



CSCDA
 CALIFORNIA STATEWIDE COMMUNITIES
 DEVELOPMENT AUTHORITY



REGULAR MEETING AGENDA

May 19, 2016 at 2:00 p.m.

**California State Association of Counties
 1100 K Street, 1st Floor, Sacramento, CA 95814**

Telephonic Locations:

709 Portwalk Place
 Redwood City, CA 94061

County of Butte
 7 County Drive, Oroville, CA 95965

County of Monterey
 168 Alisal Street, Salinas, CA 93901

27788 Hidden Trail Road
 Laguna Hills, CA 92653

County of Yuba
 915 8th Street, Marysville, CA 95901

3252 Southern Hills Drive
 Fairfield, CA 94534

A. OPENING AND PROCEDURAL ITEMS

1. Roll Call.

- | | |
|-------------------------------|------------------------------|
| ___ Dan Harrison, Chair | ___ Tim Snellings, Member |
| ___ Larry Combs, Vice Chair | ___ Dan Mierzwa, Member |
| ___ Kevin O'Rourke, Treasurer | ___ Ron Holly, Alt. Member |
| ___ Irwin Bornstein, Member | ___ Brian Moura, Alt. Member |

2. Consideration of the minutes of the May 5, 2016 Regular Meeting.

3. Consideration of the Consent Calendar.

4. Public Comment.

B. ITEMS FOR CONSIDERATION

5. Consideration of the issuance of revenue bonds or other obligations to finance or refinance the following projects, the execution and delivery of related documents, and other related actions:

- a. John Muir Health, City of Walnut Creek, County of Contra Costa, and City of Concord, County of Contra Costa; issue up to \$350,000,000 in nonprofit revenue bonds.

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- b. Paramount Family Irvine Housing Partners, L.P. (ETHIC Paramount Family Apartments), City of Irvine, County of Orange; issue up to \$17,500,000 in multi-family housing revenue bonds.
 - c. El Cazador, LP (El Cazador Apartments), City of Fresno, County of Fresno; issue up to \$15,000,000 in multi-family housing revenue bonds.
- 6. Consider approving the trustee substitution and agreement of removal, appointment and acceptance relating to CSCDA's SCIP Program.
 - 7. Consideration of a resolution authorizing execution and delivery of a master assignment and assumption agreement, a depository agreement, one or more assessment contracts and one or more assignment instruments for assignment of voluntary contractual assessments. (CaliforniaFIRST-Solar City)

C. STAFF ANNOUNCEMENTS, REPORTS ON ACTIVITIES OR REQUESTS

- 8. Executive Director Update.
- 9. Staff Updates.
- 10. Adjourn.

NEXT MEETING: Thursday, June 2, 2016 at 2:00 p.m.
California State Association of Counties
1100 K Street, 1st Floor, Sacramento, CA 95814

CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY

CONSENT CALENDAR

1. Consent Calendar

- a. Inducement of Watts Arms I Renewal LP (Watts Arms I Apartments), City of Los Angeles, County of Los Angeles; issue up to \$23 million in multi-family housing revenue bonds.
- b. Inducement of Corporation for Better Housing (Camellia Place Phase II), unincorporated County of Kern; issue up to \$6 million in multi-family housing revenue bonds.
- c. Inducement of National Community Renaissance of California (Cathedral Palms 2), City of Cathedral City, County of Riverside, issue up to \$10 million in multi-family housing revenue bonds.
- d. Inducement of National Community Renaissance of California (Clark Manor 2), City of Downey, County of Los Angeles, issue up to \$5 million in multi-family housing revenue bonds.
- e. Inducement of National Community Renaissance of California (Hawthorne Terrace 2), City of Hawthorne, County of Los Angeles, issue up to \$10 million in multi-family housing revenue bonds.
- f. Inducement of Boyle Terrace Affordable Apartments LP (Boyle Apartments and Jewel Terrace Apartments), City of Los Angeles, County of Los Angeles, issue up to \$11 million in multi-family housing revenue bonds.
- g. Inducement of Princess Affordable Apartments LP (Princess Apartments), City of Los Angeles, County of Los Angeles, issue up to \$10 million in multi-family housing revenue bonds.

May 19, 2016



TABLE OF CONTENTS
MAY 19, 2016

Item 2	May 5, 2016 Regular Meeting Minutes	Page 5
Item 3	Consent Calendar	Page 8
Item 5a	John Muir Health	Page 20
Item 5b	Paramount Family Apartments	Page 29
Item 5c	El Cazador Apartments	Page 36
Item 6	SCIP Program Trustee Substitution	Page 44
Item 7	CaliforniaFIRST-Solar City	Page 47

**REGULAR MEETING OF THE
CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY
(CSCDA)**

League of California Cities
1400 K Street, 3rd Floor, Sacramento, California

May 5, 2016

MINUTES

Commission chair Dan Harrison called the meeting to order at 2:02 pm.

1 Roll Call.

Commission members present: Dan Harrison; Kevin O'Rourke; and Larry Combs. Irwin Bornstein; and Tim Snellings (agenda not posted in his location, so he was not able to vote) participated by conference telephone.

CSCDA Executive Director, Catherine Bando was also present.

Others present included: Chris McKenzie, Norman Coppinger and Perry Stottlemeyer, League of California Cities; Laura Labanieh and Alan Fernandes, CSAC Finance Corporation; Graham Knaus, CSAC; James Hamill, Bridge Strategic Partners; and Mark Paxson, State Treasurer's Office. Jon Penkower, Bridge Strategic Partners; and Tricia Ortiz, Richards Watson & Gershon, participated by conference telephone.

2 Approval of the minutes of the April 21, 2016 regular meeting.

Motion to approve by Combs; second by Bornstein; unanimously approved by roll-call vote.

3 Approval of consent calendar:

- a Induce Watt Arms I Renewal LP (Watt Arms I Apartments), City of Los Angeles, County of Los Angeles; issue up to \$23 million in multi-family housing revenue bonds.

Motion to approve by Combs; second by O'Rourke; unanimously approved by roll-call vote.

4 Public comment.

None.

5 Approval of the issuance of revenue bonds or other obligations to finance or refinance the following projects, the execution and delivery of related documents, and other related actions:

- a Courtyard Community Partners, LP (Courtyard Plaza Apartments), City of San Jose, County of Santa Clara; issue up to \$18 million in multi-family housing revenue bonds.

Executive Director Bando explained that this project is for the acquisition and rehabilitation of an 81-unit affordable housing complex on 3.53 acres in San Jose. This is the borrower's 21st financing with CSCDA. The unrated 35-year fixed rate bonds will be privately placed.

The project complies with CSCDA's general and issuance policies, and Bando recommends approval.

Motion to approve Executive Director Bando's recommendation by Bornstein; second by Combs; unanimously approved by roll-call vote.

- 6 Approve resolution authorizing amendments to bond indentures and loan agreements relating to the California Statewide Communities Development Authority Revenue Bonds (Daughters of Charity Health System), Series 2005A, Series 2005G and Series 2005H.

Executive Director Bando explained that Daughters of Charity Health System has changed its name to Verity Health System of California, Inc. and entered into a business management agreement with an affiliate of BlueMountain Capital Management in an effort to reorganize its operations, including a debt restructure. That debt restructure includes a negotiation of the 2005 bonds. Bond and Issuer counsel has prepared and reviewed the amended documents on behalf of CSCDA.

Bando recommends approval of the resolution.

Motion to approve by O'Rourke; second by Combs; unanimously approved by roll-call vote.

- 7 Consideration of a resolution authorizing execution and delivery of a master assignment and assumption agreement, a depository agreement, one or more assessment contracts and one or more assignment instruments for assignment of voluntary contractual assessments. (CaliforniaFIRST-Solar City)

This item was pulled from today's agenda.

- 8 Consideration of the following resolutions for the creation of CFD No. 2016-01 (Napa Pipe), County of Napa:

- a Resolution declaring intention to establish the Authority's Community Facilities District No. 2016-01 (Napa Pipe) ("CFD No. 2016-01") and to levy a special tax to finance certain environmental remediation.

This item was pulled from today's agenda.

- b Resolution to incur bonded indebtedness to finance construction for environmental remediation within CFD No. 2016-01 and calling for a public hearing for June 16, 2016.

This item was pulled from today's agenda.

9 Executive Director update.

Executive Director Bando updated the Commission with regard to the billing and collections that is in the process of being moved over from HB Capital to the League of California Cities. The process may take a couple of months, if not longer. Norman Coppinger added that a meeting with HB Capital was supposed to have occurred today, but because a key League staff member has been selected for jury duty, the meeting had to be postponed until June 15.

Bando also shared a copy of the certificate of appreciation that was presented today to Terry Schutten for his seven years of service to the Commission. CSAC's executive committee is expected to appoint a replacement Commissioner during their meeting on May 19.

Finally, Bando will be participating in the next three Commission meetings by conference telephone due to a temporary conflict.

10 Staff updates.

James Hamill shared that there has been a recent increase in interest in CSCDA's SCIP program due to significant growth in infrastructure needs. He also reported that yesterday, the SCIP 2016A was priced at 4% fixed over 30 years, which is an excellent rate and the lowest ever awarded for the program.

Hamill also reported a recent increase in interest from the healthcare industry, so Commissioners will likely see more of these transactions in the coming months.

11 Chair Dan Harrison adjourned the meeting at 2:15 pm.

Submitted by: Perry Stottlemeyer, League of California Cities staff

*The next regular meeting of the commission is scheduled for
Thursday, May 19, at 2:00 pm
in California Association of Counties' office at 1100 K Street, 1st Floor, Sacramento, California.*

RESOLUTION NO. 16H-__

A RESOLUTION OF THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY SETTING FORTH THE AUTHORITY'S OFFICIAL INTENT TO ISSUE MULTIFAMILY HOUSING REVENUE BONDS TO UNDERTAKE THE FINANCING OF VARIOUS MULTIFAMILY RENTAL HOUSING PROJECTS AND RELATED ACTIONS

WHEREAS, the Authority is authorized and empowered by the Title 1, Division 7, Chapter 5 of the California Government Code to issue mortgage revenue bonds pursuant to Part 5 (commencing with Section 52000) of the California Health and Safety Code (the "Act"), for the purpose of financing multifamily rental housing projects; and

WHEREAS, the borrowers identified in Exhibit A hereto and/or related entities (collectively, the "Borrowers") have requested that the Authority issue and sell multifamily housing revenue bonds (the "Bonds") pursuant to the Act for the purpose of financing the acquisition and rehabilitation or construction as set forth in Exhibit A, of certain multifamily rental housing developments identified in Exhibit A hereto (collectively, the "Projects"); and

WHEREAS, the Authority, in the course of assisting the Borrowers in financing the Projects, expects that the Borrowers have paid or may pay certain expenditures (the "Reimbursement Expenditures") in connection with the Projects within 60 days prior to the adoption of this Resolution and prior to the issuance of the Bonds for the purpose of financing costs associated with the Projects on a long-term basis; and

WHEREAS, Section 1.103-8(a)(5) and Section 1.150-2 of the Treasury Regulations require the Authority to declare its reasonable official intent to reimburse prior expenditures for the Projects with proceeds of a subsequent tax-exempt borrowing; and

WHEREAS, the Authority wishes to declare its intention to authorize the issuance of Bonds for the purpose of financing costs of the Projects (including reimbursement of the Reimbursement Expenditures, when so requested by the Borrower upon such terms and condition as may then be agreed upon by the Authority, the Borrower and the purchaser of the Bonds) in an aggregate principal amount not to exceed the amount with respect to each Project set forth in Exhibit A; and

WHEREAS, Section 146 of the Internal Revenue Code of 1986 limits the amount of multifamily housing mortgage revenue bonds that may be issued on behalf of for-profit borrowers in any calendar year by entities within a state and authorizes the governor or the legislature of a state to provide the method of allocation within the state; and

WHEREAS, Chapter 11.8 of Division 1 of Title 2 of the California Government Code governs the allocation of the state ceiling among governmental units in the State of California having the authority to issue private activity bonds; and

WHEREAS, Section 8869.85 of the California Government Code requires a local agency desiring an allocation of the state ceiling to file an application with the California Debt Limit Allocation Committee (the "Committee") for such allocation, and the Committee has certain policies that are to be satisfied in connection with any such application;

NOW, THEREFORE, BE IT RESOLVED by the Commission of the Authority as follows:

Section 1. The above recitals, and each of them, are true and correct.

