



# Municipal Market Disclosure Information Cover Sheet

---

**This Filing Applies to:**

1. North Natomas Community Facilities District No. 4, City of Sacramento, County of Sacramento, State of California, Special Tax Refunding Bonds, Series F (2015), \$21,110,000, Dated: July 9, 2015  
786071KR0, 786071KS8, 786071KT6, 786071KU3, 786071KV1, 786071KW9, 786071KX7,  
786071KY5, 786071KZ2, 786071LA6, 786071LB4

2. North Natomas Community Facilities District No. 4, City of Sacramento, County of Sacramento, State of California, Special Tax Refunding Bonds, Series E (2013), \$46,075,000, Dated: July 25, 2013  
661253BZ6, 661253CA0, 661253CB8, 661253CC6, 661253CE2, 661253CF9, 661253CG7

---

**TYPE OF FILING:**

If information is also available on the Internet, give URL: [www.dacbond.com](http://www.dacbond.com)

**WHAT TYPE OF INFORMATION ARE YOU PROVIDING? (Check all that apply)****Financial / Operating Data Disclosures****Rule 15c2-12 Disclosure**

- Annual Financial Information & Operating Data (Rule 15c2-12)
- Audited Financial Statements or ACFR (Rule 15c2-12)
- Failure to provide as required

**Additional / Voluntary Disclosure**

- Quarterly / Monthly Financial Information
- Change in Fiscal Year / Timing of Annual Disclosure
- Change in Accounting Standard
- Interim / Additional Financial Information / Operating Data

- Budget
- Investment / Debt / Financial Policy
- Information Provided to Rating Agency, Credit / Liquidity Provider or Other Third Party
- Consultant Reports
- Other Financial / Operating Data

## Event Filing

### Rule 15c2-12 Disclosure

- Principal / Interest Payment Delinquency
- Non-payment Related Default
- Unscheduled Draw on Debt Service Reserve Reflecting Financial Difficulties
- Unscheduled Draw on Credit Enhancement Reflecting Financial Difficulties
- Substitution of Credit or Liquidity Provider, or Its Failure to Perform
- Adverse Tax Opinion or Event Affecting the Tax-exempt Status of the Security
- Modification to the Rights of Security Holders
- Bond Call
- Defeasance
- Release, Substitution or Sale of Property Securing Repayment of the Security
- Rating Change

#### S&P Upgrades Rating

- Tender Offer / Secondary Market Purchases
- Merger / Consolidation / Acquisition and Sale of All or Substantially All Assets
- Bankruptcy, insolvency, receivership or similar event
- Successor, Additional or Change in Trustee
- Failure to Provide Event Filing Information as Required
- Financial Obligation - Incurrence and Agreement
- Financial Obligation - Event Reflecting Financial Difficulties

### Additional / Voluntary Disclosure

- Amendment to Continuing Disclosure Undertaking
- Change in Obligated Person
- Notice to Investor Pursuant to Bond Documents
- Communication From the Internal Revenue Service
- Bid For Auction Rate or Other Securities
- Capital or Other Financing Plan
- Litigation / Enforcement Action
- Change of Tender Agent, Remarketing Agent or Other On-going Party
- Derivative or Other Similar Transaction
- Other Event-based Disclosures

## **Asset-Backed Securities Filing**

### **Additional / Voluntary Disclosure**

- Initial Asset-Backed Securities Disclosure (SEC Rule 15Ga-1(c)(1))
- Quarterly Asset-Backed Securities Disclosure (SEC Rule 15Ga-1(c)(2)(i))
- Annual Asset-Backed Securities Disclosure (SEC Rule 15Ga-1(c)(2)(ii))
- Other Asset-Backed Securities Disclosure (e.g. notice of termination of duty to file reports pursuant to SEC Rule 15Ga-1(c)(3))

