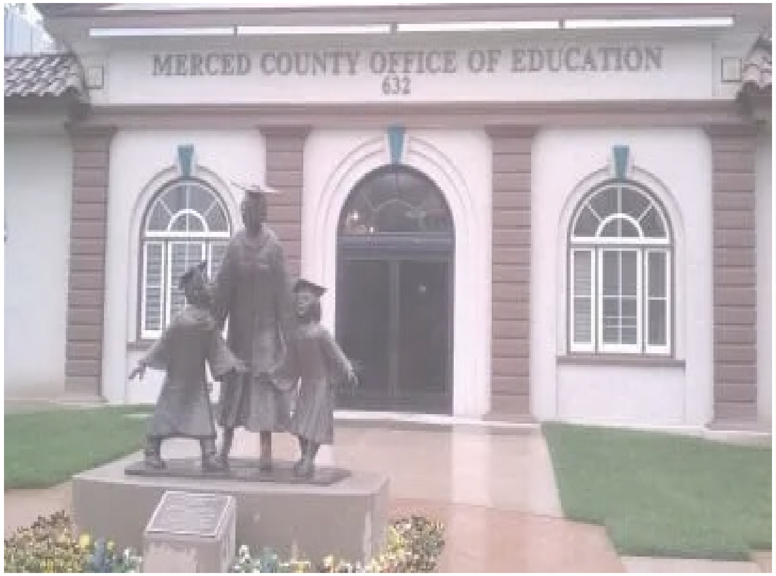

MERCED COUNTY Office of Education
NURTURE • SERVE • LEAD
Steve M. Tietjen, Ed.D.
County Superintendent of Schools

Funding Option for Critical Infrastructure

For

Virgina Smith Trust (VST) Development

VST
VIRGINIA SMITH TRUST

July 20, 2026

FIELDMAN
EXPERIENCE | INTEGRITY | SERVICE

Process

1

Formation of Joint Powers Authority (JPA)

- Merced County Board of Education
- City of Merced
- Other?

2

Formation of Community Facilities District

- Resolution of Intention
- Resolution of Formation
- Second Reading of Ordinance

3

CFD Bond Sales

- Resolution of Issuance as development takes place

Infrastructure Needs

School

- Fund Charter School

City

- Fund Transportation Fees
- Fund Sewer Collection Fees
- Fund Water Fees
- Fund Treatment Plant Fees

Infrastructure Broken out into Two Tiers

Tier 1

- Charter School
- Transportation

Tier 2

- Sewer Collection
- Water
- Treatment Plant

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JPA and Debt Obligations

- Local governments may establish a JPA to jointly exercise common powers; JPA may exercise statutory powers, including forming a CFD.

- MCOE and other public agencies, including the City, are authorized by the California JPA Act to establish a JPA.

- CFDs can levy special taxes and issue bonds to finance improvements owned by the JPA's members, including MCOE and the City.

JPA examples

- Examples of current JPAs:
  - ✓ Hemet USD and CFD No. 2004-1
  - ✓ Riverside USD and Western Municipal Water District
  - ✓ Temecula Valley USD and CFD No. 2000-1
  - ✓ William S Hart Union High School District and CFD No. 88-4
  - ✓ Castaic Union SD and Saugus Union SD
  - ✓ Rio Bravo Greeley Union SD, Norris SD, and Rosedale Union SD
  - ✓ City of Tustin and Tustin Housing Authority
  - ✓ Jurupa USD and CFD No. 10
  - ✓ Golden Valley USD and CFD No. 2017-1
  - ✓ Moreno Valley USD and CFD No. 2004-5
  - ✓ Corona-Norco USD and CFD No. 88-1
  - ✓ Fullerton SD and CFD No. 2000-1
  - ✓ Perris Union HSD and CFD No. 91-1
  - ✓ Menifee USD and CFD No. 94-1
  - ✓ Romoland SD and CFD No. 91-1
  - ✓ Murrieta Valley USD and CFD No. 90-1
  - ✓ Redevelopment Agency of the City of San José and the City of San José

Benefits of CFDs

Office of Ed and City

- ❖ Fund much needed facilities
- ❖ Assist with development
- ❖ Bridge funding gap
- ❖ Specified area
- ❖ Bond Financing
- ❖ Surplus special taxes

DEVELOPERS

- ❖ Better marketability
- ❖ Lower costs to develop/ build
- ❖ Taxes tied to the property

HOMEOWNERS

- ❖ Newer infrastructure
- ❖ Lower purchase price
- ❖ Taxes tied to the property
- ❖ Pay only when one owns the property

5-Step CFD Formation Process

1. Landowner Petition
2. Resolution of Intention
3. CFD Report
4. Public Hearing & Landowner Election
5. Resolution of Formation /Ordinance

Bond Authorization Process

VST Project Information

❖ Projected Development:

- ✓ 4,063 total units, 2,689 in Phase 1 and 1,375 in Phase 2
- ✓ Square Footage Range: 750-3,250
- ✓ Average Price Point: $350,000-698,750*
- ✓ Special Tax Range: $585 - $2,100*

Maximum Total Funding		Funding based on Project Fund with 1.50% Effective Tax Rate		Funding based on Project Fund with 1.60% Effective Tax Rate		Funding based on Project Fund with 1.70% Effective Tax Rate	
		Funded	**Unfunded**	**Funded**	**Unfunded**	**Funded**	**Unfunded**
Tier 1 Funding	$37,000,000	$37,000,000	$0	$37,000,000	$0	$37,000,000	$0
Tier 2 Funding	$58,697,957	$9,514,157	$49,183,800	$29,561,571	$29,136,386	$49,577,920	$9,120,037
Total	**$95,697,957**	**$46,514,157**	**$49,183,800**	**$66,561,571**	**$29,136,386**	**$86,577,920**	**$9,120,037**

**Preliminary; subject to change.*