1933 and ongoing reports under the Securities Exchange Act of 1934 of asset-backed securities backed by real estate related assets, auto related assets, or backed by debt securities, including resecuritizations, contain specified asset-level information about each of the assets in the pool. **DL**

DATA-CORNER

A MONTHLY UPDATE FROM CDIAC'S DATA COLLECTION AND ANALYSIS UNIT

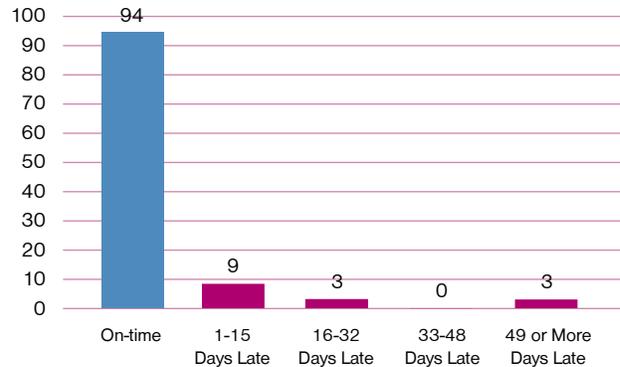
TIMELINESS OF SUBMITTAL OF REPORTS

REPORTS OF PROPOSED DEBT ISSUANCE (RPDIs)*
RECEIVED SEPTEMBER 2014



* California Government Code Section 8855(h)(3) states that RPDIs must be submitted no later than 30 days prior to issuance.

REPORTS OF FINAL SALE (RFSs)*
RECEIVED SEPTEMBER 2014



* California Government Code Section 8855(j) states that RFSs must be submitted within 45 days of the signing of the bond purchase contract (negotiated or private financing) or the acceptance of a bid (competitive offering).

DATA UNIT ACTIVITY SEPTEMBER 2014

- ✓ Received and processed 165 Reports of Proposed Debt Issuance (RPDIs)
- ✓ Received and processed 109 Reports of Final Sale (RFSs)
- ✓ Received 152 Marks-Roos Yearly Fiscal Status Reports (YFSRs) for FY 2013-2014
- ✓ Received 149 Mello-Roos Yearly Fiscal Status Reports (YFSRs) for FY 2013-2014

Mello-Roos Financings: A Comparison of Fiscal Year 2011- 12 and 2012-13

EDITED: A corrected version of this article was posted on 12/09/14 to reflect a change in the Principal Amount Returned and New Money Principal for FY 2012-13 to \$1,269,188,162 and \$389,673,627, respectively.

Mello-Roos issuers took advantage of the low interest rate environment to dramatically ramp-up refunding of land-based financings. The principal amount issued for this purpose more than doubled between FY 2011-12 and 2012-13. A comparison of debt issued by community facilities districts (CFDs) during this period shows a striking 118 percent increase in Mello-Roos bond issuances based on filings submitted to the California

Debt and Investment Advisory Commission (CDIAC).¹ Issuers reported 183 Mello-Roos financings during FY 2012-13 compared to 84 bond filings received the prior FY (Figure 1).² Almost the entire year-over-year increase in total principal issued is attributable to refundings. New money Mello-Roos issuance in FY 2012-13 increased by only one percent from FY 2011-12, while refunding doubled.

Cities and K-12 school districts continued to be the largest issuers of Mello-Roos bonds, accounting for more than 70 percent of the debt issued for the last two fiscal years based on principal amount issued. (Figure 2)

Mello-Roos issuance activity broadened geographically, with CFDs in seventeen (17) counties reporting Mello-Roos issuance to CDIAC in FY 2012-13, up from sixteen (16) counties in FY 2011-12. In both fiscal years, the San Diego, Riverside and Los Angeles Counties were among the top five counties issuing Mello-Roos bonds. In FY 2011-12

Orange and San Joaquin Counties rounded out the top five, but were replaced in FY 2012-13 by Sacramento County and San Francisco City and County (Figures 3a & 3b).

ANNUAL REPORTING

To monitor the use and financial health of the districts, state statute requires issuers of Mello-Roos bonds to report, among other things, information on reserve balance, tax delinquency, and draws on reserve/defaults to CDIAC on an annual basis.³

RESERVE BALANCES. During FY 2011-12, only CFDs from Kern and San Bernardino Counties reported reserve balances below their required amounts - 99.0 percent and 84.4 percent of the required balance, respectively. For FY 2012-13, Riverside was the only county that had CFDs report reserves below the minimum required - 97.4 percent of the required reserve.

