



Municipal Market Disclosure Information Cover Sheet

This Filing Applies to:

1. Sacramento City Financing Authority, Special Tax Refunding Revenue Bonds (Westlake and Regency Park), 2013 Series A, \$23,525,000, Dated: January 29, 2013
785852AM6, 785852AN4, 785852AP9, 785852AQ7, 785852AR5

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

S&P Upgrades Rating with Stable Outlook - 2013 Special Tax Refunding Bonds (Westlake & Regency Park)

- 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))

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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: P21361942

Date & Time Stamp: 04/13/2024

Document: Rating Change: S&P Upgrades Rating with Stable Outlook - 2013 Special Tax Refunding Bonds (Westlake & Regency Park)

DAC Bond Coversheet: Yes

Transmitted to: MSRB-EMMA

Total CUSIPs associated with this Filing: 5

Filing made on Series: 2013A

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: Sacramento City Financing Authority, Special Tax Refunding Revenue Bonds (Westlake and Regency Park), 2013 Series A, \$23,525,000, Dated: January 29, 2013

CUSIP: **785852AM6, 785852AN4, 785852AP9, 785852AQ7, 785852AR5**

No missing CUSIPs for this bond issue

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

Dated: April 12, 2024

NOTICE IS HEREBY GIVEN that on April 12, 2024, Standard & Poor's Global Ratings ("**S&P**") upgraded the long-term rating to A from A- with a stable outlook for the Sacramento City Financing Authority 2013 Special Tax Refunding Bonds (Westlake and Regency Park), Series A.

The ratings report from S&P is attached.

City of Sacramento



Brian Wong
Debt Manager

Attachment: S&P Ratings Report

RatingsDirect®

Summary:

Sacramento City Financing Authority, California; Special Assessments

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Summary:

Sacramento City Financing Authority, California; Special Assessments

Credit Profile

Sacramento City Fincg Auth (Sacramento CFD #2000-01 & 2001-03 (Westlake & Regency Park)) spl tax rev rfdg bnds		
<i>Long Term Rating</i>	A/Stable	Upgraded
Sacramento City Fincg Auth (Sacramento CFD #2000-01 & 2001-03 (Westlake & Regency Park)) spl tax (AGM)		
<i>Unenhanced Rating</i>	A(SPUR)/Stable	Upgraded

Many issues are enhanced by bond insurance.

Credit Highlights

- S&P Global Ratings raised its long-term rating and underlying rating to 'A' from 'A-' on Sacramento City Financing Authority's series 2013A special tax refunding revenue bonds, issued for Sacramento Community Facilities Districts (CFD) No. 2000-01 and 2001-03 (Westlake and Regency Park).
- The outlook is stable.
- The rating action reflects the overall strengthening of the Westlake CFD's district characteristics, supported by lower taxpayer concentration, higher value-to-lien (VTL) position, and fully built-out status. The rating action also reflects our view that Westlake CFD's credit quality is now on par with that of Regency Park CFD.

Security

The bonds constitute special obligations of the districts, secured and payable from an annual special tax levied on and collected from the parcels within CFD No. 2000-01 (Westlake) and CFD No. 2001-03 (Regency Park), and to the extent necessary, amounts in certain funds and accounts held under the districts' respective indentures. The special taxes are levied according to the respective rate and method of apportionment approved by the city of Sacramento.

Revenue from the series 2013A special tax refunding bonds is pooled by the authority--pursuant to the Mark-Roos Joint Exercise of Powers Act financing structure--to pay debt service on the authority's bonds. There is no cross-collateralization between the individual local obligations, and two individual debt service reserves are established at the local-obligation level to protect against annual delinquencies. There is no authority-level debt service reserve fund. The bonds require a reserve funded at a level equal to the least of the standard three-prong test of 100% of maximum annual debt service (MADS), 125% of average annual debt service, or 10% of the original par amount. As of fiscal 2023, the cash-funded reserve funds had about \$840,000 (Westlake) and \$1.5 million (Regency Park). The liens are closed at both the CFD and authority levels except for refunding purposes.

The rating is based on the weak-link analysis of the two districts; however, we view the districts' credit quality as on par with each other, so the rating reflects the credit quality of both Westlake and Regency Park. Westlake will make its final debt service payment in 2026 and Regency Park will be the sole district paying the final two years of debt service to maturity in 2028.

Credit overview

Located in Sacramento County in the northern area of the city of Sacramento (known as North Natomas), the CFDs are sizeable and fully built-out, with a residential tax base and little taxpayer concentration, which we believe supports credit quality. Westlake CFD's special assessment base has diversified in recent years, with the top taxpayer representing 2% of the total special assessment levy as of fiscal 2024. Regency Park CFD's top taxpayer concentration remains low at 3%. The Westlake CFD consists of 1,503 taxable parcels and the Regency Park CFD consists of 2,277 taxable parcels. Residents have access to regional employment centers throughout the county and in the Sacramento-Roseville-Arden Arcade MSA, which we consider broad and diverse. Residents' income levels and the unemployment rate mirror the U.S. average. Our economic assessment remains somewhat constrained, given regional exposure to above-average home price volatility. We believe the CFDs' characteristics support credit quality, with overall value-to-lien (VTL) positions that we view as strong (at least 28x), reflecting a tax base that has only a small portion of highly leveraged parcels.

Our opinion of the financial profile considers the transaction's limited coverage structure, which is based on state law that limit the levy increase on residential properties to 10% above the amount that would have been levied if the increase was due to delinquencies or defaults. The CFDs are not permitted to issue additional parity debt, except for refundings. Despite elevated inflation and interest rates, we expect collection rates will remain stable, as housing demand has remained strong.

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 districts':

- Adequate economic fundamentals, characterized by adequate incomes, participation in a broad and diverse metropolitan statistical area (MSA), and low foreclosure and delinquency rates in combination with historically elevated home price volatility relative to the state and the U.S. and real estate affordability ratios that compare less favorably with the nation;
- Strong district characteristics that include overall large size, low concentration among top assessment payers, and built-out status of development with all properties sold to end users, for each district; and
- Adequate financial profile, characterized by adequate maximum loss to maturity (MLTM) and adequate ability to withstand the permanent loss of the top 10 taxpayers, albeit with bond provisions that provide lower coverage relative to their similarly rated peers.

Environmental, social and governance

We view environmental risk as somewhat elevated, given the region's exposure to various physical risks, including droughts, floods, seismic events, and, to a lesser extent, wildfires. We think California's strong building codes serve to substantially mitigate risk of material tax-base effects associated with seismic activity. In addition, we believe the city's participation in the region's Sacramento Area Flood Control Agency, which is working to provide at least a 100-year level of flood protection, achieve urban standard 200-year flood protection, and ensure the structural integrity of the levee system, mitigates flood risk. We consider social and governance factors neutral.

Outlook

The stable outlook also reflects our expectation that the districts' characteristics will remain steady given its built-out status and low taxpayer concentration, and that delinquency rates will likely remain low.

Downside scenario

If delinquencies rise relative to peers, causing pressure on the maximum loss to maturity stress ratio, we could lower the rating.

Upside scenario

While unlikely, we could raise the rating if the districts' economic metrics improved materially from higher income levels and improved affordability metrics.

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.spglobal.com/ratings for further information. Complete ratings information is available to RatingsDirect subscribers at www.capitaliq.com. All ratings affected by this rating action can be found on S&P Global Ratings' public website at www.spglobal.com/ratings.

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