

THE LAUNCH REPORT

2Q21 NEWSLETTER

IN THIS ISSUE:
TEXAS INFRASTRUCTURE FINANCING SOLUTIONS; RCLCO & LAUNCH
TOP 50 SELLING MPC FINANCING RESULTS

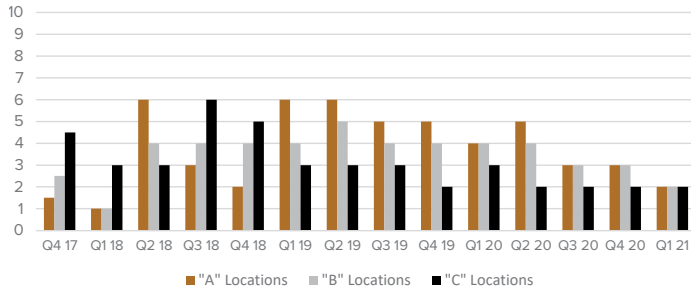




RESIDENTIAL LAND SURVEY - CA - SACRAMENTO, BAY AREA, LOS ANGELES (1Q21)

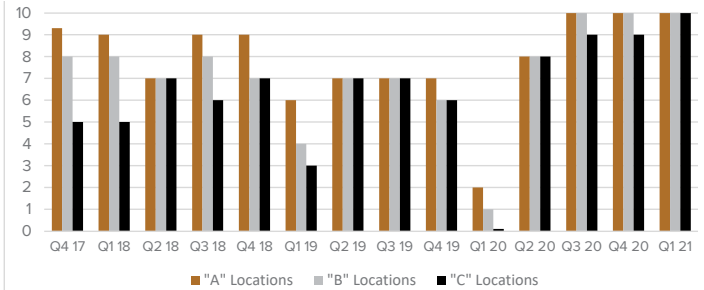
Note: At the time of publication, CA updated 2Q21 tables were not available.

Sacramento Supply of Finished Lots



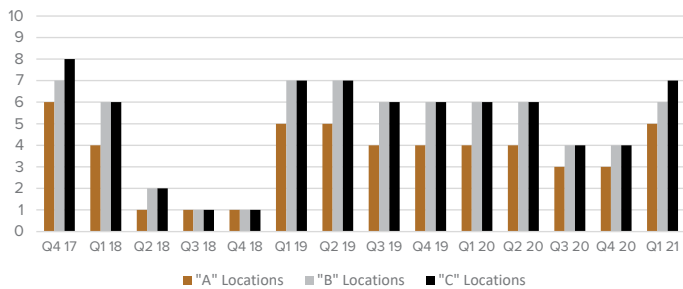
Source: Land Advisors Organization

Sacramento Demand of Finished Lots



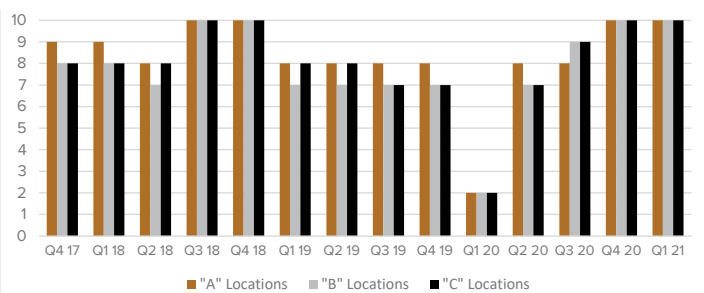
Source: Land Advisors Organization

Bay Area Supply of Finished Lots



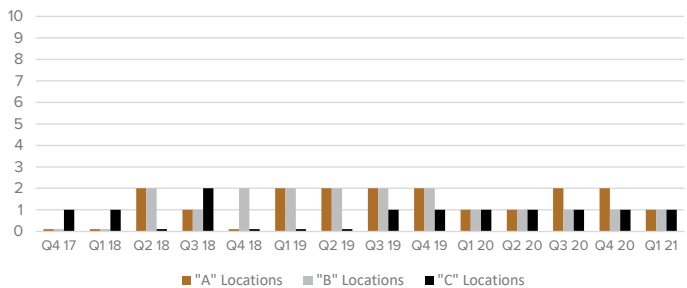
Source: Land Advisors Organization

Bay Area Demand of Finished Lots



Source: Land Advisors Organization

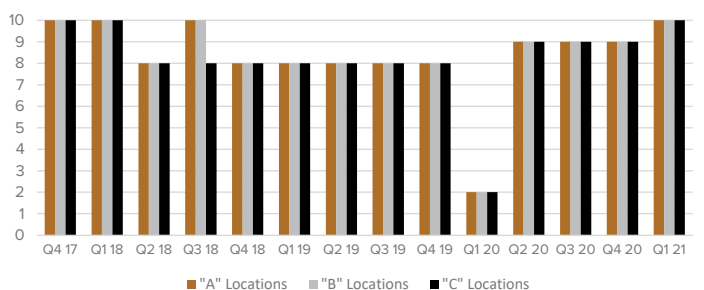
Los Angeles Supply of Finished Lots



Source: Land Advisors Organization

^^^Los Angeles Infill does not track FLVs

Los Angeles Demand of Finished Lots

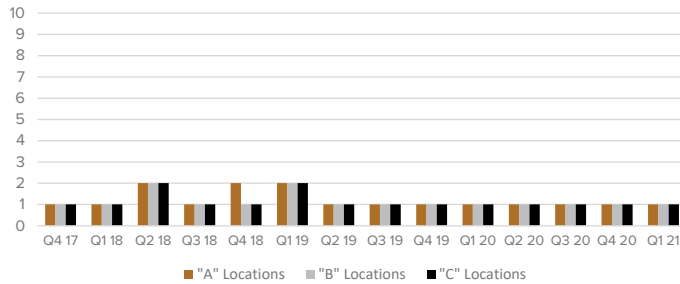


Source: Land Advisors Organization



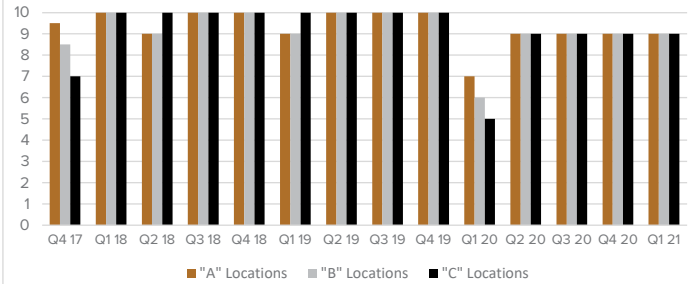
RESIDENTIAL LAND SURVEY - CA - ORANGE COUNTY, RIVERSIDE, SAN DIEGO (1Q21)

