

# **Bond Case Briefs**

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## **Special Assessment Debt: S&P Criteria Implementation Summary**

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### **Key Takeaways**

- We've reviewed all credits under our revised special assessment criteria since its publication in April 2018.
- Overall, the direction of rating actions to date has met our expectations, though the magnitude of positive rating actions has slightly exceeded our expectations.
- In particular, the frequency of upgrades for credits in California was more than double that of other states.
- Rated issuers consist almost entirely of fully or highly developed districts with minimal developer exposure, supporting credit quality.
- Although property value appreciation has begun to slow in most major real estate markets and distress metrics have increased slightly, real estate demand remains robust, and we believe that assessment areas with mature development will maintain strong credit characteristics.

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