

# Presentation for the City of Fresno

## BOLD Program



# The BOLD Program

## What is the BOLD Program and why is it being offered?

- Bond Opportunities for Land Development (BOLD) is a financing program offered by the California Municipal Financing Authority (CMFA) that allows for the financing of public infrastructure and impact fees for development projects.
- Any public agency can participate in the BOLD program, which offers low-cost, tax-exempt financing for development projects.
- To facilitate the program, Community Facilities Districts (CFDs) will be formed, managed and administered by CMFA, and minimal public agency efforts will be required in the process. The formation of a CFD will not necessitate the issuance of bonds or payment of debt service until a project is ready to issue debt.
- A CFD may be formed for a project with bonds issued at a later time when it best meets the project's development timeline.
- Bonds will be issued at multiple times throughout the year and may include more than one CFD, offering the advantage and option of low-cost, pooled financing.



# The BOLD Program

## Community Facilities District Basics

Under the BOLD Program, CMFA will create Community Facility Districts to finance eligible improvements and local agency fees.

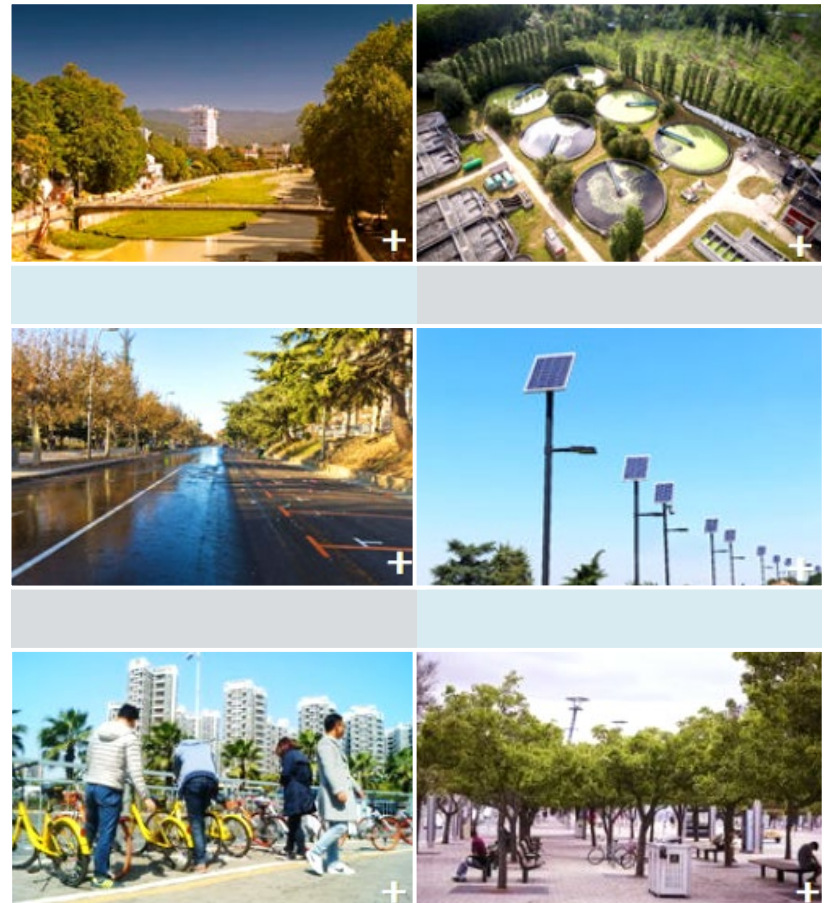
Eligible improvements are extremely flexible and include:

- Streets and Sidewalks
- Sewer and Water Treatment Capacity
- Water and Sewer Lines
- Flood Control
- Parks
- Open Space
- Street Lighting
- School Facilities

Additionally, the BOLD Program allows for the financing of fees, including:

- City and Fees or County Fees (may require agreement)
- School Fees (requires an agreement with the school district)
- Special District (requires agreement)

The BOLD Program also allows for the ongoing funding of services.