Orange County Supply of Finished Lots



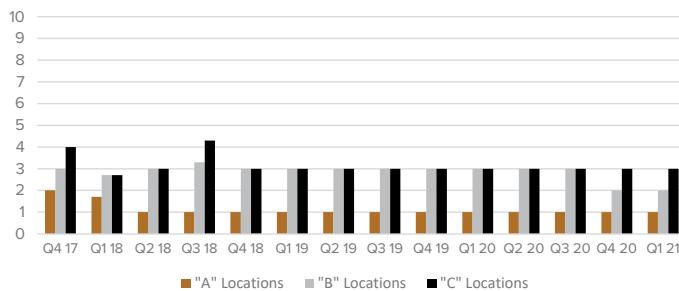
Source: Land Advisors Organization
^^^ OC has only started tracking FLV as of Q3 2019.

Orange County Demand of Finished Lots



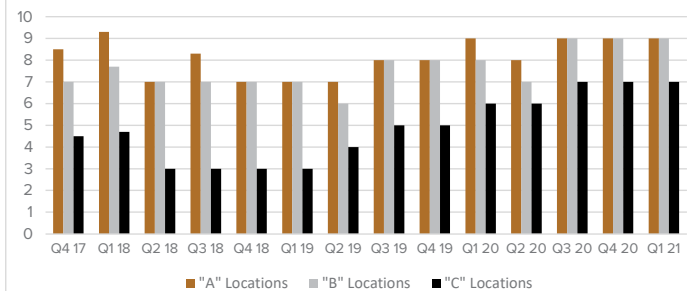
Source: Land Advisors Organization

Riverside Supply of Finished Lots



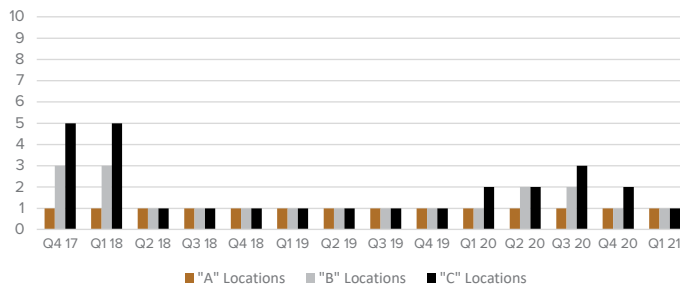
Source: Land Advisors Organization

Riverside Demand of Finished Lots



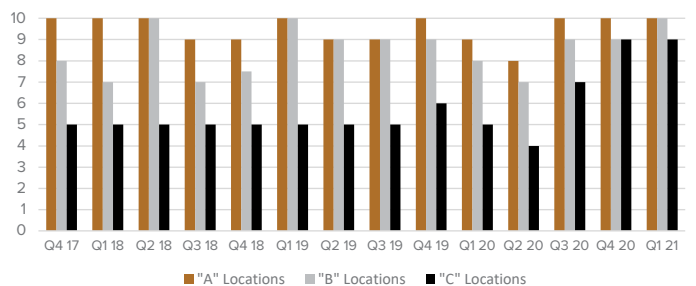
Source: Land Advisors Organization

San Diego Supply of Finished Lots



Source: Land Advisors Organization

San Diego Demand of Finished Lots

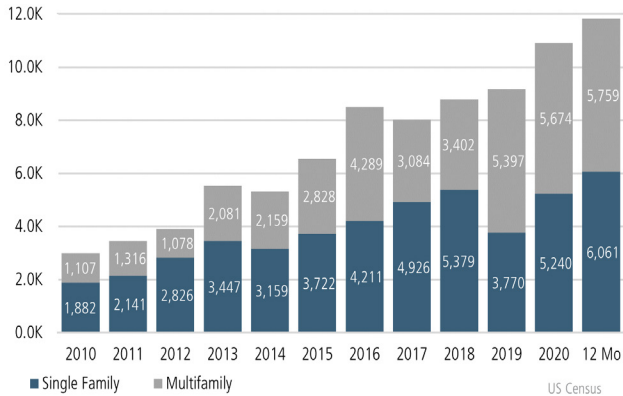


Source: Land Advisors Organization

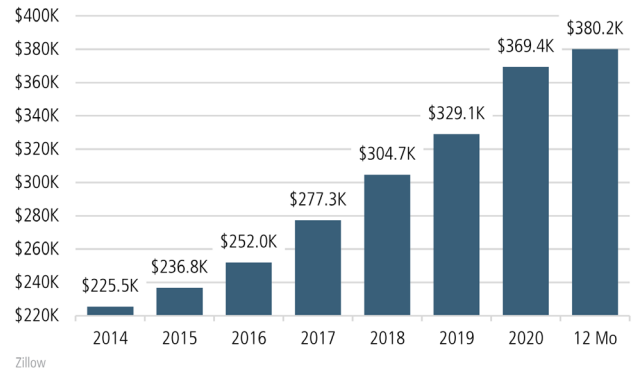


MARKETS AT A GLANCE - UTAH, BOISE, LAS VEGAS (2Q21)