Section 2. The Authority hereby determines that it is necessary and desirable to provide financing for the Projects (including reimbursement of the Reimbursement Expenditures) by the issuance and sale of Bonds pursuant to the Act, as shall be authorized by resolution of the Authority at a meeting to be held for such purpose, in aggregate principal amounts not to exceed the amounts set forth in Exhibit A. This action is taken expressly for the purpose of inducing the Borrowers to undertake the Projects, and nothing contained herein shall be construed to signify that the Projects comply with the planning, zoning, subdivision and building laws and ordinances applicable thereto or to suggest that the Authority or any program participant, officer or agent of the Authority will grant any such approval, consent or permit that may be required in connection with the acquisition and construction or rehabilitation of the Projects, or that the Authority will make any expenditures, incur any indebtedness, or proceed with the financing of the Project.

Section 3. This resolution is being adopted by the Authority for purposes of establishing compliance with the requirements of Section 1.103-8(a)(5) and Section 1.150-2 of the Treasury Regulations. In such regard, the Authority hereby declares its official intent to use proceeds of indebtedness to reimburse the Reimbursement Expenditures.

Section 4. The officers and/or the program managers of the Authority are hereby authorized and directed to apply to the Committee for an allocation from the state ceiling of private activity bonds to be issued by the Authority for each of the Projects in an amount not to exceed the amounts set forth in Exhibit A, and to take any and all other actions as may be necessary or appropriate in connection with such application, including but not limited to the payment of fees, the posting of deposits and the provision of certificates, and any such actions heretofore taken by such officers and program managers are hereby ratified, approved and confirmed.

PASSED AND ADOPTED by the California Statewide Communities Development Authority this May 19, 2016.

The undersigned, an Authorized Signatory of the California Statewide Communities Development Authority, DOES HEREBY CERTIFY that the foregoing resolution was duly adopted by the Commission of said Authority at a duly called meeting of the Commission of said Authority held in accordance with law on May 19, 2016.

By: _____
Authorized Signatory

EXHIBIT A

Project Name	Project Location	Project Description (units)	New Construction/ Acquisition and Rehabilitation	Legal Name of initial owner/operator	Bond Amount
Watt Arms I Apartments	City of Los Angeles, County of Los Angeles	104	Acquisition and Rehabilitation	Watt Arms I Renewal L.P.	\$23,000,000
Cathedral Palms 2	City of Cathedral City, County of Riverside	232	Acquisition and Rehabilitation	National Community Renaissance of California	\$10,000,000
Clark Manor 2	City of Downey, County of Los Angeles	41	Acquisition and Rehabilitation	National Community Renaissance of California	\$5,000,000
Hawthorne Terrace 2	City of Hawthorne, County of Los Angeles	100	Acquisition and Rehabilitation	National Community Renaissance of California	\$10,000,000

RESOLUTION NO. ____

A RESOLUTION OF THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY SETTING FORTH THE AUTHORITY'S OFFICIAL INTENT TO ISSUE MULTIFAMILY HOUSING REVENUE BONDS TO UNDERTAKE THE FINANCING OF A MULTIFAMILY RENTAL HOUSING PROJECT AND RELATED ACTIONS

WHEREAS, the Authority is authorized and empowered by the Title 1, Division 7, Chapter 5 of the California Government Code to issue mortgage revenue bonds pursuant to Part 5 (commencing with Section 52000) of the California Health and Safety Code (the "Act"), for the purpose of financing multifamily rental housing projects; and

WHEREAS, the borrower identified in Exhibit A hereto and/or related entities (collectively, the "Borrower") has requested that the Authority issue and sell multifamily housing revenue bonds or notes (the "Bonds") pursuant to the Act for the purpose of financing the acquisition, rehabilitation and construction as set forth in Exhibit A, of that certain multifamily rental housing development identified in Exhibit A hereto (the "Project"); and

WHEREAS, the Authority, in the course of assisting the Borrower in financing the Project, expects that the Borrower has paid or may pay certain expenditures (the "Reimbursement Expenditures") in connection with the Project within 60 days prior to the adoption of this Resolution and prior to the issuance of the Bonds for the purpose of financing costs associated with the Project on a long-term basis; and

WHEREAS, Section 1.103-8(a)(5) and Section 1.150-2 of the Treasury Regulations require the Authority to declare its reasonable official intent to reimburse prior expenditures for the Project with proceeds of a subsequent tax-exempt borrowing; and

WHEREAS, the Authority wishes to declare its intention to authorize the issuance of Bonds for the purpose of financing costs of the Project (including reimbursement of the Reimbursement Expenditures, when so requested by the Borrower upon such terms and condition as may then be agreed upon by the Authority, the Borrower and the purchaser of the Bonds) in an aggregate principal amount not to exceed the amount with respect to the Project set forth in Exhibit A; and

WHEREAS, Section 146 of the Internal Revenue Code of 1986 limits the amount of multifamily housing mortgage revenue bonds that may be issued on behalf of for-profit borrowers in any calendar year by entities within a state and authorizes the governor or the legislature of a state to provide the method of allocation within the state; and

WHEREAS, Chapter 11.8 of Division 1 of Title 2 of the California Government Code governs the allocation of the state ceiling among governmental units in the State of California having the authority to issue private activity bonds; and

WHEREAS, Section 8869.85 of the California Government Code requires a local agency desiring an allocation of the state ceiling to file an application with the California Debt Limit Allocation Committee (the "Committee") for such allocation, and the Committee has certain policies that are to be satisfied in connection with any such application;

NOW, THEREFORE, BE IT RESOLVED by the Commission of the Authority as follows:

Section 1. The above recitals, and each of them, are true and correct.

Section 2. The Authority hereby determines that it is necessary and desirable to provide financing for the Project (including reimbursement of the Reimbursement Expenditures) by the issuance and sale of Bonds pursuant to the Act, as shall be authorized by resolution of the Authority at a meeting to be held for such purpose, in an aggregate principal amount not to exceed the amount set forth in Exhibit A. This action is taken expressly for the purpose of inducing the Borrower to undertake the Project, and nothing contained herein shall be construed to signify that the Project complies with the planning, zoning, subdivision and building laws and ordinances applicable thereto or to suggest that the Authority or any program participant, officer or agent of the Authority will grant any such approval, consent or permit that may be required in connection with the acquisition and construction or rehabilitation of the Project, or that the Authority will make any expenditures, incur any indebtedness, or proceed with the financing of the Project.

Section 3. This resolution is being adopted by the Authority for purposes of establishing compliance with the requirements of Section 1.103-8(a)(5) and Section 1.150-2 of the Treasury Regulations. In such regard, the Authority hereby declares its official intent to use proceeds of indebtedness to reimburse the Reimbursement Expenditures.

Section 4. The officers and/or the program managers of the Authority are hereby authorized and directed to apply to the Committee for an allocation from the state ceiling of private activity bonds to be issued by the Authority for the Project in an amount not to exceed the amount set forth in Exhibit A, and to take any and all other actions as may be necessary or appropriate in connection with such application, including but not limited to the payment of fees, the posting of deposits and the provision of certificates, and any such actions heretofore taken by such officers and program managers are hereby ratified, approved and confirmed.

PASSED AND ADOPTED by the California Statewide Communities Development Authority this May 19, 2016.

The undersigned, an Authorized Signatory of the California Statewide Communities Development Authority, DOES HEREBY CERTIFY that the foregoing resolution was duly adopted by the Commission of said Authority at a duly called meeting of the Commission of said Authority held in accordance with law on May 19, 2016.

By: _____
Authorized Signatory

EXHIBIT A

Project Name	Project Location	Project Description (units)	New Construction/ Acquisition or Rehabilitation	Legal Name of initial owner/operator	Bond Amount
Boyle Apartments and Jewel Terrace Apartments	1420 W. 27 th St., Los Angeles, CA 90007 1460 W. 27 th St., Los Angeles, CA 90007 2950 Van Buren Pl, Los Angeles, CA 90007 427 S. Boyle Avenue, Los Angeles, CA 90033	67 (including 1 manager unit)	Rehabilitation	Boyle Terrace Affordable Apartments, LP	\$11,000.000

RESOLUTION NO. ____

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WHEREAS, the Authority, in the course of assisting the Borrower in financing the Project, expects that the Borrower has paid or may pay certain expenditures (the "Reimbursement Expenditures") in connection with the Project within 60 days prior to the adoption of this Resolution and prior to the issuance of the Bonds for the purpose of financing costs associated with the Project on a long-term basis; and

WHEREAS, Section 1.103-8(a)(5) and Section 1.150-2 of the Treasury Regulations require the Authority to declare its reasonable official intent to reimburse prior expenditures for the Project with proceeds of a subsequent tax-exempt borrowing; and

WHEREAS, the Authority wishes to declare its intention to authorize the issuance of Bonds for the purpose of financing costs of the Project (including reimbursement of the Reimbursement Expenditures, when so requested by the Borrower upon such terms and condition as may then be agreed upon by the Authority, the Borrower and the purchaser of the Bonds) in an aggregate principal amount not to exceed the amount with respect to the Project set forth in Exhibit A; and

WHEREAS, Section 146 of the Internal Revenue Code of 1986 limits the amount of multifamily housing mortgage revenue bonds that may be issued on behalf of for-profit borrowers in any calendar year by entities within a state and authorizes the governor or the legislature of a state to provide the method of allocation within the state; and

WHEREAS, Chapter 11.8 of Division 1 of Title 2 of the California Government Code governs the allocation of the state ceiling among governmental units in the State of California having the authority to issue private activity bonds; and

WHEREAS, Section 8869.85 of the California Government Code requires a local agency desiring an allocation of the state ceiling to file an application with the California Debt Limit Allocation Committee (the "Committee") for such allocation, and the Committee has certain policies that are to be satisfied in connection with any such application;

NOW, THEREFORE, BE IT RESOLVED by the Commission of the Authority as follows:

Section 1. The above recitals, and each of them, are true and correct.

Section 2. The Authority hereby determines that it is necessary and desirable to provide financing for the Project (including reimbursement of the Reimbursement Expenditures) by the issuance and sale of Bonds pursuant to the Act, as shall be authorized by resolution of the Authority at a meeting to be held for such purpose, in an aggregate principal amount not to exceed the amount set forth in Exhibit A. This action is taken expressly for the purpose of inducing the Borrower to undertake the Project, and nothing contained herein shall be construed to signify that the Project complies with the planning, zoning, subdivision and building laws and ordinances applicable thereto or to suggest that the Authority or any program participant, officer or agent of the Authority will grant any such approval, consent or permit that may be required in connection with the acquisition and construction or rehabilitation of the Project, or that the Authority will make any expenditures, incur any indebtedness, or proceed with the financing of the Project.