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# The BOLD Program

## Local Agency Requirements

- A Local Agency is required to become a Member of CMFA (CMFA Membership is free)
- Local Agency may have a consultant review the financing plan to ensure that it meets with the Local Agency's Goals and Policies
- The Local Agency adopts a Resolution consenting to use BOLD (**Sample Resolutions are available from Jones Hall**)



- Jones Hall will approve the eligibility of improvements and fees based on consultation with Local Agency
- An acquisition agreement will be executed between the Local Agency and CMFA to reimburse the developer for public improvements and/or fees
- The Local Agency will accept completed improvements and/or fees, and requisition of funds

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# The BOLD Program

## Local Agency Benefits

- 1
  - Outsourcing of the CFD and formation and bond issuance process
    - Limited local agency participation
- 2
  - No cost to join the program and any administrative costs that are borne by the local agency are reimbursed
- 3
  - Tax bills reflect CMFA and not the local agency name
- 4
  - No ongoing continuing disclosure requirement (unlike if local agency issued bonds)
- 5
  - Local Agency Council actions limited to Joining CMFA, joining BOLD and approving acquisition agreement
- 6
  - Bond documents and actions all undertaken by CMFA
- 7
  - Provides funding source for new public improvements and impact fees
- 8
  - BOLD team conducts detailed review of Developer payment requests and administers disbursement of CFD bond proceeds upon obtaining local agency approvals
- 9
  - In the case of default no liability to the local agency

# The BOLD Program

## Minimum Requirements to Participate:



- **Minimum size of \$500,000**
- **Required deposit to pay for formation of the CFD**
- **While a CFD can be formed, bond issuance will typically need to meet the following conditions:**
  - Project must have all discretionary development entitlements
  - Tax burden (including all other taxes) cannot exceed 2% of the estimated value of the home
  - Value of the property must be at least 4 times the bond lien and other overlapping debt
  - Project must meet the goals and policies of the local jurisdiction

# The BOLD Program

## CFD Formation Steps

- Developer submits application for their project to participate in BOLD
  - An Application for the program is available as a PDF document that can be filled out and submitted to CMFA online.
- BOLD team works with applicant and local agencies to determine which facilities and impact fees are eligible to be funded with tax-exempt bond proceeds or, if needed, taxable bonds
  - Tax-exemption - Fees must be used on eligible capital projects and be expended within 3 years
- Local Agency agrees to approve the project's participation in BOLD
  - Local Agency does not issue debt or provide ongoing administration and continuing disclosure documents

**Developer provides deposit to CMFA to pay for formation of the CFD**

**Special tax consultant drafts the Rate and Method of Apportionment and prepares CFD boundary map**

**CFDs are established by CMFA and special taxes are billed in CMFA's name**

**Formation proceedings are conducted by CMFA**

**Public hearing and landowner vote are conducted by CMFA**

**CFDs can be formed in as little as 3 months**

# The BOLD Program

## Bond Issuance Steps

- Once the CFD is formed and special tax is authorized to be levied, Bonds can be issued

- Bonds can be issued shortly after CFD formation or after an extended period of time depending on needs of project and status of development

- Bonds for larger CFDs may be issued on a stand-alone basis

- Most smaller CFDs (in terms of units and amount borrowed) will be issued as part of a Pooled Bond Funding Program – bonds for multiple CFDs issued through a single bond issue