### **Disclosure Dissemination Agent Contact:**

Name: DAC

Address: 315 East Robinson Street  
Suite 300

City: Orlando

State: FL

Zip Code: 32801-1674

Telephone: 407 515 - 1100

Fax: 407 515 - 6513

Email Address: emmaagent@dacbond.com

Relationship to Issuer: Dissemination Agent

### **Authorized By:**

Name: Claudia Lara

Title: Debt Analyst

Entity: Sacramento, CA, City of Sacramento

**Digital Assurance Certification**

## Filing Certificate

---

**DAC transmitted the Rating Change to EMMA/SID (if applicable) on behalf of Sacramento, CA, City of Sacramento under their SEC Rule 15c2-12 Continuing Disclosure Agreement.**

Transmission Details: P11243510

---

Date & Time Stamp:	12/14/2022
Document:	Rating Change: S&P Upgrades Rating
DAC Bond Coversheet:	Yes
Transmitted to:	MSRB-EMMA
Total CUSIPs associated with this Filing:	18
Filing made on Series:	2015F, 2013E

**Codes:** P (Prerefunded), R (Refunded), U (Unrefunded), E (Escrowed), A (Advance Refunding), D (Defeased), T (Tendered), V (Derivatives), UD (Undetermined), NLO (No Longer Outstanding)

**Red:** Original CUSIPs - filing missed · **Blue:** Non-Original CUSIPs - filing missed · **Green:** Outstanding CUSIPs - filing made · **Black:** Inactive CUSIPs

---

1. Issue: North Natomas Community Facilities District No. 4, City of Sacramento, County of Sacramento, State of California, Special Tax Refunding Bonds, Series F (2015), \$21,110,000, Dated: July 9, 2015

CUSIP: 786071KR0, 786071KS8, 786071KT6, 786071KU3, 786071KV1, 786071KW9, 786071KX7, 786071KY5, 786071KZ2, 786071LA6, 786071LB4

No missing CUSIPs for this bond issue

2. Issue: North Natomas Community Facilities District No. 4, City of Sacramento, County of Sacramento, State of California, Special Tax Refunding Bonds, Series E (2013), \$46,075,000, Dated: July 25, 2013

CUSIP: 661253BZ6, 661253CA0, 661253CB8, 661253CC6, 661253CE2, 661253CF9, 661253CG7

No missing CUSIPs for this bond issue

---

**EVENT NOTICE PURSUANT TO S.E.C. RULE 15c2-12  
RATING CHANGE**

Dated: December 14, 2022

NOTICE IS HEREBY GIVEN that on December 14, 2022, Standard & Poor's Global Ratings ("S&P") upgraded the following ratings:

- North Natomas Community Facilities District No. 4, Special Tax Refunding Bonds, Series E (2013) credit rating to "A-" from "BBB+", with a stable outlook.
- North Natomas Community Facilities District No. 4, Special Tax Refunding Bonds, Series F (2015) credit rating to "A-" from "BBB+", with a stable outlook.

The ratings report from S&P is attached.

City of Sacramento



\_\_\_\_\_  
Brian Wong  
Debt Manager

Attachment: S&P Ratings Report

# RatingsDirect®

---

## Summary:

# North Natomas Community Facilities District No. 4, California; Special Assessments

### Primary Credit Analyst:

Malcolm Simmons, Chicago +1 3122337081; malcolm.simmons@spglobal.com

### Secondary Contact:

Amahad K Brown, Dallas + 1 (214) 765 5876; amahad.brown@spglobal.com

## Table Of Contents

---

Credit Highlights

Outlook

Related Research

## Summary:

# North Natomas Community Facilities District No. 4, California; Special Assessments

### Credit Profile

North Natomas Comnty Facs Dist No. 4 rev rfdg bnds

*Long Term Rating*

A-/Stable

Upgraded

### Credit Highlights

- S&P Global Ratings raised its long-term rating to 'A-' from 'BBB+' on North Natomas Community Facilities District (CFD) No. 4, Calif.'s special tax bonds.
- The outlook is stable.
- The rating change reflects our view of the district's nearly built-out development status and improved taxpayer concentration, including the ability to withstand the permanent delinquency of its top 10 taxpayers while making full and timely debt service payments.