Section 3. This resolution is being adopted by the Authority for purposes of establishing compliance with the requirements of Section 1.103-8(a)(5) and Section 1.150-2 of the Treasury Regulations. In such regard, the Authority hereby declares its official intent to use proceeds of indebtedness to reimburse the Reimbursement Expenditures.

Section 4. The officers and/or the program managers of the Authority are hereby authorized and directed to apply to the Committee for an allocation from the state ceiling of private activity bonds to be issued by the Authority for the Project in an amount not to exceed the amount set forth in Exhibit A, and to take any and all other actions as may be necessary or appropriate in connection with such application, including but not limited to the payment of fees, the posting of deposits and the provision of certificates, and any such actions heretofore taken by such officers and program managers are hereby ratified, approved and confirmed.

PASSED AND ADOPTED by the California Statewide Communities Development Authority this May 19, 2016.

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By: _____
Authorized Signatory

EXHIBIT A

Project Name	Project Location	Project Description (units)	New Construction/ Acquisition or Rehabilitation	Legal Name of initial owner/operator	Bond Amount
Princess Apartments	722 N Van Ness Ave, Los Angeles, CA 90038 1648 N Kingsley Drive, Los Angeles, CA 90027 6116 Eleanor Ave, Los Angeles, CA 90038 4335 Woodlawn Ave, Los Angeles, CA 90011	58 (including 1 manager unit)	Rehabilitation	Princess Affordable Apartments, LP	\$10,000.000



Agenda Item No. 5a

Agenda Report

DATE: March 3, 2016

TO: CSCDA COMMISSIONERS

FROM: Cathy Bando, Executive Director

PROJECT: John Muir Health

PURPOSE: Authorize the Issuance of Bonds to Finance and Refinance the Acquisition, Construction, Improvement, Renovation and Equipping of Healthcare Facilities located in the Cities of Walnut Creek and Concord, County of Contra Costa

AMOUNT: Not to Exceed \$350,000,000

EXECUTIVE SUMMARY:

John Muir Health, a 501c3 nonprofit organization (“John Muir”), has requested that CSCDA issue nonprofit revenue bonds in an amount not to exceed \$350,000,000 (the “Bonds”) to finance and refinance the acquisition, construction, improvement, renovation and equipping of healthcare facilities located in the Cities of Walnut Creek and Concord (the “Project”). The Bonds are being issued to refinance the aggregate principal amount of CSCDA’s 2006A bonds previously issued for the benefit of John Muir (the “2006 Bonds”). The Bonds will also be issued to finance certain improvements to John Muir’s Walnut Creek and Concord campuses. The refinancing of the 2006 Bonds is expected to produce maturity matched savings of \$34.5 Million. This will be the seventh CSCDA financing for John Muir.

PROJECT ANALYSIS:

About John Muir:

John Muir includes two of the largest medical centers in Contra Costa County: John Muir Medical Center, Walnut Creek, a 572-licensed bed medical center that serves as Contra Costa County's only designated trauma center; and John Muir Medical Center, Concord, a 245-licensed bed medical center in Concord. Together, they are recognized as preeminent centers for neurosciences, orthopedics, cancer care, cardiovascular care and high-risk obstetrics. John Muir Health also offers complete inpatient and outpatient behavioral health programs and services at its Behavioral Health Center, a fully accredited, 73-bed psychiatric hospital located in Concord. Other areas of specialty include general surgery, robotic surgery, weight-loss surgery, rehabilitation and critical care. All

hospitals are accredited by The Joint Commission, a national surveyor of quality patient care. In addition, John Muir provides a number of primary care and outpatient services throughout the community and urgent care centers in Brentwood, Concord, San Ramon and Walnut Creek.

Public Agency Approvals:

TEFRA Hearing: TEFRA was held by the City of Concord on May 10, 2016 and unanimously approved. TEFRA is also scheduled for May 17, 2016 at the City of Walnut Creek. CSCDA will report the outcome of the May 17th TEFRA Hearing during CSCDA's Commission meeting on May 19th.

Economic Development:

- John Muir employs more than 6,000 physicians, nurses and other staff throughout its facilities.
- John Muir's role in the community has generated the establishment of medical clinics, pharmacies, rehabilitation centers and other medical related businesses to assist children in need of continued medical care. In addition, many John Muir employees live, eat and shop within the community and support the local economy.

Public Benefit:

- In 2014, John Muir contributed \$101,508,353 in total community benefits, including quantifiable benefits for the poor and broader community.
- Medi-Cal, Medicaid and Medicare acceptance – John Muir provides healthcare and helps to subsidize the cost of service for patients that participate in government sponsored programs such as Medi-Cal, Medicaid and Medicare. In 2014, John Muir subsidized more than \$64 million for the unpaid cost of federal, state, and local programs.
- Non-reimbursed community benefit costs – In 2015, John Muir provided more than \$18 million in traditional charity care charges.
- John Muir is the community's only Level 1 Trauma Center.
- John Muir provides a wide array of community program for adults, youth and seniors.
- John Muir provides a Beyond Violence program to help mentor vulnerable youth.
- John Muir provides a volunteer driven mobile community healthcare clinic.

Sources and Uses:

Sources of Funds:

Series 2016 Par Amount:	\$ 226,715,000
Premium:	<u>\$ 17,413,184</u>
Total Sources:	\$ 244,128,184

Uses of Funds:

Refunding 2006 Bonds:	\$ 204,784,795
Project Funds:	\$ 36,500,000
Cost of Issuance	<u>\$ 2,843,389</u>
Total Uses:	\$ 244,128,184

Finance Partners:

Bond Counsel: Orrick, Herrington & Sutcliffe, LLP, Sacramento

Authority Counsel: Orrick, Herrington & Sutcliffe, LLP, Sacramento

Underwriter: Bank of America Merrill Lynch, San Francisco

Finance Terms:

Rating: A1/A+
Term: 35 Years
Structure: Public offering
Estimated Closing: June 30, 2016

CSCDA Policy Compliance:

The financing for John Muir complies with CSCDA's general and issuance policies.

DOCUMENTS: (as attachments)

1. CSCDA Resolution (Attachment A)

COMMISSION ACTION RECOMMENDED BY THE EXECUTIVE DIRECTOR:

1. Approves the issuance of the Bonds and the financing of the Project;
2. Approves all necessary actions and documents in connection with the financing;
and
3. Authorizes any member of the Commission or Authorized Signatory to sign all necessary documents.

ATTACHMENT A

RESOLUTION NO. 16NP-__

**CALIFORNIA STATEWIDE COMMUNITIES
DEVELOPMENT AUTHORITY**

A RESOLUTION AUTHORIZING THE ISSUANCE OF REVENUE BONDS IN ONE OR MORE SERIES IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$350,000,000 TO (1) FINANCE AND REFINANCE THE ACQUISITION, CONSTRUCTION, IMPROVEMENT, EQUIPPING, RENOVATION, REHABILITATION AND REMODELING OF AND OTHER CAPITAL PROJECTS AT CERTAIN HEALTH FACILITIES OF JOHN MUIR HEALTH AND (2) REFUND, ON A CURRENT BASIS, ALL OR A PORTION OF THE OUTSTANDING CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY REVENUE BONDS (JOHN MUIR HEALTH), SERIES 2006A AND OTHER MATTERS RELATING THERETO

WHEREAS, pursuant to the provisions of the Joint Exercise of Powers Act, comprising Articles 1, 2, 3 and 4 of Chapter 5 of Division 7 of Title 1 (commencing with Section 6500) of the Government Code of the State of California (the "Act"), a number of California cities, counties and special districts (each, a "Program Participant") entered into a joint exercise of powers agreement (the "Agreement") pursuant to which the California Statewide Communities Development Authority (the "Authority") was organized;

WHEREAS, the Authority is authorized by its Agreement to issue bonds, notes or other evidences of indebtedness, or certificates of participation in leases or other agreements in order to promote economic development;

WHEREAS, the Authority is authorized by a resolution adopted March 21, 1991, to issue bonds, notes or other evidences of indebtedness, or certificates of participation in leases or other agreements to finance or refinance facilities owned and/or leased and operated by organizations described in Section 501(c)(3) of the Internal Revenue Code of 1986 which are determined by the Authority to satisfy the criteria set forth in such resolution (the "Eligible Organizations");

WHEREAS, pursuant to the provisions of the Act, the cities, counties and special districts which are the contracting parties comprising the membership of the Authority are authorized to jointly exercise any power common to such contracting parties, including, without limitation, the power to acquire and dispose of property, both real and personal;

WHEREAS, the City of Concord and the City of Walnut Creek are each Program Participants, and such cities are authorized to acquire and dispose of property, both real and personal, pursuant to the provisions of Article 1, Chapter 5, Part 2 of Division 3 of Title 4 of the Government Code of the State of California;

WHEREAS, pursuant to the provisions of the Act and the Agreement, the Authority is authorized to enter into installment purchase and/or sale agreements with the Eligible Organizations and to deliver certificates of participation evidencing interests therein;

WHEREAS, pursuant to the provisions of the Act, the Authority may, at its option, issue bonds, rather than certificates of participation, and enter into a loan agreement with the Eligible Organizations;

WHEREAS, John Muir Health, a California nonprofit public benefit corporation (the "Corporation"), wishes to (1) finance and refinance the acquisition, construction, improvement, equipping, renovation, rehabilitation and remodeling of and other capital projects at certain health facilities owned and operated by the Corporation and located or to be located in the City of Concord and the City of Walnut Creek (the "Project") and (2) refund, on a current basis, all or a portion of the outstanding California Statewide Communities Development Authority Revenue Bonds (John Muir Health), Series 2006A (the "Prior Bonds");

WHEREAS, the proceeds of the Prior Bonds were used to finance a portion of the Project; and

WHEREAS, the Corporation is requesting the assistance of the Authority in financing and refinancing the Project and refunding all or a portion of the Prior Bonds;

WHEREAS, pursuant to one or more bond indentures (the "Bond Indentures"), between the Authority and The Bank of New York Mellon Trust Company, N.A. (the "Trustee"), the Authority will issue the California Statewide Communities Development Authority Revenue Bonds (John Muir Health), Series 2016 in one or more series (the "Bonds") for the purpose, among others, of financing and refinancing the Project and refunding all or a portion of the Prior Bonds;

WHEREAS, pursuant to one or more loan agreements (the "Loan Agreements"), between the Authority and the Corporation, the Authority will loan the proceeds of the Bonds to the Corporation for the purpose, among others, of financing and refinancing the Project and refunding all or a portion of the Prior Bonds;

WHEREAS, pursuant to one or more bond purchase contracts, to be dated the date of sale of the Bonds (the "Bond Purchase Contracts"), between the Authority and Merrill Lynch, Pierce, Fenner & Smith Incorporated, on behalf of itself and as representative of the other underwriters named therein (collectively, the "Underwriters") and approved by the Corporation, the Bonds will be sold to the Underwriters, and the proceeds of such sale will be used as set forth in the Bond Indentures to finance and refinance the Project, to refund all or a portion of the Prior Bonds and to pay costs incurred in connection with the issuance of the Bonds;

WHEREAS, in connection with the refunding of the Prior Bonds it has been discovered that there is a typographical error contained in Section 4.01(B) of the bond indenture, dated as of June 1, 2006 (the "2006 Bond Indenture"), between the Authority and The Bank of New York Mellon Trust Company, N.A., as bond trustee (the "2006 Trustee") in that Section 4.01(B) of the 2006 Bond Indenture specifies that the Prior Bonds maturing after August 15, 2017 are subject to optional redemption on any date on or after August 15, 2016 when what was intended at the time the 2006 Bonds were sold and issued, as evidenced by the Official Statement for the Bonds dated May 23, 2006, is that the Bonds maturing after August 15, 2016 would be subject to optional redemption on any date on or after August 15, 2016;

WHEREAS, Section 9.01(B) of the 2006 Bond Indenture permits the Authority and the 2006 Trustee to enter into an amendment to the 2006 Bond Indenture without the consent of any Bondholders (as defined in the 2006 Bond Indenture), but with the written consent of the Corporation, to correct any defective provision contained in the 2006 Bond Indenture which shall not materially adversely affect the interests of the Holders (as defined in the 2006 Bond Indenture) of the Prior Bonds;

WHEREAS, the Corporation has requested the Authority and the 2006 Trustee to amend the 2006 Bond Indenture pursuant to a first supplemental bond indenture (the "First Supplemental Bond Indenture"), between the Authority and the 2006 Trustee and consented to by the Corporation; and

WHEREAS, there have been made available to the Commissioners of the Authority the following documents and agreements:

- (1) A proposed form of the Bond Indentures;
- (2) A proposed form of the Loan Agreements;
- (3) A proposed form of the Bond Purchase Contracts;
- (4) A proposed form of one or more official statements (the "Official Statements") to be used by the Underwriters in connection with the offering and sale of the Bonds; and
- (5) A proposed form of the First Supplemental Bond Indenture.