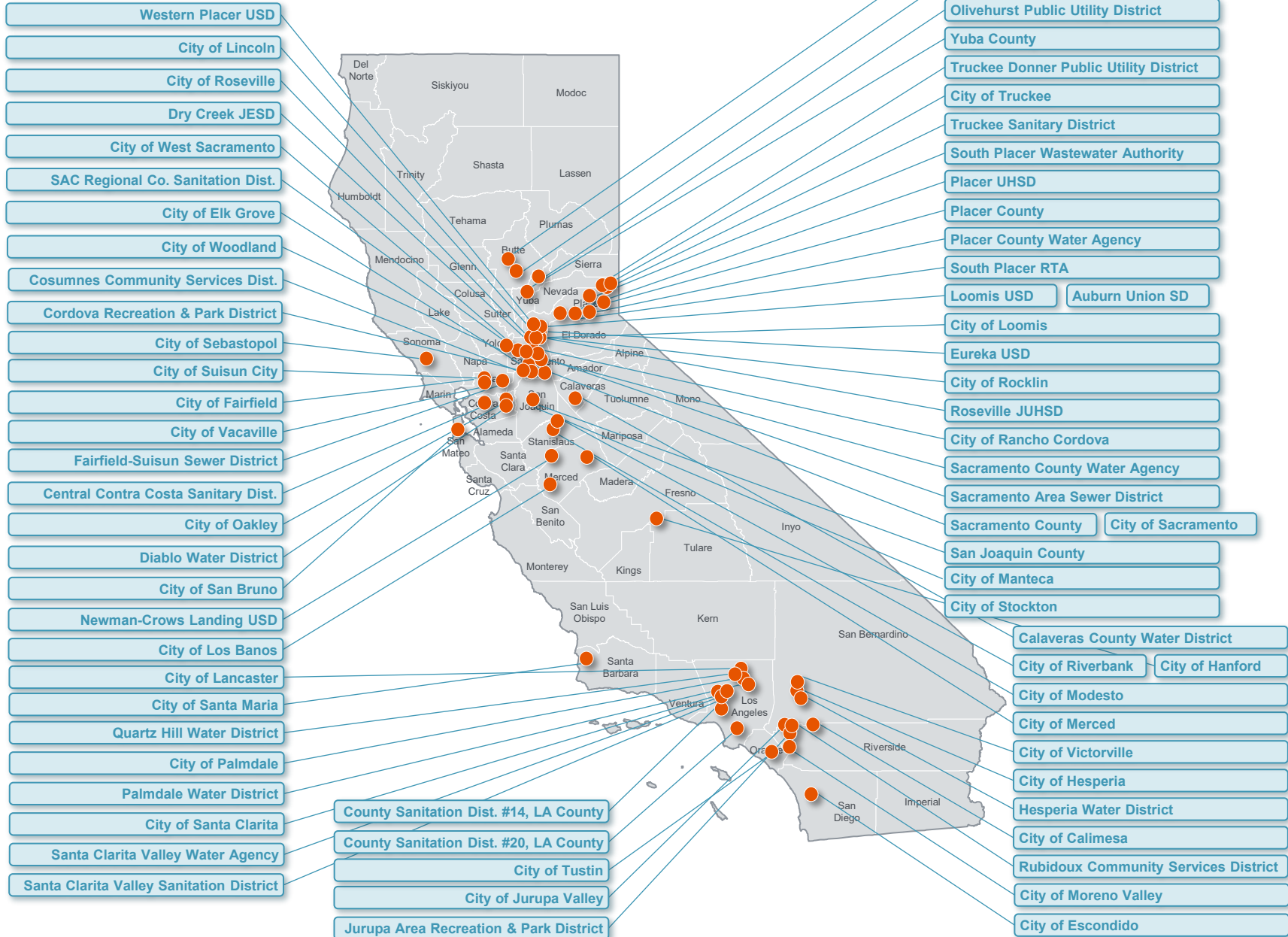
- CMFA authorizes the sale of the bonds and issues bonds upon request