### Security

Revenue from special taxes collected from parcels within the district secures the bonds. The CFD is divided into four tax zones, each of which levies special taxes to pay its allocated share of debt service, administrative expenses and other permissible uses. The bonds require a reserve funded at a level equal to the least of 100% of maximum annual debt service, 125% of average annual debt service, or 10% of the original par. The lien is closed, except for bond issued for refunding purposes.

### Credit overview

Located in northern Sacramento, the North Natomas CFD No. 4 has a large assessment area encompassing nearly 1,900 developable acres and 8,986 parcels. The district's economic fundamentals are stable, with our assessment anchored by adequate incomes, average unemployment, and above-average historical real estate market volatility. However, the largely residential district is nearly built out, with little taxpayer concentration and no material exposure to underdeveloped parcels. For fiscal 2023, the district's top 10 taxpayers comprise about 10% of the special tax levy. While assessed value growth in the district has contributed to an improved value-to-lien ratio (19x), we still view the value-to-lien position as adequate, reflecting moderately leveraged parcels within the district. We note that the value-to-lien ratio includes overlapping debt.

Our financial profile assessment includes the expectation of limited excess coverage, with special tax revenues projected to provide about 1.1x coverage of estimated annual debt service. While regional and macroeconomic trends could weaken in the face of a potential U.S. recession in 2023, we believe that collection rates in the district will remain relatively stable, particularly given strong regional demand for housing and the presence of fully developed property. In addition, CFD No. 4's participation in the county's Teeter Plan serves as an additional mitigating factor for any

short-term volatility in collections.

For more information on S&P Global Ratings' special assessment ratings in California, please see "U.S. Local Government Credit Brief: California Special Assessment Districts" (published Jan. 28, 2022, on RatingsDirect).

Key credit factors include the district's:

- Adequate economic fundamentals, characterized by adequate incomes, average unemployment, and stable population growth, but somewhat offset by elevated historical home price volatility;
- Strong district characteristics, including a large and mature assessment base with little taxpayer concentration and an adequate value-to-lien ratio; and
- Adequate financial profile, characterized by a maximum loss-to-maturity ratio of 17%, availability of a debt service reserve, and an ability to withstand the permanent loss of its top 10 taxpayers.

### **Environmental, social, and governance**

We view environmental risk as somewhat elevated given the region's exposure to various physical risks including drought, flood risk, and seismic events. However, we believe that strong state building codes substantially mitigate seismic risks. Additionally, we note that the city of Sacramento continues to work with other state stakeholders to improve levees located in and around the Natomas Basin to mitigate flood risks. We view social and governance risks as neutral.

## **Outlook**

The outlook reflects our expectation that special tax collection rates will remain stable, supporting the district's ability to make fully and timely debt service payments over the near term.

### **Downside scenario**

We could lower the rating if the local economy experiences significant housing volatility, higher unemployment rates, and rising delinquency rates, pressuring its ability to make full and timely debt service payments.

### **Upside scenario**

All else equal, we could raise the rating if the district's economic fundamentals remain resilient through the expected economic downturn period and districtwide leverage metrics continue to improve relative to those of higher-rated peers.

## **Related Research**

Through The ESG Lens 3.0: The Intersection Of ESG Credit Factors And U.S. Public Finance Credit Factors, March 2, 2022

Certain terms used in this report, particularly certain adjectives used to express our view on rating relevant factors, have specific meanings ascribed to them in our criteria, and should therefore be read in conjunction with such criteria. Please see Ratings Criteria at [www.standardandpoors.com](http://www.standardandpoors.com) for further information. Complete ratings information is available to subscribers of RatingsDirect at [www.capitaliq.com](http://www.capitaliq.com). All ratings affected by this rating action can be found on S&P Global Ratings' public website at [www.standardandpoors.com](http://www.standardandpoors.com). Use the Ratings search box located in the left column.





