



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

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
- 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

Rating Affirmed and Assigned

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:

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Suite 300

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Relationship to Issuer: Dissemination Agent

Certification Authorized By:

/s/ Claudia Lara

Name: Claudia Lara

Title: Debt Analyst

Entity: Sacramento, CA, City of Sacramento

Digital Assurance Certification

Filing Certificate

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

Transmission Details: P11284372

Date & Time Stamp:	08/25/2023
Document:	Other Event-based Disclosures: Rating Affirmed and Assigned
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

- 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
 - 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
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**ADDITIONAL (VOLUNTARY) DISCLOSURE
RATING AFFIRMED AND ASSIGNED**

Dated: August 24, 2023

NOTICE IS HEREBY GIVEN that on August 23, 2023, Standard & Poor's Global Ratings ("**S&P**") affirmed the following rating:

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

and assigned the following rating:

- North Natomas Community Facilities District No. 4, Special Tax Refunding Bonds, Series G (2023) credit rating "A-" 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:

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Summary:

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

Credit Profile

US\$26.51 mil special tax rfdg bnds ser 2023 G dtd 10/11/2023 due 09/01/2033

<i>Long Term Rating</i>	A-/Stable	New
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North Natomas Comnty Facs Dist No. 4 rev rfdg bnds

<i>Long Term Rating</i>	A-/Stable	Affirmed
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Credit Highlights

- S&P Global Ratings assigned its 'A-' long-term rating to North Natomas Community Facilities District (CFD) No. 4, Calif.'s proposed \$26.51 million series 2023 special tax refunding bonds, series G.
- At the same time, S&P Global Ratings affirmed its 'A-' long-term rating on the district's outstanding special tax obligations.
- The outlook is stable.

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.

We note that while the series G bonds' annual costs are allocated among all tax zones, the series F bonds' annual costs are 100% attributed to tax zone IB. Annual costs include debt service, administrative expenses, replenishment of the bond reserve fund, delinquencies for the previous fiscal year plus those anticipated in the current fiscal year, and any pay-as-you-go expenditures in such fiscal year.

The bonds require a reserve funded at a level equal to the least of 100% of the maximum annual debt service, 125% of average annual debt service, or 10% of the original par. The lien is closed, except for the bonds issued for refunding purposes. Proceeds of the series 2023G bonds will be used to refinance the 2013E bonds.

Credit overview

Located in northern Sacramento, North Natomas CFD No. 4 covers nearly 1,900 developable acres and 8,968 parcels. The district's economic fundamentals have improved marginally in some areas over the last fiscal year but have remained relatively stable. Our assessment is inclusive of adequate incomes, average unemployment, and above-average historical real estate market volatility.

The largely residential district is nearly built out and has very little taxpayer concentration. In addition, management reports room for future growth, citing developable land within the CFD. For fiscal 2023, the district's top 10 taxpayers

comprise about 10% of the special tax levy. We consider the district's overall value-to-lien (VTL) ratio (20x) to be adequate, primarily reflecting an outsized amount of overlapping debt in the area.

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. 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, thereby mitigating the potential impact of an economic downturn. Also, 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 our special assessment ratings, see "U.S. Local Government Credit Brief: California Special Assessment Districts," published Jan. 28, 2022, on RatingsDirect.

Key credit factors include our view of 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 and a very strong VTL ratio, somewhat offset by the taxpayer concentration at 10%; and
- Adequate financial profile, characterized by a maximum loss-to-maturity (MLTM) 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.

In addition, 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

We could raise the rating if the authority's financial profile strengthens or if the district's economic fundamentals and districtwide leverage metrics continue to improve toward levels comparable with 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 for further information. Complete ratings information is available to subscribers of RatingsDirect at www.capitaliq.com. All ratings affected by this rating action can be found on S&P Global Ratings' public website at www.standardandpoors.com. Use the Ratings search box located in the left column.

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