NOW THEREFORE, BE IT RESOLVED by the Commission of the California Statewide Communities Development Authority, as follows:

Section 1. Pursuant to the Act and the Bond Indentures, the Authority is hereby authorized to issue its revenue bonds designated as the "California Statewide Communities Development Authority Revenue Bonds (John Muir Health), Series 2016," in one or more series in an aggregate principal amount not to exceed three hundred fifty million dollars (\$350,000,000). The Bonds shall be issued and secured in accordance with the terms of, and shall be in the form or forms set forth in, the Bond Indentures. The Bonds shall be executed on behalf of the Authority by the manual or facsimile signature of the Chair of the Authority or the manual signature of any member of the Commission of the Authority or their administrative delegates duly authorized pursuant to Resolution No. 15R-53 of the Authority, adopted on October 22, 2015 (each, an "Authorized Signatory"), and attested by the manual or facsimile signature of the Secretary of the

Authority or the Assistant to the Secretary of the Authority or the manual signature of any Authorized Signatory.

Section 2. The proposed form of the Bond Indentures, as made available to the Commissioners, is hereby approved. Any Authorized Signatory is hereby authorized and directed, for and on behalf of the Authority, to execute and deliver the Bond Indentures in substantially said form, with such changes and insertions therein as any member of the Commission, with the advice of counsel to the Authority, may approve, such approval to be conclusively evidenced by the execution and delivery thereof. The dated date, maturity date or dates, interest rate or rates, interest payment dates, denominations, forms, registration privileges, manner of execution, place or places of payment, terms of redemption and other terms of the Bonds shall be as provided in the Bond Indentures, as finally executed.

Section 3. The proposed form of the Loan Agreements, as made available to the Commissioners, is hereby approved. Any Authorized Signatory is hereby authorized and directed, for and on behalf of the Authority, to execute and deliver the Loan Agreements in substantially said form, with such changes and insertions therein as any member of the Commission, with the advice of counsel to the Authority, may approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 4. The proposed form of the Bond Purchase Contracts, as made available to the Commissioners, is hereby approved. Any Authorized Signatory is hereby authorized and directed, for and on behalf of the Authority, to execute and deliver the Bond Purchase Contracts, in substantially said form, with such changes and insertions therein as any member of the Commission, with the advice of counsel to the Authority, may approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 5. The proposed preliminary form of the Official Statements, as made available to the Commissioners, is hereby approved. The Underwriters are hereby authorized to distribute the Official Statements in preliminary form, to persons who may be interested in the purchase of the Bonds and to deliver the Official Statements in final form, in substantially the form of the preliminary Official Statements, to the purchasers of the Bonds.

Section 6. The proposed form of the First Supplemental Bond Indenture, as made available to the Commissioners, is hereby approved. Any Authorized Signatory is hereby authorized and directed, for and on behalf of the Authority, to execute and deliver the First Supplemental Bond Indenture in substantially said form, with such changes and insertions therein as any member of the Commission, with the advice of counsel to the Authority, may approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 7. The Bonds, when executed as provided in Section 1, shall be delivered to the Trustee for authentication by the Trustee. The Trustee is hereby requested and directed to authenticate the Bonds by executing the Trustee's Certificate of Authentication appearing thereon, and to deliver the Bonds, when duly executed and authenticated, to the purchaser or purchasers thereof in accordance with written instructions executed on behalf of the Authority by an Authorized Signatory, which any Authorized Signatory, acting alone, is authorized and directed, for and on behalf of the Authority, to execute and deliver to the Trustee. Such instructions shall

provide for the delivery of the Bonds to the purchaser or purchasers thereof, upon payment of the purchase price thereof.

Section 8. The Chair, the Vice Chair, the Secretary, the Treasurer, any other members of the Commission of the Authority and other appropriate officers and agents of the Authority are hereby authorized and directed, jointly and severally, for and in the name and on behalf of the Authority, to execute and deliver any and all documents, including, without limitation, any and all documents and certificates to be executed in connection with securing credit support, if any, for the Bonds, and to do any and all things and take any and all actions which may be necessary or advisable, in their discretion, to effectuate the actions which the Authority has approved in this Resolution and to consummate by the Authority the transactions contemplated by the documents approved hereby, including any subsequent amendments, waivers or consents entered into or given in accordance with such documents.

Section 9. All actions heretofore taken by the Chair, the Vice Chair, the Secretary, the Treasurer, any other members of the Commission of the Authority and other appropriate officers and agents of the Authority with respect to the issuance of the Bonds are hereby ratified, confirmed and approved.

Section 10. Notwithstanding anything to the contrary in this Resolution, no documents referenced in this Resolution may be executed and delivered until the City of Walnut Creek and the City of Concord have held the hearings pursuant to Section 147(f) of the Internal Revenue Code of 1986, if required by said Section, and have approved the issuance of the Bonds as may be required thereby and in accordance with Section 9 of the Agreement to provide financing and refinancing for the Project.

Section 11. This Resolution shall take effect from and after its adoption.

PASSED AND ADOPTED by the California Statewide Communities Development Authority this 19th day of May, 2016.

I, the undersigned, an Authorized Signatory of the California Statewide Communities Development Authority, DO HEREBY CERTIFY that the foregoing resolution was duly adopted by the Commission of the Authority at a duly called meeting of the Commission of the Authority held in accordance with law on May 19, 2016.

By: _____

Authorized Signatory

California Statewide Communities

Development Authority



Agenda Item No. 5b

Agenda Report

DATE: May 19, 2016

TO: CSCDA COMMISSIONERS

FROM: Cathy Bando, Executive Director

PROJECT: ETHIC Paramount Family Apartments

PURPOSE: Approve the Financing of Rental Affordable Housing Project Located in the City of Irvine, County of Orange

AMOUNT: Not to Exceed \$17,500,000

EXECUTIVE SUMMARY:

ETHIC Paramount Family Apartments (the “Project”) is the new construction of an 84-unit rental affordable housing project located in the City of Irvine. 100% of the units will be rent restricted for low-income tenants.

PROJECT DESCRIPTION:

- Construction of 84-unit affordable rental housing facility located at Paramount and Haringay in the City of Irvine.
- 5.80 acre site.
- Eight two-story residential buildings, a recreational building, two laundry facility buildings and a maintenance building.
- Consists of 41 two-bedroom units, 42 three-bedroom units and 1 manager’s unit.

PROJECT ANALYSIS:

Background on Applicant:

Related California (“Related”) is a fully-integrated real estate firm with a 25-year track record delivering top-quality, affordable and mixed-income housing across California. Related places a high priority on developing, acquiring and preserving housing for the affordable housing sector. Related’s broad portfolio of award-winning affordable and mixed-income developments demonstrates its continuing ability to create affordable housing opportunities in a variety of geographically, economically and socially diverse neighborhoods. This is Related’s sixth financing with CSCDA.

Public Agency Approval:

TEFRA Hearing: January 12, 2016 – City of Irvine – unanimous approval

CDLAC Approval: March 16, 2016

Public Benefits:

- 100% of the units will be rent restricted for 55 years.
 - 100% (81 units) restricted to 50% or less of area median income households.
- The Project is in walking distance to recreational facilities, grocery stores, and public K-12 schools.

Sources and Uses:

Sources of Funds:

Tax-Exempt Bonds:	\$ 16,090,095
Tax Credits:	\$ 1,933,184
Equity:	\$ 100
Residual Receipts Loan:	<u>\$ 9,919,428</u>
Total Sources:	\$ 27,942,807

Uses of Funds:

Acquisition Costs:	\$ 10,501
Construction Costs:	\$ 19,374,195
Architecture & Engineering:	\$ 1,660,000
Fees & Permits:	\$ 2,502,111
FF&E:	\$ 450,000
Costs of Issuance:	\$ 639,000
Capitalized Interest/Loan Costs:	\$ 1,105,000
Developer Fee:	\$ 1,250,000
Other Costs (Taxes, Marketing, Audit):	\$ 802,000
Soft Cost Contingency:	<u>\$ 150,000</u>
Total Uses:	\$ 27,942,807

Finance Partners:

Bond Counsel: Orrick, Herrington & Sutcliffe, LLP, San Francisco

Authority Counsel: Orrick, Herrington & Sutcliffe, LLP, Sacramento

Private Placement Purchaser: MUFG Union Bank, N.A.

Finance Terms:

Rating: Unrated
Term: 35 years
Structure: Private Placement
Estimated Closing: May 27, 2016

CSCDA Policy Compliance:

The financing for ETHIC Paramount Family Apartments complies with CSCDA's general and issuance policies.

DOCUMENTS: (as attachments)

1. CSCDA Resolution (Attachment A)

COMMISSION ACTION RECOMMENDED BY THE EXECUTIVE DIRECTOR:

1. Approves the issuance of the Bonds and the financing of the Project;
2. Approves all necessary actions and documents in connection with the financing;
and
3. Authorizes any member of the Commission or Authorized Signatory to sign all necessary documents.

ATTACHMENT A

RESOLUTION NO. 16H-__

A RESOLUTION OF THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY AUTHORIZING THE EXECUTION AND DELIVERY OF A MULTIFAMILY HOUSING REVENUE NOTE IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$17,500,000 FOR THE FINANCING OF A MULTIFAMILY RENTAL HOUSING PROJECT TO BE GENERALLY KNOWN AS ETHIC PARAMOUNT FAMILY APARTMENTS; DETERMINING AND PRESCRIBING CERTAIN MATTERS AND APPROVING AND AUTHORIZING THE EXECUTION OF AND DELIVERY OF VARIOUS DOCUMENTS RELATED THERETO; RATIFYING ANY ACTION HERETOFORE TAKEN AND APPROVING RELATED MATTERS IN CONNECTION WITH THE NOTE.