Copyright © 2022 by Standard & Poor's Financial Services LLC. All rights reserved.

No content (including ratings, credit-related analyses and data, valuations, model, software or other application or output therefrom) or any part thereof (Content) may be modified, reverse engineered, reproduced or distributed in any form by any means, or stored in a database or retrieval system, without the prior written permission of Standard & Poor's Financial Services LLC or its affiliates (collectively, S&P). The Content shall not be used for any unlawful or unauthorized purposes. S&P and any third-party providers, as well as their directors, officers, shareholders, employees or agents (collectively S&P Parties) do not guarantee the accuracy, completeness, timeliness or availability of the Content. S&P Parties are not responsible for any errors or omissions (negligent or otherwise), regardless of the cause, for the results obtained from the use of the Content, or for the security or maintenance of any data input by the user. The Content is provided on an "as is" basis. S&P PARTIES DISCLAIM ANY AND ALL EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE, FREEDOM FROM BUGS, SOFTWARE ERRORS OR DEFECTS, THAT THE CONTENT'S FUNCTIONING WILL BE UNINTERRUPTED OR THAT THE CONTENT WILL OPERATE WITH ANY SOFTWARE OR HARDWARE CONFIGURATION. In no event shall S&P Parties be liable to any party for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses (including, without limitation, lost income or lost profits and opportunity costs or losses caused by negligence) in connection with any use of the Content even if advised of the possibility of such damages.

Credit-related and other analyses, including ratings, and statements in the Content are statements of opinion as of the date they are expressed and not statements of fact. S&P's opinions, analyses and rating acknowledgment decisions (described below) are not recommendations to purchase, hold, or sell any securities or to make any investment decisions, and do not address the suitability of any security. S&P assumes no obligation to update the Content following publication in any form or format. The Content should not be relied on and is not a substitute for the skill, judgment and experience of the user, its management, employees, advisors and/or clients when making investment and other business decisions. S&P does not act as a fiduciary or an investment advisor except where registered as such. While S&P has obtained information from sources it believes to be reliable, S&P does not perform an audit and undertakes no duty of due diligence or independent verification of any information it receives. Rating-related publications may be published for a variety of reasons that are not necessarily dependent on action by rating committees, including, but not limited to, the publication of a periodic update on a credit rating and related analyses.

To the extent that regulatory authorities allow a rating agency to acknowledge in one jurisdiction a rating issued in another jurisdiction for certain regulatory purposes, S&P reserves the right to assign, withdraw or suspend such acknowledgment at any time and in its sole discretion. S&P Parties disclaim any duty whatsoever arising out of the assignment, withdrawal or suspension of an acknowledgment as well as any liability for any damage alleged to have been suffered on account thereof.

S&P keeps certain activities of its business units separate from each other in order to preserve the independence and objectivity of their respective activities. As a result, certain business units of S&P may have information that is not available to other S&P business units. S&P has established policies and procedures to maintain the confidentiality of certain non-public information received in connection with each analytical process.

S&P may receive compensation for its ratings and certain analyses, normally from issuers or underwriters of securities or from obligors. S&P reserves the right to disseminate its opinions and analyses. S&P's public ratings and analyses are made available on its Web sites, [www.standardandpoors.com](http://www.standardandpoors.com) (free of charge), and [www.ratingsdirect.com](http://www.ratingsdirect.com) (subscription), and may be distributed through other means, including via S&P publications and third-party redistributors. Additional information about our ratings fees is available at [www.standardandpoors.com/usratingsfees](http://www.standardandpoors.com/usratingsfees).

STANDARD & POOR'S, S&P and RATINGSDIRECT are registered trademarks of Standard & Poor's Financial Services LLC.