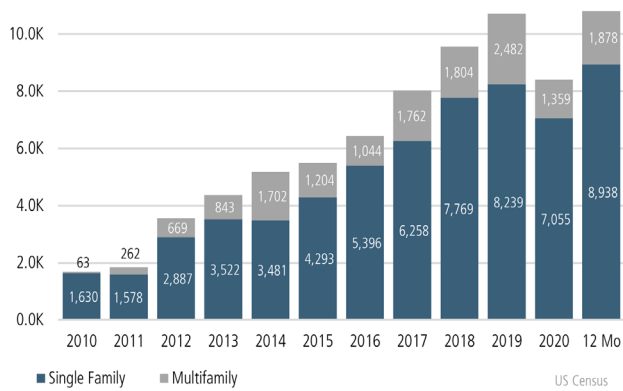
Utah Single Family & Multi-Family Permits



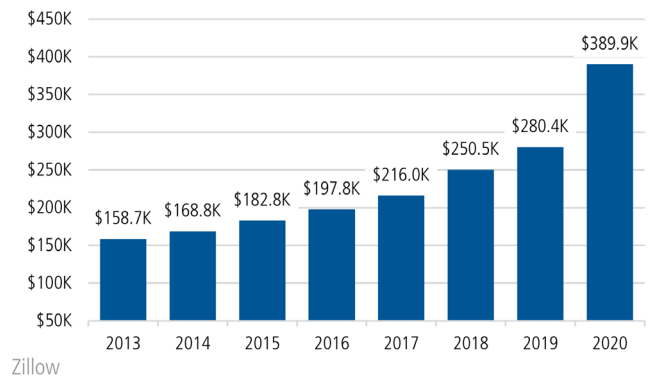
Utah Median Price New & Existing Homes



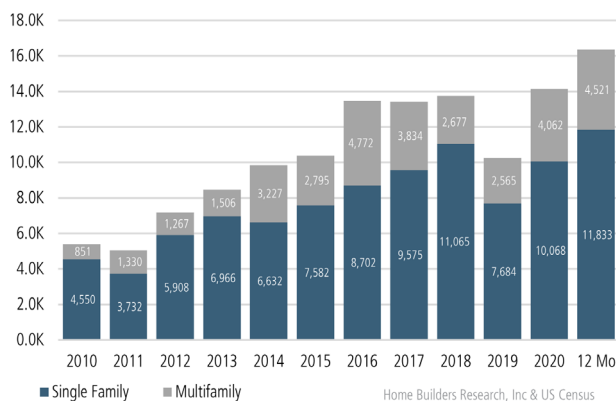
Boise Single Family & Multi-Family Permits



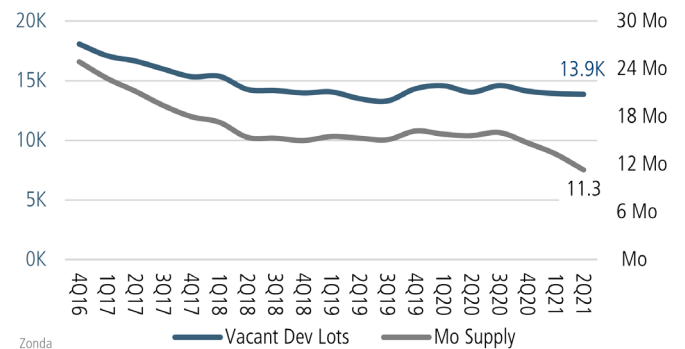
Boise Median Price New & Existing Homes



Las Vegas Single Family & Multi-Family Permits



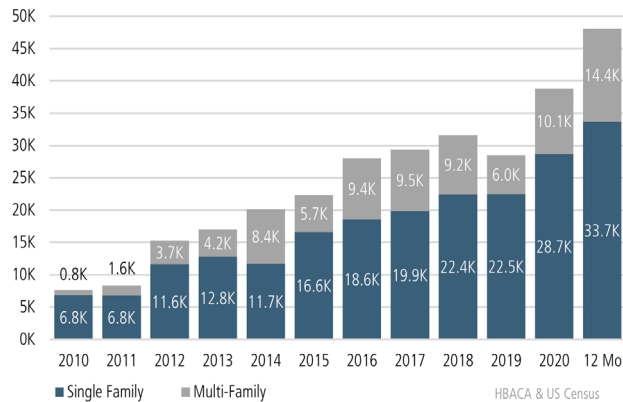
Las Vegas Vacant Development Lot Supply



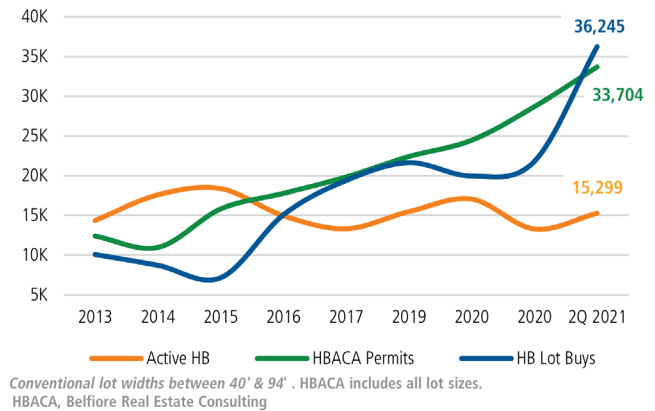


MARKETS AT A GLANCE - PHOENIX, RENO, TUCSON (2Q21)

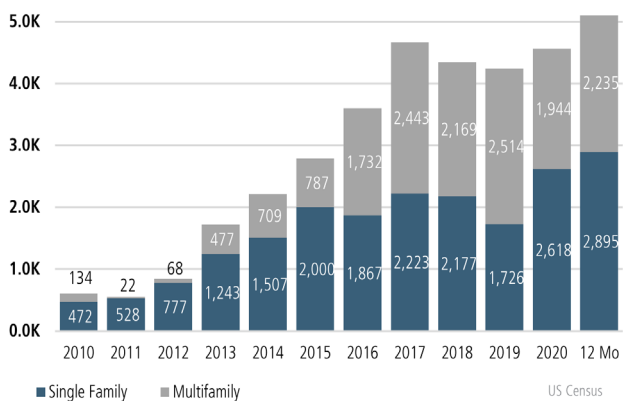
Phoenix Single Family & Multi-Family Permits



