



City Council Staff Report

Subject: Community Facilities District No. 10 (Whitney Ranch) Refunding Series 2015 and 2019 Special Tax Bonds

Date: September 23, 2025

Submitted By: Megan Bressem, Management Analyst
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Department: Administrative Services - Finance

Recommendation:

Adopt a Resolution of the City Council of the City of Rocklin Authorizing the Issuance of 2025 Special Tax Bonds and Directing Related Actions to Refund the Whitney Ranch Community Facilities District No. 10 2015 and 2019 Bond Issuances.

Background:

On March 22, 2005, the City Council adopted Resolution No. 2005-81, forming Community Facilities District No. 10 (CFD 10) to fund infrastructure for the development of Whitney Ranch. Subsequently, Resolution No. 2005-84 authorized up to \$60 million in bonds. It was anticipated the bonds would be issued in phases to help fund the phases of Whitney Ranch infrastructure development. A development agreement for Whitney Ranch was also approved during this same timeframe along with a Reimbursement/Acquisition Agreement.

In 2005, the City issued \$25 million in CFD 10 bonds to fund Phase One of Whitney Ranch backbone infrastructure. In 2015, the City issued \$27.09 million in CFD 10 bonds to refund the 2005 bonds and provide \$6.3 million in new bond proceeds in order to fund construction of additional backbone infrastructure within Whitney Ranch Phase Two. In 2019, the City issued \$16 million in CFD 10 bonds to fund construction of additional backbone infrastructure within Whitney Ranch. Most recently, in 2022, the City issued \$13.6 million in CFD 10 bonds to fund construction of additional backbone infrastructure within Whitney Ranch.

The bonds issued in 2015 and 2019 are now eligible to be refinanced without a prepayment penalty. Given current interest rates, the City can realize interest cost savings by refinancing the outstanding amount of these bond issues through the issuance of 2025 CFD 10 bonds. A portion of the cash flow savings is achieved by releasing the cash funded debt service reserve fund and using a reserve surety (insurance policy) to facilitate a debt service reserve fund for the refinancing bonds. It is estimated that the 2025 CFD 10 bonds will carry a 14-year term and provide for approximately \$375,000 in new project fund proceeds from the release of cash funded debt service reserve funds for the City to acquire certain facilities in Whitney Ranch. After issuance of the 2025 bonds, there will remain approximately \$2 million of bond

authorization that can be utilized in the future for public improvements. It is anticipated that the refunding of the 2015 Bonds and 2019 Bonds will generate approximately \$1.56 million in net present value savings, or 4.8% of refunded par, to homeowners within the special district.

When a CFD is formed, a “Rate and Method of Apportionment of Special Tax” (RMA) is created. The RMA sets a per-parcel maximum special tax with an annual inflation factor and establishes the last year the special taxes may be levied. The RMA for CFD 10 provides that the annual maximum special tax can escalate annually at a rate not to exceed 2%, and the last fiscal year to levy the special taxes is 2050/2051. Currently, CFD 10 special taxes are being levied at approximately 70% of the maximum tax and are expected to remain at that approximate level.

In addition to these maximum special tax limitations, the City adopted policies and procedures for land-secured financings, including CFDs (Resolution No. 2005-112). Within this policy, it is required that, for residential property, the maximum annual debt service for the expected financing, together with all other charges collected or to be collected on the annual tax bill for each developed parcel, shall not exceed two percent (2%) of such parcel’s assessed value. Currently homes in CFD 10 have an estimated median combined tax levy for all purposes of under 1.8% of assessed valuation.

In accordance with Government Code Section 5852.1, the following information has been obtained and disclosed to the City Council prior to the issuance of the bonds:

- (i) the estimated true interest cost of the bonds (being the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for the bonds) is 4.0%,
- (ii) the estimated finance charge of the bonds (being the sum of all fees and charges paid to third parties, including bond insurance and surety provider) is \$733,673,
- (iii) the estimated proceeds of the bonds expected to be received, net of proceeds for finance charges in (ii) above to be paid from the principal amount of the bonds and any reserves or capitalized interest paid or funded with bonds is approximately \$33,016,718, and
- (iv) the estimated total payment of the bonds (being the sum of debt service plus finance to be paid to final maturity, plus any financing costs not paid from proceeds of the 2025 CFD 10 bonds) is \$40,126,425.

This information is based on good-faith estimates provided by the financing team with market conditions as of August 20, 2025.

Staff recommends the City Council adopt a resolution authorizing the issuance of the 2025 special tax bonds to refund the 2015 and 2019 bond issuances for the purposes of realizing savings to homeowners, reimbursing the developer for outstanding improvement costs, and releasing and replacing the reserve funds with a surety bond. Adopting the resolution (Attachment 1), will allow for related actions that are necessary to complete the financial transaction, including the approval of the Preliminary Official Statement of the 2025 bonds (Attachment 2), the Supplemental Agreement No. 3 to Fiscal Agent Agreement (Attachment 3), and the Bond Purchase Agreement (Attachment 4).

Fiscal Impact:

There is no direct fiscal impact to the General Fund from the staff recommendation. Refunding the 2015 and 2019 Series special tax bond issuances will result in approximately \$1.56 million in net present value savings to homeowners within the special district.

ATTACHMENTS:

1. [Resolution](#)
2. [Preliminary Official Statement](#)
3. [Supplemental Agreement No. 3 to Fiscal Agent Agreement](#)
4. [Bond Purchase Agreement](#)