DELINQUENT TAXES. In FY 2011-12, the CFDs in El Dorado County reported the highest total percentage of unpaid taxes at 7.8 percent, while Placer and Ventura County CFDs reported unpaid taxes of 3.3 percent and 1.7 percent, respectively. Los Angeles County had the only CFD to report unpaid taxes for FY 2012-2013.

DELINQUENT PARCELS. For FY 2012-13, Mello-Roos issuers reported a total of 2,788 delinquent parcels totaling approximately \$2.2 million in delinquent taxes, a 70 percent decrease in the number of delinquent parcels from FY 2011-12, but an increase in the total amount of delinquent taxes. In

FIGURE 1
MELLO-ROOS FINANCINGS
MEASURED BY NUMBER OF FINANCING AND VOLUME
FY 2011-12 AND FY 2012-13

| | FY 2011-12 | FY 2012-13 |
|---|-----------------|-----------------|
| Number of Mello-Roos Financings* | 84 | 183 |
| Total Principal Amount Issued* | \$1,018,807,953 | \$1,658,861,789 |
| Number of Refundings | 54 | 151 |
| Principal Amount Refunded | \$633,622,255 | \$1,269,188,162 |
| Refundings as a Percent of Total Issued | 62% | 77% |
| New Money Principal | \$385,185,698 | \$389,673,627 |

* Includes both New Money and Refunding Issuance

¹ Government Code Section 8855(j) required all issuers of public debt to submit a Report of Final Sale to CDIAC no later than 45 days after the sale.

² Government Code Section 53311 et seq, the Mello-Roos Community Facilities Act of 1982 requires annual reporting on the yearly fiscal status of outstanding bonds.

³ Reporting requirements are contained in California Government Code Section 53359.5.

FIGURE 2

MELLO-ROOS FINANCINGS, TYPE OF ISSUER, MEASURED BY VOLUME, FY 2011-12 AND FY 2012-13

| AGENCY TYPE | FY 2011-12 PRINCIPAL ISSUED | PERCENT OF TOTAL* | FY 2012-13 PRINCIPAL ISSUED | PERCENT OF TOTAL* |
|--------------------------|-----------------------------|-------------------|-----------------------------|-------------------|
| School District | \$382,515,414 | 38% | \$604,974,622 | 36% |
| City | 357,395,539 | 35 | 580,935,911 | 35 |
| JPA | 116,682,000 | 11 | 155,270,000 | 9 |
| Special District | 56,185,000 | 6 | 76,620,000 | 5 |
| Community Serv. District | 54,885,000 | 5 | 6,040,000 | 0 |
| County | 51,145,000 | 5 | 112,010,000 | 7 |
| Other | - | 0 | 123,011,256 | 7 |
| TOTAL | \$1,018,807,953 | 100% | \$1,658,861,789 | 100% |

* Totals may not add to due to rounding

FIGURE 3A

MELLO-ROOS FINANCINGS
TOP FIVE ISSUERS BY COUNTY, FY 2011-12

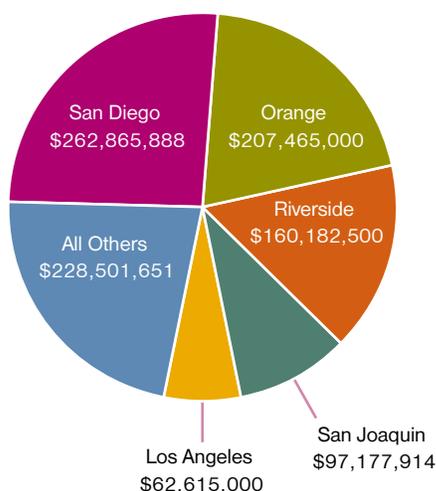


FIGURE 3B

MELLO-ROOS FINANCINGS
TOP FIVE ISSUERS BY COUNTY, FY 2012-13



FY 2011-12, CFDs from El Dorado County reported the largest number of delinquent parcels, but among the lowest in the total delinquent amount. This can be attributed to the delinquent parcel property type being “time shares” which are charged a lower tax and result in a smaller delinquent amount. Sacramento County CFDs reported 1,540

delinquent parcels, the highest number in FY 2012-13. Figure 4 shows the geographic breakdown by county of the highest number of delinquent parcels and the corresponding delinquent amounts for both fiscal years.