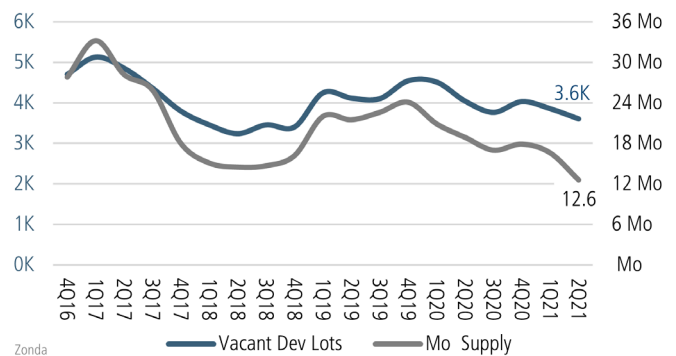
Phoenix Finished Lot Inventory vs. Permits



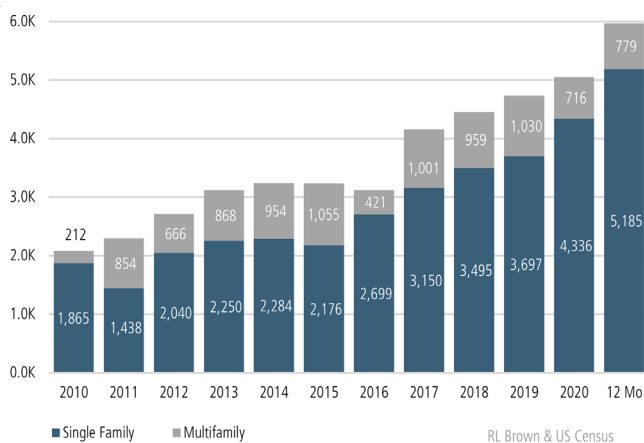
Reno Single Family & Multi-Family Permits



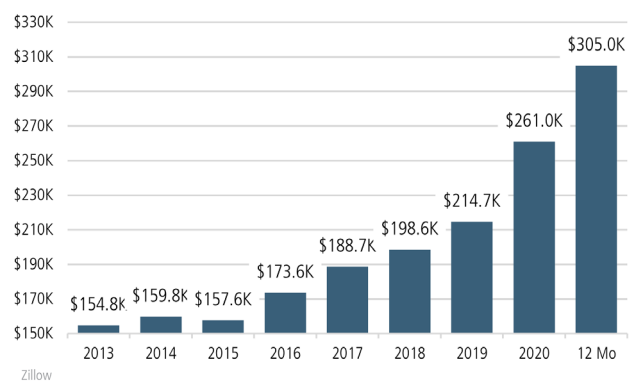
Reno New Vacant Developed Lots & Months Supply



Tucson Single Family & Multi-Family Permits



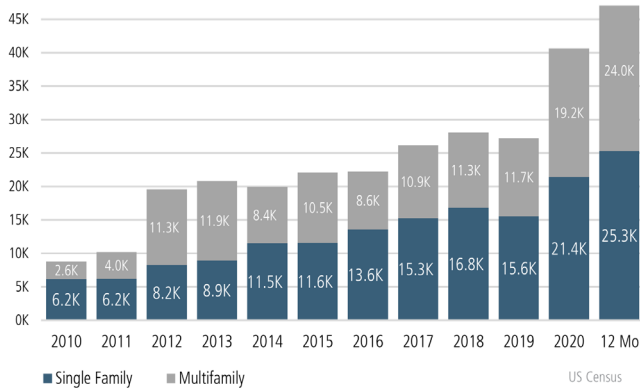
Tucson Median Price New & Existing Homes



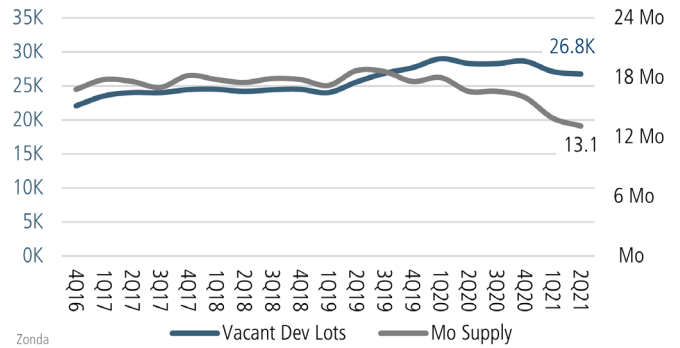


MARKETS AT A GLANCE - AUSTIN, HOUSTON, DALLAS (2Q21)

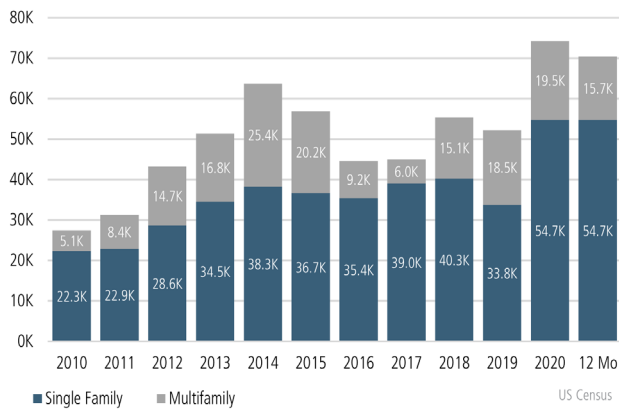
Austin Single Family & Multi-Family Permits