WHEREAS, the California Statewide Communities Development Authority (the "Authority") is authorized by the Joint Powers Act, commencing with Section 6500 of the California Government Code (the "JPA Law"), and its Amended and Restated Joint Exercise of Powers Agreement, dated as of June 1, 1988, as the same may be amended (the "Agreement"), to issue revenue bonds and execute and deliver revenue notes for the purpose of financing, among other things, the acquisition, construction, rehabilitation and development of multifamily rental housing projects in accordance with Chapter 7 of Part 5 of Division 31 of the California Health and Safety Code (the "Housing Law");

WHEREAS, Paramount Family Irvine Housing Partners, L.P., a California limited partnership, and entities related thereto (collectively, the "Borrower"), has requested that the Authority execute and deliver its California Statewide Communities Development Authority Multifamily Housing Revenue Note (ETHIC Paramount Family Apartments Project) 2016 Series F (the "Note") to assist in the financing of the acquisition, construction and development of a 84-unit multifamily housing rental development located in the City of Irvine, California, and known as ETHIC Paramount Family Apartments (the "Project");

WHEREAS, on March 16, 2016, the Authority received an allocation in the amount of \$17,500,000 (the "Allocation Amount") from the California Debt Limit Allocation Committee in connection with the Project;

WHEREAS, the City of Irvine (the "City") is a Program Participant (as defined in the Agreement) of the Authority and has authorized the execution and delivery of the Note;

WHEREAS, the Authority is willing to execute and deliver the Note in an aggregate principal amount not to exceed \$17,500,000, provided that the portion of such Note executed and delivered as federally tax-exempt obligations shall not exceed the Allocation Amount, and to loan the proceeds thereof to the Borrower to assist in providing financing for the Project, which will allow the Borrower to reduce the cost of the Project and to assist in providing housing for low income persons;

WHEREAS, the Note will be executed and delivered to MUFG Union Bank, N.A. (the "Bank"), as the initial holder of the Note;

WHEREAS, there have been prepared and made available to the members of the Commission of the Authority (the "Commission") the following documents required for the execution and delivery of the Note, and such documents are now in substantial form and appropriate instruments to be executed and delivered for the purposes intended:

(1) Funding Loan Agreement (the "Funding Loan Agreement") to be entered into between the Bank and the Authority;

(2) Construction Loan Agreement (Multifamily Housing Back to Back Loan Program) (the "Borrower Loan Agreement") to be entered into among the Authority, the Bank and Borrower; and

(3) Regulatory Agreement and Declaration of Restrictive Covenants (the "Regulatory Agreement") to be entered into between the Authority and the Borrower.

NOW, THEREFORE, BE IT RESOLVED by the members of the Commission, as follows:

Section 1. The recitals set forth above are true and correct, and the members of the Commission hereby find them to be so.

Section 2. Pursuant to the JPA Law and the Funding Loan Agreement, and in accordance with the Housing Law, the Authority is hereby authorized to execute and deliver the Note in one or more series. The Note shall be designated as "California Statewide Communities Development Authority Multifamily Housing Revenue Note (ETHIC Paramount Family Apartments Project) 2016 Series F" including, if and to the extent necessary, one or more sub-series, with appropriate modifications and series and sub-series designations as necessary, in an aggregate principal amount not to exceed \$17,500,000; provided that the aggregate principal amount of any tax-exempt Notes executed and delivered shall not exceed the Allocation Amount. The Note shall be executed and delivered in the form set forth in and otherwise in accordance with the Funding Loan Agreement, and shall be executed on behalf of the Authority by the manual signature of any Authorized Signatory. The Note shall be secured in accordance with the terms of the Funding Loan Agreement presented to this meeting, as hereinafter approved. Payment of the principal and purchase price of, and prepayment premium, if any, and interest on, the Note shall be made solely from amounts pledged thereto under the Funding Loan Agreement, and the Note shall not be deemed to constitute a debt or liability of the Authority or any Program Participant or Member of the Commission of the Authority (each, a "Member").

Section 3. The Funding Loan Agreement in the form presented at this meeting is hereby approved. Any Member, or any other person as may be designated and authorized to sign for the Authority pursuant to a resolution adopted thereby (including, without limitation, the administrative delegates duly authorized pursuant to Resolution No. 15R-53 of the Authority, adopted on October 22, 2015) (together with the Members, each such person is referred to herein individually as an "Authorized Signatory"), acting alone, is authorized to

execute by manual signature and deliver the Funding Loan Agreement, with such changes and insertions therein as may be necessary to cause the same to carry out the intent of this Resolution and as are approved by counsel to the Authority, such approval to be conclusively evidenced by the delivery thereof. The date, maturity date or dates (which shall not extend beyond May 1, 2061), interest rate or rates (which shall not exceed 12%), interest payment dates, denominations, form, registration privileges, manner of execution, place of payment, terms of prepayment and other terms of the Note shall be as provided in the Funding Loan Agreement as finally executed.

Section 4. The Borrower Loan Agreement in the form presented at this meeting is hereby approved. Any Authorized Signatory, acting alone, is authorized to execute by manual signature and deliver the Borrower Loan Agreement, with such changes and insertions therein as may be necessary to cause the same to carry out the intent of this Resolution and as are approved by counsel to the Authority, such approval to be conclusively evidenced by the delivery thereof.

Section 5. The Regulatory Agreement in the form presented at this meeting is hereby approved. Any Authorized Signatory, acting alone, is authorized to execute by manual signature and deliver the Regulatory Agreement, with such changes and insertions therein as may be necessary to cause the same to carry out the intent of this Resolution and as are approved by counsel to the Authority, such approval to be conclusively evidenced by the delivery thereof.

Section 6. The Authority is hereby authorized to execute and deliver the Note to the Bank pursuant to the terms and conditions of the Funding Loan Agreement.

Section 7. All actions heretofore taken by the officers and agents of the Authority with respect to the financing of the Project and the execution and delivery of the Note are hereby approved, ratified and confirmed, and any Authorized Signatory, acting alone, is hereby authorized and directed, for and in the name and on behalf of the Authority, to do any and all things and take any and all actions and execute and deliver any and all certificates, agreements and other documents, including but not limited to a tax certificate, loan related documents, an assignment of deed of trust, any endorsement, allonge or assignment of any note and such other documents as described in the Funding Loan Agreement and the other documents herein approved, which they, or any of them, may deem necessary or advisable in order to consummate the lawful execution and delivery of the Note and to effectuate the purposes thereof and of the documents herein approved in accordance with this resolution and resolutions heretofore adopted by the Authority and otherwise in order to carry out the financing of the Project.

Section 8. All consents, approvals, notices, orders, requests and other actions permitted or required by any of the documents authorized by this Resolution, whether before or after the execution and delivery of the Note, including without limitation any of the foregoing that may be necessary or desirable in connection with any default under or amendment of such documents, any transfer or other disposition of the Project, any addition or substitution of security for the Note or any prepayment of the Note, may be given or taken by any Authorized Signatory, as appropriate, without further authorization by the Commission, and each such officer is hereby authorized and directed to give any such consent, approval, notice, order or request and to take any such action that such officer may deem necessary or desirable to further the purposes of this Resolution and the financing of the Project; provided such action shall not create any

obligation or liability of the Authority other than as provided in the Funding Loan Agreement and other documents approved herein.

Section 9. This Resolution shall take effect upon its adoption.

PASSED AND ADOPTED by the California Statewide Communities Development Authority this May 19, 2016.

The undersigned, an Authorized Signatory of the California Statewide Communities Development Authority, DOES HEREBY CERTIFY that the foregoing resolution was duly adopted by the Commission of the Authority at a duly called meeting of the Commission of the Authority held in accordance with law on May 19, 2016.

By _____
Authorized Signatory



Agenda Item No. 5c

Agenda Report

DATE: May 19, 2016

TO: CSCDA COMMISSIONERS

FROM: Cathy Bando, Executive Director

PROJECT: El Cazador Apartments

PURPOSE: Approve the Financing of Rental Affordable Housing Project Located in the City of Fresno, County of Fresno

AMOUNT: Not to Exceed \$15,000,000

EXECUTIVE SUMMARY:

El Cazador Apartments (the “Project”) is an acquisition and rehabilitation of a 100-unit rental affordable housing project located in the City of Fresno. 100% of the units will remain rent restricted for low-income tenants.

PROJECT DESCRIPTION:

- Acquisition and rehabilitation of 100-unit affordable rental housing facility located at 2950 Story Road in the City of San Jose.
- 4.55 acre site.
- Wood frame buildings.
- Consists of 40 one-bedroom units, 44 two-bedroom units and 16 three bedroom units.

PROJECT ANALYSIS:

Background on Applicant:

Redwood Housing Partners (Redwood) is an affordable housing developer that was created to acquire, preserve and rehabilitate affordable multi-family housing properties throughout the country and is focused on raising the standard of living for low- and moderate-income Americans and improving the communities in which it operates. The founders of Redwood, Ryan Fuson and Jeff Green, began their careers at Goldman Sachs. Redwood has partnered with value added investors, including partners at leading investment firms and senior executives across various industries, as well as what it believes is a best-in-class acquisition and operating team. This will be Redwood’s first financing with CSCDA.

Public Agency Approval:

TEFRA Hearing: May 12, 2016 – City of Fresno – unanimous approval

CDLAC Approval: July 20, 2016
*The project is using a bridge loan prior to the bond financing and the private placement purchaser has requested the financing be approved prior to receiving allocation. The issuance of bonds will be subject to CDLAC approval.

Public Benefits:

- 100% of the units will be rent restricted for 55 years.
 - 90% (89 units) restricted to 60% or less of area median income households.
 - 10% (11 units) restricted to 50% or less of area median income households.
- The Project is in close proximity to recreational facilities, grocery stores, Fresno State and public transportation.

Sources and Uses:

Sources of Funds:

Tax-Exempt Bonds:	\$ 12,000,000
Tax Credits:	\$ 2,934,587
Projected Cash Flow	<u>\$ 292,845</u>
Total Sources:	\$ 15,227,432

Uses of Funds:

Acquisition:	\$ 8,950,000
Construction Costs:	\$ 2,948,218
Reserves:	\$ 234,528
Developer Fee:	\$ 1,814,401
Cost of Issuance:	\$ 330,335
Financing Costs:	<u>\$ 949,950</u>
Total Uses:	\$ 15,227,432

Finance Partners:

Bond Counsel: Orrick, Herrington & Sutcliffe, LLP, San Francisco
Authority Counsel: Orrick, Herrington & Sutcliffe, LLP, Sacramento
Private Placement Purchaser: Citi Community Capital

Finance Terms:

Rating: Unrated
Term: 18 years at a fixed interest rate
Structure: Private Placement
Closing: July 27, 2016

CSCDA Policy Compliance:

The financing for El Cazador Apartments complies with CSCDA's general and issuance policies for unrated debt.

DOCUMENTS: (as attachments)

1. Photographs of El Cazador Apartments (Attachment A)
2. CSCDA Resolution (Attachment B)

COMMISSION ACTION RECOMMENDED BY THE EXECUTIVE DIRECTOR:

1. Approves the issuance of the Bonds and the financing of the Project, subject to receiving CDLAC allocation;
2. Approves all necessary actions and documents in connection with the financing;
and
3. Authorizes any member of the Commission or Authorized Signatory to sign all necessary documents.

ATTACHMENT A

El Cazador Apartments



ATTACHMENT B

RESOLUTION NO. 16N-__

A RESOLUTION OF THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY AUTHORIZING THE EXECUTION AND DELIVERY OF MULTIFAMILY HOUSING REVENUE NOTES IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$15,000,000 FOR THE FINANCING OF A MULTIFAMILY RENTAL HOUSING PROJECT GENERALLY KNOWN AS EL CAZADOR APARTMENTS; DETERMINING AND PRESCRIBING CERTAIN MATTERS AND APPROVING AND AUTHORIZING THE EXECUTION OF AND DELIVERY OF VARIOUS DOCUMENTS RELATED THERETO; RATIFYING ANY ACTION HERETOFORE TAKEN AND APPROVING RELATED MATTERS IN CONNECTION WITH THE NOTES.