- CMFA approves Bond and disclosure documents

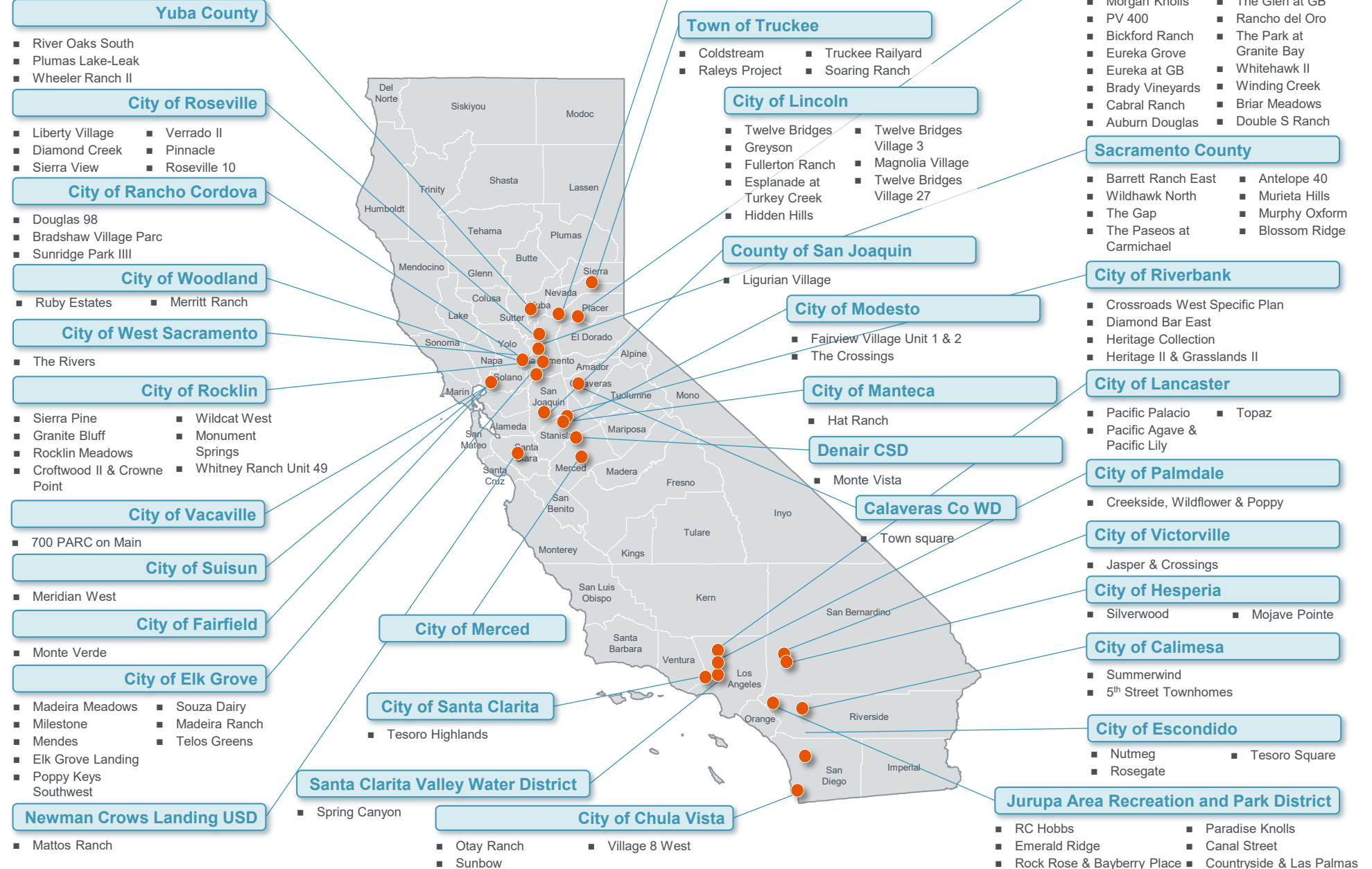
- Bonds are marketed and sold to investors by Piper Sandler

- Financing is closed and funds are delivered to pay infrastructure costs and impact fees

# Authorized Jurisdictions



# Developer Projects



# The BOLD Program

## Summary

- BOLD has been underway for 8 years
- Cost-effective and timely alternative to provide CFD financing for smaller projects
  - Flexibility on special tax rates and structure; no benefit finding required
  - Ability to fund school fees
- Multiple local governments throughout California have approved the use of BOLD.
  - Understanding of impact fees that can and cannot be funded with tax-exempt bond proceeds – streamlining the application approval process
- Through December 2025:
  - **77 local agencies** have approved the use of BOLD Program
  - **113 Community Facilities Districts** throughout the State have been formed under the Program
  - **\$675 million** in bonds have been issued for **70+ separate projects**, financing improvements for a total of 12,000+ housing units.
    - 21 Pooled Financings
    - 24 Standalone Financings
- In 2026:
  - **2 local agencies** have approved the use of BOLD Program
  - **2 CFDs** formed and **17 CFDs** under formation
  - **9 Bond Financings** expected to be priced in 2026 - 3 Pooled and 6 Standalone financings