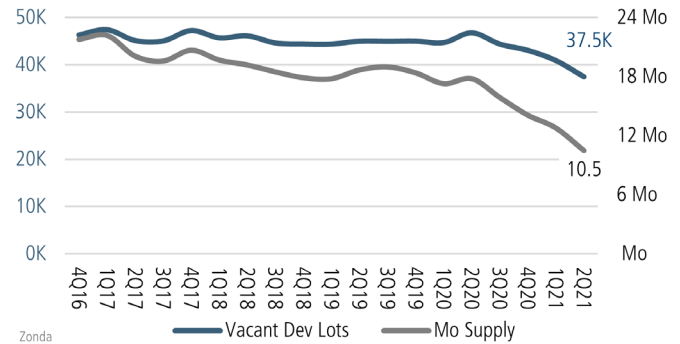
Austin Vacant Developed Lot Supply



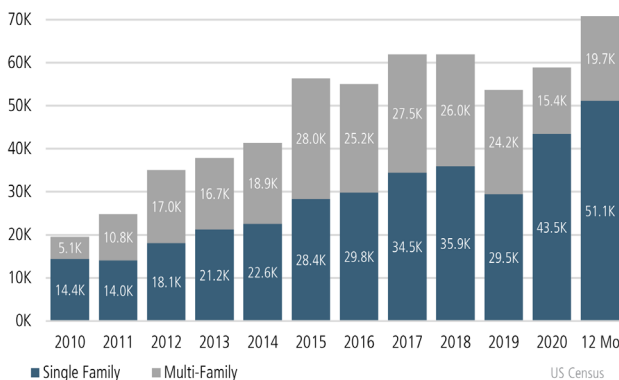
Houston Single Family & Multi-Family Permits



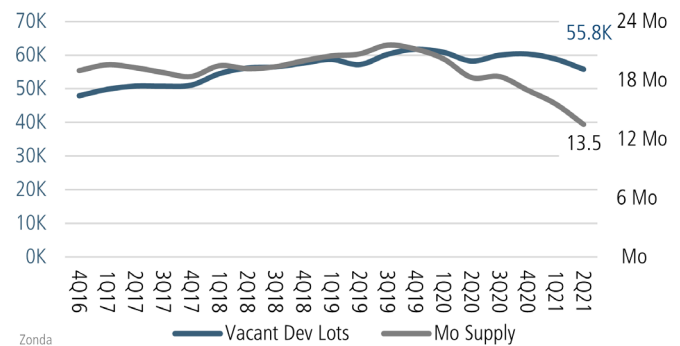
Houston Vacant Developed Lot Supply



Dallas Single Family & Multi-Family Permits



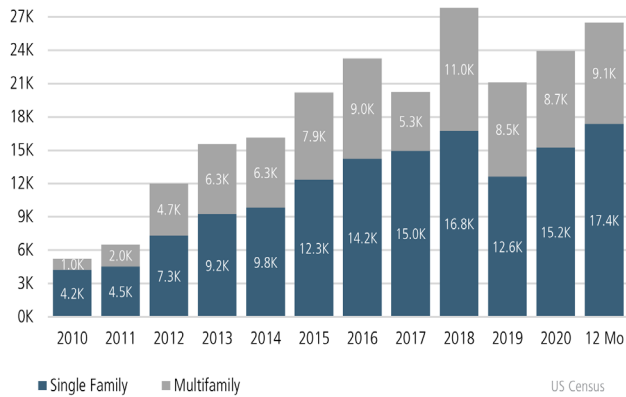
Dallas Vacant Developed Lot Supply



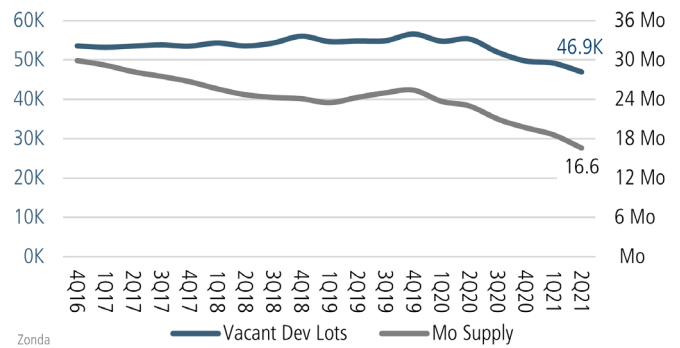


MARKETS AT A GLANCE - ORLANDO, TAMPA, CHARLOTTE (2Q21)

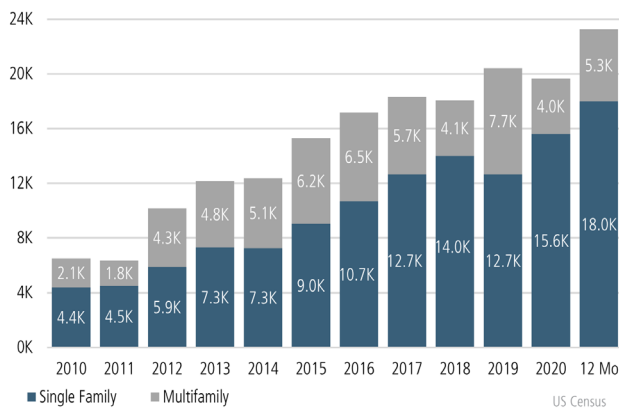
Orlando Single Family & Multi-Family Permits



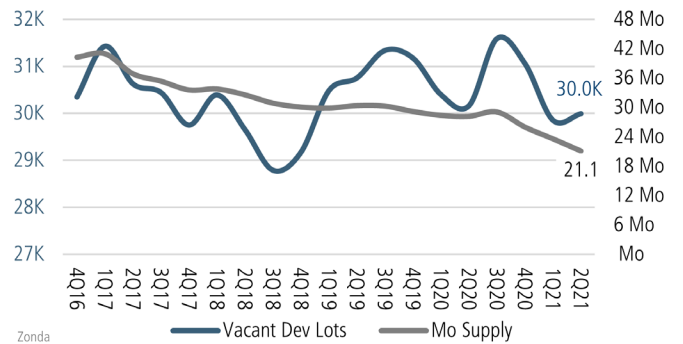
Orlando Vacant Developed Lot Supply



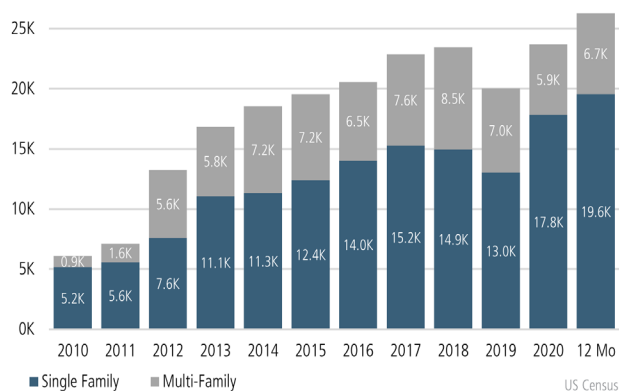
Tampa Single Family & Multi-Family Permits