WHEREAS, the California Statewide Communities Development Authority (the “Authority”) is authorized by the Joint Powers Act, commencing with Section 6500 of the California Government Code (the “JPA Law”), and its Amended and Restated Joint Exercise of Powers Agreement, dated as of June 1, 1988, as the same may be amended (the “Agreement”), to issue revenue bonds and execute and deliver revenue notes for the purpose of financing, among other things, the acquisition, construction, rehabilitation, and development of multifamily rental housing projects in accordance with Chapter 7 of Part 5 of Division 31 of the California Health and Safety Code (the “Housing Law”);

WHEREAS, El Cazador, LP, a California limited partnership, and entities related thereto (collectively, the “Borrower”), has requested that the Authority execute and deliver its California Statewide Communities Development Authority Multifamily Housing Revenue Construction/Permanent Note (El Cazador Apartments) 2016 Series I-1 and its California Statewide Communities Development Authority Multifamily Housing Revenue Construction Note (El Cazador Apartments) 2016 Series I-2 (collectively, the “Notes”) to assist in the financing of the acquisition, rehabilitation and development of a 100-unit multifamily housing rental development located in the City of Fresno, California, and known as El Cazador Apartments (the “Project”);

WHEREAS, on July 20, 2016, the Authority expects to receive an allocation in the amount of \$11,355,000 (such amount as finally approved, the “Allocation Amount”) from the California Debt Limit Allocation Committee (“CDLAC”) in connection with the Project;

WHEREAS, the City of Fresno (the “City”) is a Program Participant (as defined in the Agreement) of the Authority and has authorized the execution and delivery of the Notes;

WHEREAS, the Authority is willing to execute and deliver the Notes in an aggregate principal amount not to exceed \$15,000,000, provided that the portion of such Notes executed and delivered as federally tax-exempt obligations shall not exceed the Allocation Amount, and to loan the proceeds thereof to the Borrower to assist in providing financing for the Project, which will allow the Borrower to reduce the cost of the Project and to assist in providing housing for low income persons;

WHEREAS, the Notes will be executed and delivered to Citibank, N.A. (the “Funding Lender”), as the initial holder of the Notes;

WHEREAS, there have been prepared and made available to the members of the Commission of the Authority (the "Commission") the following documents required for the execution and delivery of the Notes, and such documents are now in substantial form and appropriate instruments to be executed and delivered for the purposes intended:

(1) Funding Loan Agreement (the "Funding Loan Agreement") to be entered into between the Funding Lender and the Authority;

(2) Borrower Loan Agreement (the "Borrower Loan Agreement") to be entered into between the Authority and Borrower;

(3) Regulatory Agreement and Declaration of Restrictive Covenants (the "Regulatory Agreement") to be entered into between the Authority and the Borrower; and

(4) Contingency Draw-Down Agreement (the "Contingency Draw-Down Agreement") to be entered into by the Funding Lender and the Borrower;

NOW, THEREFORE, BE IT RESOLVED by the members of the Commission, as follows:

Section 1. The recitals set forth above are true and correct, and the members of the Commission hereby find them to be so.

Section 2. Pursuant to the JPA Law and the Funding Loan Agreement, and in accordance with the Housing Law, the Authority is hereby authorized to execute and deliver the Notes in one or more series. The Notes shall be designated as "California Statewide Communities Development Authority Multifamily Housing Revenue Construction/Permanent Note (El Cazador Apartments) 2016 Series I-1" and "California Statewide Communities Development Authority Multifamily Housing Revenue Construction Note (El Cazador Apartments) 2016 Series I-2" including, if and to the extent necessary, one or more sub-series, with appropriate modifications and series and sub-series designations as necessary, in an aggregate principal amount not to exceed \$15,000,000; that the Notes may not be issued unless and until CDLAC grants the Project the Allocation Amount, and provided further that the aggregate principal amount of any tax-exempt Notes executed and delivered shall not exceed the Allocation Amount. The Notes shall be executed and delivered in the form set forth in and otherwise in accordance with the Funding Loan Agreement, and shall be executed on behalf of the Authority by the manual or facsimile signature of any Authorized Signatory. The Notes shall be secured in accordance with the terms of the Funding Loan Agreement presented to this meeting, as hereinafter approved. Payment of the principal and purchase price of, and prepayment premium, if any, and interest on, the Notes shall be made solely from amounts pledged thereto under the Funding Loan Agreement, and the Notes shall not be deemed to constitute a debt or liability of the Authority or any Program Participant or Member of the Commission of the Authority (each, a "Member").

Section 3. The Funding Loan Agreement in the form presented at this meeting is hereby approved. Any Member, or any other person as may be designated and authorized to sign for the Authority pursuant to a resolution adopted thereby (including, without limitation, the administrative delegates duly authorized pursuant to Resolution No. 15R-53 of the Authority, adopted on October 22, 2015) (together with the Members, each such person is referred to herein individually as an "Authorized Signatory"), acting alone, is authorized to execute by manual signature and deliver the Funding Loan Agreement, with such changes and insertions therein as may be necessary to cause the same to carry out the intent of this Resolution and as are approved by counsel to the Authority, such approval to be conclusively evidenced by the delivery thereof. The date, maturity date or dates (which shall not extend

beyond June 1, 2060), interest rate or rates (which shall not exceed 12%), interest payment dates, denominations, form, registration privileges, manner of execution, place of payment, terms of prepayment and other terms of the Notes shall be as provided in the Funding Loan Agreement as finally executed.

Section 4. The Borrower Loan Agreement in the form presented at this meeting is hereby approved. Any Authorized Signatory, acting alone, is authorized to execute by manual signature and deliver the Borrower Loan Agreement, with such changes and insertions therein as may be necessary to cause the same to carry out the intent of this Resolution and as are approved by counsel to the Authority, such approval to be conclusively evidenced by the delivery thereof.

Section 5. The Regulatory Agreement in the form presented at this meeting is hereby approved. Any Authorized Signatory, acting alone, is authorized to execute by manual signature and deliver the Regulatory Agreement, with such changes and insertions therein as may be necessary to cause the same to carry out the intent of this Resolution and as are approved by counsel to the Authority, such approval to be conclusively evidenced by the delivery thereof.

Section 6. The Contingency Draw-Down Agreement in the form presented at this meeting is hereby approved.

Section 7. The Authority is hereby authorized to execute and deliver the Notes to the Funding Lender pursuant to the terms and conditions of the Funding Loan Agreement.

Section 8. All actions heretofore taken by the officers and agents of the Authority with respect to the financing of the Project and the execution and delivery of the Notes are hereby approved, ratified and confirmed, and any Authorized Signatory, acting alone, is hereby authorized and directed, for and in the name and on behalf of the Authority, to do any and all things and take any and all actions and execute and deliver any and all certificates, agreements and other documents, including but not limited to a tax certificate, loan related documents, an assignment of deed of trust, any endorsement, allonge or assignment of any note and such other documents as described in the Funding Loan Agreement and the other documents herein approved, which they, or any of them, may deem necessary or advisable in order to consummate the lawful execution and delivery of the Notes and to effectuate the purposes thereof and of the documents herein approved in accordance with this resolution and resolutions heretofore adopted by the Authority and otherwise in order to carry out the financing of the Project.

Section 9. All consents, approvals, notices, orders, requests and other actions permitted or required by any of the documents authorized by this Resolution, whether before or after the execution and delivery of the Notes, including without limitation any of the foregoing that may be necessary or desirable in connection with any default under or amendment of such documents, any transfer or other disposition of the Project, any addition or substitution of security for the Notes or any prepayment of the Notes, may be given or taken by any Authorized Signatory, as appropriate, without further authorization by the Commission, and each such officer is hereby authorized and directed to give any such consent, approval, notice, order or request and to take any such action that such officer may deem necessary or desirable to further the purposes of this Resolution and the financing of the Project; provided such action shall not create any obligation or liability of the Authority other than as provided in the Funding Loan Agreement and other documents approved herein.

This Resolution shall take effect upon its adoption.

PASSED AND ADOPTED by the California Statewide Communities Development Authority this May 19, 2016.

The undersigned, an Authorized Signatory of the California Statewide Communities Development Authority, DOES HEREBY CERTIFY that the foregoing resolution was duly adopted by the Commission of the Authority at a duly called meeting of the Commission of the Authority held in accordance with law on May 19, 2016.

By _____
Authorized Signatory



Agenda Item No. 6

Agenda Report

DATE: May 19, 2016

TO: CSCDA COMMISSIONERS

FROM: Cathy Bando, Executive Director

PURPOSE: Consider approving the trustee substitution and agreement of removal, appointment and acceptance relating to CSCDA's SCIP Program.

BACKGROUND AND SUMMARY:

Wells Fargo Bank, National Association ("Wells Fargo") has served as trustee to the SCIP program since its inception in 2003. After reviewing the performance of Wells Fargo by the SCIP finance team and CSCDA staff it has been determined that Wilmington Trust, National Association ("Wilmington Trust") is a better fit for the operations and cost structure of the SCIP program. Subject to Commission approval, Wilmington Trust would take over the outstanding SCIP escrow accounts and future SCIP financing escrow accounts.

Wilmington Trust has served as trustee to a number of CSCDA CFD transactions in addition to serving as the trustee to CSCDA's PACE programs. The service provided by Wilmington Trust on both of these programs has been excellent.

RECOMMENDED ACTION:

CSCDA's Executive Director recommends approval of the resolution as presented to the Commission in the form of Attachment A to remove Wells Fargo as trustee for the SCIP program and replace it with Wilmington Trust.

ATTACHMENT A

RESOLUTION NO. 16SCIP-__

RESOLUTION OF THE COMMISSION OF THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY APPROVING THE TRUSTEE SUBSTITUTION AND AGREEMENT OF REMOVAL, APPOINTMENT AND ACCEPTANCE RELATING TO THE AUTHORITY'S SCIP PROGRAM BONDS

WHEREAS, the California Statewide Communities Development Authority (the "Authority") has previously issued bonds under its Statewide Communities Infrastructure Program ("SCIP"); and

WHEREAS, the Commission of the Authority now finds it necessary and desirable to substitute Wilmington Trust, National Association as trustee, to replace Wells Fargo Bank, National Association, under each trust agreement for the outstanding SCIP bonds identified in the form of Agreement of Removal, Appointment and Acceptance provided to the Commission; and

WHEREAS, a form of Agreement of Removal, Appointment and Acceptance is on file with the Secretary of the Authority and presented to this meeting; and

NOW, THEREFORE, BY IT RESOLVED by the Commission as follows:

Section 1. The foregoing recitals are true and correct, and this Commission so finds and determines.

Section 2. The form of Agreement of Removal, Appointment and Acceptance is hereby approved. Any member of the Commission of the Authority, the Executive Director of the Authority, or their administrative delegates duly authorized pursuant to a resolution of the Authority (each, an "Authorized Signatory") is hereby authorized and directed to execute and deliver an Agreement of Removal, Appointment and Acceptance in substantially such form, with any changes therein as may be necessary after consultation with counsel to Authority, such approval to be conclusively evidenced by the execution and delivery of the Agreement of Removal, Appointment and Acceptance.

Section 3. This resolution shall take effect immediately upon its passage.