DRAW ON RESERVE/DEFAULT FILINGS. Issuers of Mello-Roos bonds

are required to notify CDIAC of any draw on reserve funds to pay principal or interest which reduces the reserve to less than the required reserve, or a failure to pay principal or interest on any scheduled payment date (default). These events must be reported within ten days of the occurrence.⁴ During FY 2011-12, issuers reported four defaults

⁴ Government Code Section 53359.5(c)

FIGURE 4**MELLO-ROOS FINANCINGS, DELINQUENT PARCELS
FY 2011-12 AND FY 2012-13**

| COUNTY | # DELINQUENT PARCELS | DELINQUENT AMOUNT |
|---------------------------------|----------------------|--------------------|
| FY 2011-2012 | | |
| El Dorado | 4,611 | \$49,010 |
| Orange | 1,668 | 43,497 |
| Riverside | 654 | 320,524 |
| Other counties | 474 | 890,783 |
| TOTAL DELINQUENT PARCELS | 7,407 | \$1,303,814 |
| FY 2012-2013 | | |
| Sacramento | 1,540 | \$283,880 |
| Riverside | 597 | 981,369 |
| Los Angeles | 246 | 343,695 |
| Other counties | 405 | 610,226 |
| TOTAL DELINQUENT PARCELS | 2,788 | \$2,219,169 |

and eight draws on reserve. There were multiple filings by several CFDs. Palmdale CFD No 93-1 made two draw on reserve filings and Borrego Water District CFD No 2007-1 and Lathrop CFD No 2006-1 made two defaults filings each during FY 2011-12. FY 2012-13 saw a 33 percent decline in total draw on reserve and default filings, with five draws and three defaults reported. Palmdale CFD No 93-1 and Lathrop CFD No 2006-1 made multiple filings. Palmdale CFD No 93-1 not only filed one draw on reserve but also filed two default notices. Lathrop CFD No 2006-1 filed two default notices with CDIAC.

In 2011, CDIAC began accepting voluntary filings of replenishments to reserve accounts. In FY 2011-12, one voluntary replenishment filing was submitted by Merced CFD No

2006-1 showing the replenishment of a prior draw on reserve during the FY. In FY 2012-13, no voluntary replenishment filings were received.

CDIAC publishes the Mello-Roos Community Facilities District Yearly Fiscal Status Report annually. This report is a preview summary of the annual data reported to CDIAC for all Mello-Roos financings from January 1, 1993 through the current fiscal years. The current report, 2012-13 Yearly Fiscal Status Report is available on CDIAC's website at www.treasurer.ca.gov/cdiac/reports/M-Roos/2013.pdf. If you have any comments or questions about the data contained in this article, please contact the Data Unit by email at CDIAC_Issuance@treasurer.ca.gov or by telephone at (916) 653-3269. **DL**

SAVE THE DATE

CDIAC Webinars, Seminars, and Conferences

DECEMBER

DECEMBER 10, 2014

WEBINAR Steps for Reporting Debt Issuance to CDIAC: Report of Proposed Debt Issuance & Report of Final Sale
www.treasurer.ca.gov/cdiac/seminars.asp

MARCH

MARCH 17, 2015

Municipal Debt Essentials – Debt Basics
Riverside, CA
www.treasurer.ca.gov/cdiac/seminars.asp

MARCH 18, 2015

Municipal Debt Essentials – Accessing the Market
Riverside, CA
www.treasurer.ca.gov/cdiac/seminars.asp

MARCH 19, 2015

Municipal Debt Essentials – Debt Administration
Riverside, CA
www.treasurer.ca.gov/cdiac/seminars.asp

Other Seminars and Conferences

NOVEMBER

NOVEMBER 12-14, 2014

Municipal Management Association of Southern California
Annual Conference
San Diego, CA
www.mmasc.org

NOVEMBER 18, 2014

California State Treasurer's Office Local Agency Investment Fund 2014 Conference
Sacramento, CA
www.treasurer.ca.gov

NOVEMBER 18-21, 2014

Council of Development Finance Agencies
National Development Finance Summit
Scottsdale, AZ
<http://cdfa.net>