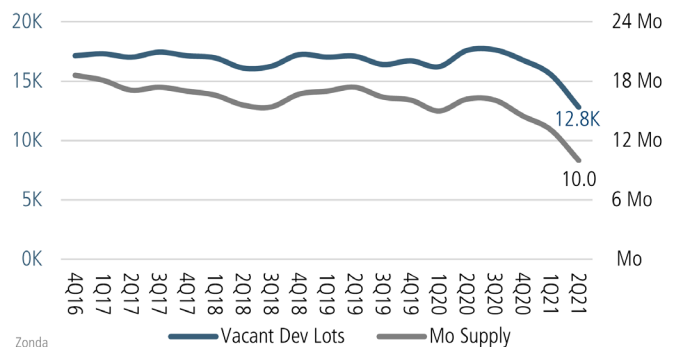
Tampa Vacant Developed Lot Supply



Charlotte Single Family & Multi-Family Permits



Charlotte Vacant Developed Lot Supply





Guest Corner - Texas Infrastructure Financing Solutions

By Misty Ventura / Carter Froelich

In this issue's Guest Corner, we are trying something different. We have imbedded the July 29th, 2021 Web-X presented by Carter Froelich, Launch's Managing Principal and Misty Ventura, a founding partner of [Shupe Ventura, PLLC](#) one of Texas' leading law firms involved with land entitlements and special districts.

The topic of the presentation was "Infrastructure Financing Solutions for Texas Developers and Home Builders – Opportunities / Landmines".

We trust that you will find this presentation informative.

To discuss financing strategies for your Texas project contact Carter Froelich at carter@launch-dfa.com or Misty Ventura at misty.ventura@svlandlaw.com.



How Are The Top MPC's Financing Infrastructure - Mid Year 2021?

By Pam Giss

[RCLCO Real Estate Advisors](#) has published their Mid-Year 2021 Top Selling Master Planned Communities Report ("Report") and the professionals at Launch Development Finance Advisors have updated our financing matrix to illustrate how these top selling communities are financing their infrastructure.

As illustrated on the next page, 94 percent or 47 of the 50 communities shown in the Report utilize some type of public financing mechanism to finance their public infrastructure costs. The 47 communities that are using public financing constitute 94 percent of the total home sales within the top selling master planned communities; demonstrating the importance of special taxing districts to access long term, low interest financing for master planned community development.