PASSED AND ADOPTED by the California Statewide Communities Development Authority this 19th day of May, 2016.

I, the undersigned, an Authorized Signatory of the California Statewide Communities Development Authority, DO HEREBY CERTIFY that the foregoing resolution was duly adopted by the Commission of the Authority at a duly called meeting of the Commission of the Authority held in accordance with law on May 19, 2016.

By _____
Authorized Signatory
California Statewide Communities
Development Authority



Agenda Item No. 7

Agenda Report

DATE: May 19, 2016

TO: CSCDA COMMISSIONERS

FROM: Cathy Bando, Executive Director

PURPOSE: Consideration of a resolution authorizing execution and delivery of a master assignment and assumption agreement, a depository agreement, one or more assessment contracts and one or more assignment instruments for assignment of voluntary contractual assessments. (CaliforniaFIRST-Solar City)

BACKGROUND AND SUMMARY:

CaliforniaFIRST as part of its commercial PACE offering has proposed a financing program in which SolarCity Corporation (“SolarCity”) would provide financing for the installation of distributed generation renewable energy sources that will be attached to non-residential property (including residential property containing four or more units). The financing structure would transfer CSCDA’s rights, title and interest in the voluntary contractual assessments to SolarCity as a financing mechanism. The proposed structure is similar to current CSCDA commercial PACE offerings, the difference being that SolarCity is providing the capital.

As part of the financing the following documents are being considered for approval:

- (i) The Master Assignment Agreement between CSCDA and SolarCity.
- (ii) The Depository Agreement among CSCDA, Renew Financial as Program Administrator, SolarCity and Wilmington Trust, National Association.
- (iii) Assignment Instrument.
- (iv) Assessment Contract to carry out such an agreement.

SolarCity and CaliforniaFIRST are requesting CSCDA to authorize an amount not to exceed \$200,000,000 in financings under this program. Any increase in this amount will be brought back to the Commission. In addition, CSCDA staff and CaliforniaFIRST will regularly update the Commission on the progress of the program. Orrick, Herrington & Sutcliffe as issue counsel has reviewed and approved the documents.

RECOMMENDED ACTION:

CSCDA’s Executive Director recommends approval of the resolution as presented to the Commission in the form of Attachment A.

ATTACHMENT A

RESOLUTION NO. _____

**A RESOLUTION AUTHORIZING EXECUTION AND DELIVERY OF A
MASTER ASSIGNMENT AND ASSUMPTION AGREEMENT, A
DEPOSITARY AGREEMENT, ONE OR MORE ASSESSMENT
CONTRACTS AND ONE OR MORE ASSIGNMENT INSTRUMENTS
FOR ASSIGNMENT OF VOLUNTARY CONTRACTUAL
ASSESSMENTS AND APPROVING AND DIRECTING RELATED
DOCUMENTS AND ACTIONS
(SOLARCITY)**

ALL COVERED JURISDICTIONS

WHEREAS, the California Statewide Communities Development Authority (“California Communities”) is authorized under the authority granted to California Communities pursuant to Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (beginning with Section 6500) in accordance with Chapter 29 of Part 3 of Division 7 of the Streets & Highways Code of the State of California (beginning with Section 589810) (“Chapter 29”) to levy contractual assessments to finance the installation of certain improvements; and

WHEREAS, this Commission previously adopted the resolutions shown in Appendix 1 for the counties, and cities in Los Angeles County, listed at Appendix 1 (each, a “Covered Jurisdiction,” and collectively, the “Covered Jurisdictions”), each entitled “Resolution Declaring Intention to Finance Installation of Distributed Generation Renewable Energy Sources, Energy Efficiency and Water Efficiency Improvements” (collectively, the “Resolutions of Intention”), to initiate proceedings under Chapter 29 in and for the territory within each Covered Jurisdiction (the “Program Area”) to establish the CaliforniaFIRST program (the “Program”), pursuant to which California Communities would enter into contractual assessments to finance distributed generation renewable energy sources and energy efficiency and water efficiency improvements that are permanently fixed to real property (“Authorized Improvements”); and

WHEREAS, by the Resolutions of Intention, the Commission provided that one or more series of bonds would be issued under the Improvement Bond Act of 1915, Division 10 of the California Streets and Highways Code (as amended, the “Bond Law”), and reference to the Resolutions of Intention is hereby expressly made for further particulars; and

WHEREAS, after holding a duly noticed public hearing at which interested persons were allowed to object to or inquire about the proposed Program within the Program Area or any of the Program’s particulars, the Commission adopted the resolutions listed in Appendix 1 for the Covered Jurisdictions, each entitled “Resolution Confirming Report Relating to the Financing of the Installation of Distributed Generation Renewable Energy Sources, Energy Efficiency and Water Efficiency Improvements and Approving and Ordering Other Related Matters” (collectively, the “Initial Resolutions Confirming Program Report”), pursuant to which the Commission, among other things, (i) confirmed and approved a report (as subsequently amended, the “Program Report”) addressing all the matters required by Chapter 29, including a draft agreement between California Communities and property owners participating in the Program providing for payment of

contractual assessments, (ii) established the Program, and (iii) authorized Authorized Officers (as defined herein) to execute agreements (“Assessment Contracts”) with the owners of property in the Program Area to provide for the levy of contractual assessments to finance installation of Authorized Improvements; and

WHEREAS, the Commission subsequently amended the Program Reports by adopting the resolutions listed in Appendix 1 under the heading “Resolutions Amending Program Report” for the related Covered Jurisdictions (such resolutions, together with the Initial Resolutions Confirming Program Report, the “Resolutions Confirming Program Report”); and

WHEREAS, under Chapter 29 and the Bond Law, the Commission adopted the resolutions listed in Appendix 1 under the heading “Original Resolutions of Issuance” for the Covered Jurisdictions, each entitled “A Resolution Authorizing Issuance of Limited Obligation Improvement Bonds, Approving and Directing the Execution of Related Documents and Approving Related Documents and Actions,” which among other matters, authorized the issuance of one or more series of improvement bonds of California Communities upon the security of assessments levied on the participating parcels within the Program Area under Chapter 29 and the Bond Law, and provided that the issuance of the bonds would be in accordance with the Bond Law and an indenture and authorized the execution thereof; and

WHEREAS, in connection with the CaliforniaFIRST Program, California Communities obtained the following default judgments:

(i) a default judgment rendered on August 17, 2012, by the Superior Court of the State of California, County of Sacramento, in the validation action entitled “California Statewide Communities Development Authority v. All Persons Interested in the Matter of California Communities’ ‘CaliforniaFIRST’ Property Assessed Clean Energy (‘PACE’) Program Established in Certain Counties and Cities, Including the Adoption of Resolutions and the Authorization of the Matters Therein, and all Bonds, Contracts, Contractual Assessments, and other Matters and Proceedings Related Thereto,” Case No. 34-2012-00121447;

(ii) a default judgment rendered on March 4, 2014, by the Superior Court of the State of California, County of Sacramento, in the validation action entitled “California Statewide Communities Development Authority v. All Persons Interested in the Matter of California Communities’ ‘CaliforniaFIRST’ Property Assessed Clean Energy (‘PACE’) Program Established in Certain Counties and Cities, Including the Adoption of Resolutions and the Authorization of the Matters Therein, and all Bonds, Contracts, Contractual Assessments, and other Matters and Proceedings Related Thereto,” Case No. 34-2013-00153863; and

(iii) a default judgment rendered on October 17, 2014, by the Superior Court of the State of California, County of Sacramento, in the validation action entitled “California Statewide Communities Development Authority v. All Persons Interested in the Matter of California Communities’ ‘CaliforniaFIRST’ Property Assessed Clean Energy (‘PACE’) Program Established in Certain Counties and Cities, Including the Adoption of Resolutions and the Authorization of the Matters Therein, and all Bonds, Contracts, Contractual Assessments, and other Matters and Proceedings Related Thereto,” Case No. 34-2014-00166647; and

WHEREAS, Section 5898.28(b) of Chapter 29 (i) authorizes California Communities to transfer its right, title, and interest in and to any voluntary contractual assessments, if bonds have

not been issued (each, an “Assignment” and, collectively, the “Assignments”), (ii) authorizes California Communities and any transferee to enter into an agreement that, among other things, identifies the specific period of time during which the transfer of voluntary contractual assessments will be operative, not to exceed three years and (iii) provides that a transfer of any voluntary contractual assessments under Section 5898.28(b) shall be treated as a true and absolute transfer of the asset so transferred for the period of the transfer and not as a pledge or grant of a security interest by the public agency for any borrowing; and

WHEREAS, Chapter 29 provides that “a public purpose will be served by a voluntary contractual assessment program that provides the legislative body of any public agency with the authority to finance the installation of distributed generation renewable energy sources and energy or water efficiency improvements that are permanently fixed to residential, commercial, industrial, agricultural or other real property”; and

WHEREAS, Chapter 29 further provides that “for the purpose of financing the installation of distributed generation renewable energy sources pursuant to [Chapter 29], ‘permanently fixed’ includes, but is not limited to, systems attached to a residential, commercial, industrial, agricultural, or other real property pursuant to a power purchase agreement or lease between the owner of the system and the owner of the assessed property,” if the power purchase agreement or lease contains certain specified provisions, including a requirement that “[a]fter installation, the power purchase agreement or lease is paid, either partially or in full, using the funds from the contractual assessment program”; and

WHEREAS, one of the ways in which California Communities carries out the public purpose of the Program is by permitting third party owners of distributed generation renewable energy sources to provide financing for such systems to real property owners in the form of power purchase agreements or leases; and

WHEREAS, one of the ways in which California Communities carries out the public purpose of the Program is by permitting such third party owners to provide financing proceeds directly to the installer of such distributed generation renewable energy sources to pay for the installation of such improvements; and

WHEREAS, California Communities appointed Renewable Funding, LLC as a program administrator (together with any successors or assigns, the “Program Administrator”); and

WHEREAS, the Program Administrator has proposed a financing program in which SolarCity Corporation or its affiliates (collectively, “SolarCity”) would provide financing for the installation of distributed generation renewable energy sources that will be attached to non-residential property (including residential property containing four or more units), and, in anticipation of the issuance of limited improvement bonds under Chapter 29 to provide long-term financing for the installation of authorized improvements, California Communities would transfer its right, title and interest in and to certain voluntary contractual assessments to SolarCity as an interim financing mechanism; and

WHEREAS, the Program Administrator, in consultation with bond counsel for the Program, has proposed (i) a form of master assignment and assumption agreement (the “Master Assignment Agreement”) between California Communities and SolarCity, (ii) a form of depositary and agreement (the “Depositary Agreement”) among California Communities, the Program Administrator, SolarCity and Wilmington Trust, National Association, (iii) a form of Assignment Instrument (which is attached as Exhibit A to the Master Assignment Agreement) (each, an “Assignment Instrument”) and (iv) a form of Assessment Contract (the “Assessment Contract”,

and, together with the Master Assignment Agreement, the Depositary Agreement, the Assignment Instrument and the Assessment Contract, the "Assignment Transaction Documents"), to carry out such an agreement; and

WHEREAS, in order to accomplish the financing program described above, the Commission wishes to approve the following documents in substantially the form on file with the Secretary: (i) the Master Assignment Agreement, (ii) the Depositary Agreement, (iii) the Assignment Instruments and (iv) the Assessment Contract; and

WHEREAS, in connection with the SolarCity program described above, this Commission wishes to authorize California Communities to execute and deliver, from time to time, one or more Assignment Instruments and related Assessment Contracts in an aggregate amount not to exceed \$200,000,000, and other related matters; and