DECEMBER

DECEMBER 2-5, 2014

Association of California Water Agencies
Fall Conference & Exhibition
San Diego, CA
www.acwa.com

DECEMBER 3-4, 2014

League of California Cities:
Municipal Finance Institute
Location TBD
www.cacities.org

JANUARY

JANUARY 21-23, 2015

California Association of Sanitation Agencies
Winter Conference
Palm Springs, CA
www.casaweb.org

JANUARY 28-29, 2015

California Municipal Treasurers Association
2014 Essentials of Treasury/
Advanced Investment Workshop
Pomona, CA
www.cmta.org

FEBRUARY

FEBRUARY 8-11, 2015

Information Management Network
ABS Vegas 2015
Las Vegas, NV
www.imn.org/main/

FEBRUARY 18-20, 2015

California Society of Municipal Analysts
2015 Annual Conference
Monterey, CA
www.csmfo.org

FEBRUARY 23-25, 2015

California Coalition for Adequate School
Housing 36th Annual Conference
Sacramento, CA
www.cashnet.org

FEBRUARY 25-26, 2015

Association of California Water Agencies
2015 DC Conference
Washington DC
www.acwa.com

MARCH

MARCH 1-3, 2015

The Bond Buyer
National Municipal Bond Summit
Fort Lauderdale, FL
www.bondbuyer.com

MARCH 5-6, 2015

National Association of Bond Lawyers
13th Annual Tax & Securities Law Institute
New Orleans, LA
www.nabl.org

MARCH 6-10, 2015

American Society of Public Administration
Annual Conference
Chicago, IL
www.aspanet.org

SAVE THE DATE

MARCH 8-13, 2015

Securities Industry and Financial
Markets Association
Securities Industry Institute
Philadelphia, PA
www.sifma.org

MARCH 11-13, 2015

Government Investment Officers Association
11th Annual Conference
Las Vegas, NV
www.gioa.us

MARCH 15-18, 2015

Securities Industry and Financial
Markets Association
Compliance and Legal
Society Annual Seminar
Phoenix, AZ
www.sifma.org

MARCH 23-25, 2015

National Association of State Treasurers
Legislative Conference
Washington, DC
www.nast.org

MARCH 30-APRIL 2, 2015

California Association of
School Business Officials
Annual Conference
San Diego, CA
www.casbo.org

APRIL

APRIL 13-16, 2015

Securities Industry and Financial
Markets Association
Operations Conference and Exhibition
San Diego, CA
www.sifma.org

APRIL 15-17, 2015

California Municipal Treasurer's Association
Annual Conference
Irvine, CA
www.cmta.org

APRIL 22, 2015

Government Finance Officers Association
Types of Debt Instruments and
Understanding Refunding Webinar
www.gfoa.org

APRIL 22-24, 2015

National Association of Bond Lawyers
Fundamentals of Municipal Bond Law
Orlando, FL
www.nabl.org

APRIL 28-29, 2015

California Association of Sanitation Agencies
Public Policy Forum
Sacramento, CA
www.casaweb.org

MAY

MAY 5-8, 2015

Association of California Water Agencies
Spring Conference and Exhibition
Sacramento, CA
www.acwa.com

MAY 6-8, 2015

League of California Cities
City Attorneys' Spring Conference
Monterey, CA
www.cacities.org

MAY 12-15, 2015

National Association of State Treasurers
Treasury Management Training Symposium
Kansas City, Missouri
www.nast.org

MAY 12-15, 2015

National Federation of Municipal Analysts
Annual Conference
Las Vegas, NV
www.nfma.org

MAY 19-20, 2015

California Special Districts Association
Legislative Days
Sacramento, CA
www.csda.net

MAY 20, 2015

Financial Industry Regulatory Authority
Annual Conference
Washington D.C.
www.finra.org

MAY 27-28, 2015

California State Association of Counties
Legislative Days
Sacramento, CA
www.counties.org

Organizations may submit information on future educational seminars, meetings, or conferences by contacting CDIAC at 915 Capitol Mall, Room 400, Sacramento, CA 95814, calling (916) 653-3269, faxing (916) 654-7440, or emailing cdiaceducation@treasurer.ca.gov. Publication of announcements is subject to space limitations.

DL