THE 50 TOP-SELLING MASTER-PLANNED COMMUNITIES INFRASTRUCTURE FINANCING MECHANISMS

MID-YEAR 2021



Rank	MPC (1)	MSA (City, State) (1)	Units Sold	Public Financing / District (Y/N)	Special District Financing Metrics (2)					
					Sample Avg. Home Price	Sample Annual Prop. Tax (excluding District)	Sample Annual District Tax Payment (calc)	Sample Annual Total Property Taxes (calc)	Est. Prop. Tax as % of Sample Home Price (calc)	Est. Net Const. Proceeds for Sample Lot
1	Lakewood Ranch	North Port-Sarasota-Bradenton (Sarasota, FL)	1,535	Y	\$739,900	\$9,141	\$4,756	\$13,897	1.88%	\$54,103
2	The Villages*	The Villages (The Villages, FL)	1,226	Y	\$434,250	\$5,309	\$1,679	\$6,988	1.61%	\$23,513
3	Summerlin	Las Vegas-Henderson-Paradise (Las Vegas, NV)	962	Y	\$477,365	\$3,957	\$766	\$4,723	0.98%	\$8,784
4	Cane Bay Plantation	Charleston-North Charleston (Charleston, SC)	574	N						
5	Wellen Park (formerly West Villages)	North Port-Sarasota-Bradenton (Venice, FL)	534	Y	\$410,600	\$7,170	\$1,569	\$8,739	2.13%	\$19,301
6	Valley Vista	Las Vegas-Henderson-Paradise (North Las Vegas, NV)	506	Y	\$300,000	\$3,520	\$567	\$4,087	1.36%	\$7,276
7	Ontario Ranch	Riverside-San Bernardino-Ontario (Ontario, CA)	501	Y	\$550,000	\$8,247	\$1,292	\$9,539	1.73%	\$23,466
8	Great Park Neighborhoods	Los Angeles-Long Beach-Anaheim (Irvine, CA)	467	Y	\$1,533,000	\$16,119	\$7,395	\$23,514	1.53%	\$83,374
9	Mission Ridge**	El Paso (El Paso, TX)	466	Y	\$250,000	\$5,850	\$1,100	\$6,950	2.78%	\$16,070
9	RainDance	Greeley (Windsor, CO)	466	Y	\$400,000	\$2,448	\$1,233	\$3,681	0.92%	\$15,921
11	Inspirada	Las Vegas-Henderson-Paradise (Las Vegas, NV)	460	Y	\$300,000	\$3,582	\$1,188	\$4,770	1.59%	\$14,127
12	Balmoral	Houston-The Woodlands-Sugar Land (Houston, TX)	458	Y	\$330,889	\$2,460	\$2,614	\$5,074	1.53%	\$47,585
13	Cadence (3)	Las Vegas-Henderson-Paradise (Henderson, NV)	440	Y	\$339,723	\$3,033	\$1,686	\$4,719	1.39%	\$38,143
14	Bridgeland	Houston-The Woodlands-Sugar Land (Cypress, TX)	433	Y	\$290,000	\$1,442	\$1,755	\$3,196	1.10%	\$26,843
15	On Top of the World	Ocala (Ocala, FL)	425	Y	\$175,000	\$2,612	\$553	\$3,164	1.81%	\$7,200
16	Latitude Margaritaville	Deltona-Daytona Beach-Ormond Beach (Daytona Beach, FL)	415	N						
17	Tamarron	Houston-The Woodlands-Sugar Land (Katy, TX)	407	Y	\$355,000	\$5,825	\$1,917	\$7,742	2.18%	\$32,046
18	Viera	Palm Bay-Melbourne-Titusville (Melbourne, FL)	406	Y	\$350,000	\$3,958	\$217	\$4,175	1.19%	\$3,020
19	Lake Nona	Orlando-Kissimmee-Sanford (Orlando, FL)	405	Y	\$350,000	\$3,564	\$482	\$4,046	1.16%	\$5,610
20	Sierra Vista/Sterling Lakes	Houston-The Woodlands-Sugar Land (Arcola, TX)	397	Y	\$280,000	\$7,890	\$1,288	\$9,178	3.28%	\$24,818
21	Nocatee	Jacksonville (Ponte Vedra, FL)	385	Y	\$558,600	\$7,587	\$2,450	\$10,037	1.80%	\$28,800
22	Verrado	Phoenix-Mesa-Scottsdale (Buckeye, AZ)	376	Y	\$325,000	\$2,903	\$644	\$3,547	1.09%	\$8,707
23	Skye Canyon	Las Vegas-Henderson-Paradise (Las Vegas, NV)	375	Y	\$350,000	\$4,015	\$633	\$4,648	1.33%	\$7,788
24	Ave Maria	Naples-Immokalee-Marco Island (Ave Maria, FL)	371	Y	\$300,000	\$4,017	\$1,941	\$5,958	1.99%	\$25,442
25	Babcock Ranch	Punta Gorda (Punta Gorda, FL)	370	Y	\$375,000	\$6,362	\$1,484	\$7,846	2.09%	\$20,529
26	Sienna	Houston-The Woodlands-Sugar Land (Missouri City, TX)	344	Y	\$350,000	\$5,046	\$2,240	\$7,286	2.08%	\$37,445
27	Epperson	Tampa-St. Petersburg-Clearwater (Wesley Chapel, FL)	342	Y	\$290,000	\$4,627	\$1,544	\$6,170	2.13%	\$17,462
28	Latitude Margaritaville - Hilton Head	Hilton Head Island-Bluffton-Beaufort (Hardeeville, SC)	331	Y	\$400,000	\$5,822	\$101	\$5,923	1.48%	\$1,386
29	Nexton	Charleston-North Charleston (Charleston, SC)	325	Y	\$400,000	\$2,297	\$2,146	\$4,444	1.11%	\$28,387
30	WoodCreek	Dallas-Fort Worth-Arlington (Fate, TX)	322	Y	\$300,000	\$4,590	\$870	\$5,460	1.82%	\$13,311
31	eTown	Jacksonville (Jacksonville, FL)	318	Y	\$460,000	\$8,099	\$853	\$8,952	1.95%	\$12,091
32	Daybreak (4)	Salt Lake City (South Jordan, UT)	308	Y	\$278,000	\$1,842	\$225	\$2,067	0.74%	\$2,646
33	Santa Rita Ranch	Austin-Round Rock (Liberty Hill, TX)	307	Y	\$350,000	\$5,620	\$1,890	\$7,510	2.15%	\$34,441
34	Magnolia Point	Dallas-Fort Worth-Arlington (Royse City, TX)	301	Y	\$215,000	\$3,740	\$1,505	\$5,245	2.44%	\$27,397
35	Eastmark	Phoenix-Mesa-Scottsdale (Mesa, AZ)	299	Y	\$320,000	\$2,613	\$982	\$3,595	1.12%	\$13,655
36	Lago Mar	Houston-The Woodlands-Sugar Land (Texas City, TX)	297	Y	\$300,000	\$7,961	\$2,460	\$10,421	3.47%	\$43,511
37	Breckenridge Forest	Houston-The Woodlands-Sugar Land (Spring, TX)	290	Y	\$235,000	\$5,239	\$1,093	\$6,332	2.69%	\$20,183
37	River Islands	Stockton-Lodi (Stockton, CA)	290	Y	\$525,000	\$6,487	\$2,044	\$8,531	1.62%	\$23,130
39	Meridiana (5)	Houston-The Woodlands-Sugar Land (Rosharon, TX)	285	Y	\$385,000	\$10,338	\$2,926	\$13,264	3.45%	\$52,501
39	Wildcat Ranch (6)	Dallas-Fort Worth-Arlington (Crandall, TX)	285	Y	\$215,000	\$4,499	\$0	\$4,499	2.09%	\$0
41	Harvest	Dallas-Fort Worth-Arlington (Argyle, TX)	283	Y	\$385,000	\$6,713	\$2,888	\$9,601	2.49%	\$52,564
42	Cross Creek Ranch	Houston - The Woodlands - Sugar Land (Fulshear, TX)	282	Y	\$500,000	\$9,823	\$3,600	\$13,423	2.68%	\$65,534
43	Union Park	Dallas-Fort Worth-Arlington (Little Elm, TX)	279	Y	\$425,000	\$9,700	\$1,530	\$11,230	2.64%	\$29,101
44	Tehaleh	Seattle-Tacoma-Bellevue (Bonney Lake, WA)	271	N						
45	Lakeshore Villages	Baton Rouge (Slidell, LA)	270	Y	\$510,000	\$6,256	\$814	\$7,070	1.39%	\$10,768
46	Mountain House	San Francisco-Oakland-Hayward (Stockton, CA)	268	Y	\$450,000	\$6,882	\$1,365	\$8,247	1.83%	\$14,263
47	Tradition	Port St. Lucie (St. Lucie, FL)	267	Y	\$380,000	\$8,940	\$716	\$9,655	2.54%	\$9,328
48	Viridian	Dallas-Fort Worth-Arlington (Arlington, TX)	266	Y	\$380,000	\$9,155	\$1,976	\$11,131	2.93%	\$32,652
49	Woodforest	Houston-The Woodlands-Sugar Land (Montgomery, TX)	265	Y	\$330,000	\$6,170	\$2,211	\$8,381	2.54%	\$40,249
50	Cadence at Gateway	Phoenix-Mesa-Scottsdale (Mesa, AZ)	262	Y	\$330,000	\$2,477	\$998	\$3,475	1.05%	\$16,283
Total Home Sales or MPC's Utilizing Special Taxing Districts/Average			20,717	47	\$393,347	\$5,658	\$1,621	\$7,279	1.89%	\$24,271
Percentage of Home Sales Occurring Within MPC Using Special Taxing Districts			94%							

Source: RCLCO Real Estate Advisors & Launch Development Finance Advisors, LLC

*The Villages does not provide Mid-Year Figures; Sales are estimated based on prior year performance. ** Preliminary sales estimated based on data provided by community representatives in Mid-June. Sales figures will be updated when available.

(1) Per RCLCO's Top Selling Master-Planned Communities Report - Mid-Year 2021.

(2) Estimates Only. Figures are not intended to represent the financing history of the specific MPC. Figures were derived from publicly available information including but not limited to: public offering statements, sales data, developer websites, district websites, county treasurer's websites, property tax billings, and county assessor's websites. MPC's frequently contain multiple financing districts, and the data included in the table assumes a sample property in a single district.

(3) According to the Redevelopment Association of Nevada, the Henderson Redevelopment Agency provided a \$208 million tax increment subsidy to Cadence to finance infrastructure costs. Allocation of subsidy across lots is an estimate only.

(4) The City of South Jordan, UT requires the special assessment bonds to be prepaid by the developer at the time the lot is sold to a builder.

(5) Also located in Tax Increment Reinvestment Zone #2.

(6) Project located in a special financing district, however the special financing district has not issued debt and district is currently collection operation and maintenance taxes only.

LEARN MORE AT WWW.RCLCO.COM/TOP-SELLING-MPCS

For more information on how Special District Financing may assist in the funding of public infrastructure, contact Pam Giss at pamelag@launch-dfa.com or Carter Froelich at carter@launch-dfa.com.



Common Reimbursement Processing Mistakes That Cost Time and Money

By Curry Froelich

Over the years the professionals at Launch have tracked and prepared reimbursement binders for hundreds of millions of dollars of reimbursable public infrastructure costs in anticipation of having these costs reimbursed by special purpose taxing districts (e.g., CFD, PID, MUD, MMD, TIRZ, CDD, Metro, etc.).

During this time, we have seen continual mistakes that have either precluded the developer from being reimbursed or have added more time and costs to the reimbursement process. These common mistakes are outlined below:

1. Dedicating public rights-of-way without making provisions in the plat/tract map language and/or District Financing Agreement to reserve rights to be reimbursed for the acquisition of public infrastructure constructed within the right-of-way.
2. Not publicly bidding public infrastructure to be reimbursed by the District when required by state enabling legislation and/or specific conditions within jurisdictional/district agreements.
3. Non-payment of prevailing wage for the construction of public facilities in states where this required (e.g., California and Nevada).
4. Contracting multiple District eligible construction projects with a single contract thereby requiring extensive time and effort to allocate invoice / draw costs to the multiple eligible construction projects.
5. Inadequate Job Cost and/or Purchase Order information precluding the ability to determine "actual" construction costs for District eligible construction projects.
6. Chaotic record retention procedures preventing the efficient collection of required District reimbursement information including but not limited to: public bidding documents, contracts, invoices, draws, lien releases, canceled checks, jurisdictional acceptance letters, etc.



In order to prevent these challenges from occurring, the professionals at Launch have developed Public Bidding Manuals™ for our clients and have created the [Launch Reimbursement System™](#) ("LRS") which allows Launch professionals to track all of the District eligible construction costs and provide management with timely reporting in relation to: (i) total eligible contracted costs, (ii) costs expended to date, (iii) costs input into the LRS, (iv) reimbursement binders submitted to District or Jurisdiction and, (vi) costs reimbursed to date.

For more information on common reimbursement mistakes, to discuss the LRS or how Launch professionals may assist in fast tracking your reimbursement process, contact Curry Froelich at 1-855-970-0003 ext. 4356 or email at curryf@launch-dfa.com.



INTRODUCING THE INFRASTRUCTURE CONSTRUCTION BOND™

LAND SECURED BOND FINANCING FOR THE CONSTRUCTION OF INFRASTRUCTURE

The professionals at Launch Development Finance Advisors (“Launch”) have developed a financing vehicle which allows developers and home builders to access the municipal bond market without having to seek jurisdictional approval to issue both tax exempt and taxable bonds for the construction of off-site and on-site public and private infrastructure as well as other development costs (collectively “Infrastructure”). **We call this financing vehicle the Infrastructure Construction Bond™ or “ICB”.**

FEATURES OF THE INFRASTRUCTURE CONSTRUCTION BOND™

- **Security** – First Deed of Trust
- **Guarantees Required** – None
- **Value to Lien Requirement** – 3 to 1
(Assuming Infrastructure to be financed by the ICB and Infrastructure for which completion guarantees have been obtain are in place as of the date of valuation).
- **Bond Term** – Thirty (30) Years
- **Repayment Source** – Lot Release Payment
- **Ability to Build with Bond Proceeds** – Yes
- **Prepayment Penalty** – None
- **Preferred Deal Size** – \$20MM to \$100+MM
- **Timing** – 3 to 5 Months
- **Geographically Limitations** – None

TAX EXEMPT INFRASTRUCTURE*

- Water
- Sewer
- Storm Drain

TAXABLE INFRASTRUCTURE*

- Land
- Roads
- Streetlights
- Traffic Signals
- Grading
- Retention Walls
- Entrance Monuments
- Other Related Developer/Builder Infrastructure

For More Information on How an Infrastructure Construction Bond™ May Benefit Your Project, Contact Carter T. Froelich, CPA at:
carter@launch-dfa.com or call at 1.855.970.0003 ext. 4355

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*To be determined upon by bond counsel based upon the facts and circumstance specific to the transaction.
*This is not an offer to sell bonds.

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