WHEREAS, this Commission further wishes to authorize California Communities to enter into one or more indentures, from time to time, with Wilmington Trust, National Association, as trustee, substantially in the form attached to the Master Assignment Agreement as Exhibit C (each, an "Indenture"), and issue Complying PACE Bonds (as defined in the Master Assignment Agreement) in one or more series in the circumstances and for the purposes specified in the Master Assignment Agreement (collectively, "Bonds") in an aggregate principal amount not to exceed \$200,000,000; and

WHEREAS, all conditions, things and acts required to exist, to have happened and to have been performed precedent to the execution and delivery of the Master Assignment Agreement, the Depositary Agreement and one or more Assignment Instruments, and the execution and delivery of the Indentures and the issuance of Bonds, exist, have happened and have been performed in due time, form and manner as required by the laws of the State of California, including Chapter 29 and the Bond Law; and

NOW THEREFORE, BE IT RESOLVED that the Commission of the California Statewide Communities Development Authority hereby finds, determines and resolves as follows:

1. The Commission hereby approves the Master Assignment Agreement in substantially the form on file with the Secretary, together with any changes therein or additions thereto approved by an Authorized Signatory of California Communities (as designated by a current resolution of this Commission) after consultation with appropriate legal counsel for California Communities, and the execution thereof by an Authorized Signatory shall be conclusive evidence of the approval of any such changes or additions. The Commission hereby duly authorizes and directs California Communities, including its officers, employees, and agents, to perform its obligations under the Master Assignment Agreement. This Commission hereby authorizes and directs an Authorized Signatory, for and in the name of California Communities, to execute the Master Assignment Agreement with SolarCity Corporation or an affiliate thereof as the counterparty, provided that the SolarCity entity executing the Master Assignment Agreement must represent to California Communities that it is a "qualified institutional buyer" as generally defined under Rule 144A of the Securities Act of 1933 or an "accredited investor" as generally defined under Regulation D of the Securities Act of 1933. This Commission hereby authorizes the delivery and performance of the Master Assignment Agreement by California Communities.

2. The Commission hereby approves the Depositary Agreement in substantially the form on file with the Secretary, together with any changes therein or additions thereto approved by an Authorized Signatory of California Communities (as designated by a current resolution of this Commission), and the execution thereof by an Authorized Signatory shall be conclusive

evidence of the approval of any such changes or additions. The Commission hereby duly authorizes and directs California Communities, including its officers, employees, and agents, to perform its obligations under the Depositary Agreement. This Commission hereby authorizes and directs an Authorized Signatory to execute the final form of Depositary Agreement for and in the name of California Communities after consultation with appropriate legal counsel for California Communities. This Commission hereby authorizes the delivery and performance of the Depositary Agreement by California Communities.

3. The Commission hereby approves a form of Assessment Contract to be used in connection with the Master Assignment Agreement in substantially the form on file with the Secretary, together with any changes therein or additions thereto approved by an Authorized Signatory of California Communities (as designated by a current resolution of the Commission), and the execution thereof by an Authorized Signatory shall be conclusive evidence of the approval of any such changes or additions. The Commission hereby duly authorizes and directs California Communities, including its officers, employees, and agents, to perform its obligations under each Assessment Contract. The Commission hereby authorizes and directs an Authorized Signatory to execute such Assessment Contracts for and in the name of California Communities after consultation with appropriate legal counsel for California Communities. The Commission hereby authorizes the delivery and performance by California Communities of such Assessment Contracts in connection with the Master Assignment Agreement and the Depositary Agreement.

California Communities hereby finds that proceeds of voluntary contractual assessment payments by real property owners under an Assessment Contract shall constitute “funds from the contractual assessment program” as described in Chapter 29.

4. The Commission hereby approves the execution and delivery of one or more Assignment Instruments in substantially the form attached to a Master Assignment Agreement, together with any changes therein or additions thereto approved by an Authorized Signatory of California Communities (as designated by a current resolution of this Commission) and the execution thereof by an Authorized Signatory shall be conclusive evidence of the approval of any such changes or additions. The Commission hereby duly authorizes and directs California Communities, including its officers, employees, and agents, to perform its obligations under each Assignment Instrument. This Commission hereby authorizes and directs an Authorized Signatory to execute one or more Assignment Instruments for and in the name of California Communities after consultation with appropriate legal counsel for California Communities. This Commission hereby authorizes the delivery and performance of such Assignment Instruments by California Communities.

An Assignment shall have a term not to exceed three years, the maximum aggregate amount of such Assignments authorized by this Resolution is \$200,000,000 and each Assignment shall, in any event, conform to the requirements of Chapter 29 and all other applicable law.

5. Pursuant to Chapter 29, the Bond Law and the Original Resolutions of Issuance as supplemented by this Resolution, this Commission hereby authorizes the issuance by California Communities from time to time of one or more series of Bonds (with such Bonds to be issued pursuant to one or more Indentures) in an aggregate principal amount not to exceed \$200,000,000. The Bonds of each series shall be executed in the form, mature, and be payable in the priorities and bear interest at the rates as provided in the related Indenture. The Commission finds that the issuance of the Bonds complies with Chapter 29, Bond Law and Original Resolutions of Issuance.

6. The Commission hereby approves the Indenture in substantially the form on file with the Secretary, together with any changes therein or additions thereto approved by an Authorized Signatory of California Communities (as designated by a current resolution of this Commission) in connection with the issuance of a series of Bonds, and the execution thereof by an Authorized Signatory shall be conclusive evidence of the approval of any such changes or additions. This Commission hereby authorizes and directs an Authorized Signatory to execute the final form of Indenture for and in the name of California Communities in connection with the issuance of Bonds. The Commission hereby duly authorizes and directs California Communities, including its officers, employees, and agents, to perform its obligations under each Indenture.

7. Each Authorized Signatory of California Communities is hereby authorized and directed, for and in the name and on behalf of California Communities, to execute and direct recordation with the applicable County recorder all notices required by Chapter 29 and do or cause to be done any and all other things and take or cause to be taken any and all other actions, including execution and delivery of any and all assignments, certificates, requisitions, agreements, notices, consents, instruments of conveyance, warrants and other documents, that they, or any of them, may deem necessary or advisable in order to consummate the Assignments authorized by this Resolution and the issuance of the Bonds, and to carry out California Communities' obligations under the Assignment Transaction Documents, the Indenture and any of the other transactions contemplated by the documents approved pursuant to this Resolution. All actions heretofore taken by the officers and agents of California Communities with respect to the Master Assignment Agreement, the Depositary Agreement and the proposed Assignments and the Bonds are hereby approved, confirmed and ratified.

8. This resolution shall take effect from and after its adoption.

PASSED AND ADOPTED by the California Statewide Communities Development Authority this 19th day of May 2016.

I, the undersigned, an Authorized Signatory of the California Statewide Communities Development Authority, DO HEREBY CERTIFY that the foregoing resolution was duly adopted by the Commission of California Communities at a duly called meeting of the Commission of California Communities held in accordance with law on May 19, 2016.

By: _____
Authorized Signatory
California Statewide
Communities Development
Authority

APPENDIX 1

1. Counties:

- | | |
|--------------------|---------------------|
| I. Alpine | II. Placer |
| III. Alameda | IV. Plumas |
| V. Amador | VI. Riverside |
| VII. Butte | VIII. Sacramento |
| IX. Calaveras | X. San Benito |
| XI. Colusa | XII. San Bernardino |
| XIII. Contra Costa | XIV. San Diego |
| XV. Del Norte | XVI. San Francisco |
| XVII. El Dorado | XVIII. San Joaquin |
| XIX. Fresno | XX. San Luis Obispo |
| XXI. Glenn | XXII. San Mateo |
| XXIII. Humboldt | XXIV. Santa Barbara |
| XXV. Imperial | XXVI. Santa Clara |
| XXVII. Inyo | XXVIII. Santa Cruz |
| XXIX. Kern | XXX. Shasta |
| XXXI. Kings | XXXII. Sierra |
| XXXIII. Lake | XXXIV. Siskiyou |
| XXXV. Lassen | XXXVI. Sonoma |
| XXXVII. Madera | XXXVIII. Solano |
| XXXIX. Marin | XL. Stanislaus |
| XLI. Mariposa | XLII. Sutter |
| XLIII. Mendocino | XLIV. Tehama |
| XLV. Merced | XLVI. Trinity |
| XLVII. Modoc | XLVIII. Tulare |
| XLIX. Monterey | L. Tuolumne |
| LI. Mono | LII. Ventura |
| LIII. Nevada | LIV. Yolo |
| LV. Napa | LVI. Yuba |
| LVII. Orange | LVIII. |

2. Cities in Los Angeles County

Agoura Hills	Gardena	Paramount
Alhambra	Glendale	Pasadena
Arcadia	Glendora	Pico Rivera
Artesia	Hawaiian Gardens	Pomona
Avalon	Hawthorne	Rancho Palos Verdes
Azusa	Hermosa Beach	Redondo Beach
Baldwin Park	Huntington Park	Rolling Hills Estates
Bell	Industry	San Dimas
Bell Gardens	Inglewood	San Gabriel
Bellflower	La Mirada	San Marino
Beverly Hills	La Verne	Santa Clarita
Burbank	Lakewood	Santa Fe Springs
Calabasas	Lancaster	Santa Monica
Carson	Lomita	South Gate
Claremont	Long Beach	South Pasadena
Commerce	Los Angeles	Temple City
Compton	Lynwood	Torrance
Covina	Maywood	Vernon
Cudahy	Monrovia	Walnut
Culver City	Montebello	West Covina
Downey	Monterey Park	West Hollywood
Duarte	Norwalk	Westlake Village
El Monte	Palmdale	Whittier
El Segundo	Palos Verdes Estates	

3. Resolutions of Intention:

LIX. Covered Jurisdiction(s)	LX. Resolution of Intention #	LXI. Date
LXII. Alameda	LXIII. 10R-15	LXIV. 1/27/2010
LXV. Fresno	LXVI. 10R-2	LXVII. 1/27/2010
LXVIII. Kern	LXIX. 10R-3	LXX. 1/27/2010
LXXI. Marin	LXXII. 13R-21	LXXIII. 9/20/2013
LXXIV. Monterey	LXXV. 10R-4	LXXVI. 1/27/2010
LXXVII. Napa	LXXVIII. 3R-22	LXXIX. 9/20/2013
LXXX. Sacramento	LXXXI. 10R-5	LXXXII. 1/27/2010
LXXXIII. San Benito	LXXXIV. 10R-6	LXXXV. 1/27/2010
LXXXVI. San Diego	LXXXVII. 10R-7	LXXXVIII. 1/27/2010
LXXXIX. San Luis Obispo	XC. 10R-8	XCI. 1/27/2010
XCII. San Mateo	XCIII. 10R-9	XCIV. 1/27/2010
XCV. Santa Clara	XCVI. 10R-10	XCVII. 1/27/2010
XCVIII. Santa Cruz	XCIX. 10R-11	C. 1/27/2010
CI. Solano	CII. 10R-12	CIII. 1/27/2010
CIV. Tulare	CV. 13R-23	CVI. 9/20/2013
CVII. 2014 Program Expansion*	CVIII. 14R-18	CIX. 4/17/2014
CX. Ventura	CXI. 10R-13	CXII. 1/27/2010
CXIII. Yolo	CXIV. 10R-14	CXV. 1/27/2010
CXVI. All Covered Jurisdictions	CXVII. 15R-59	CXVIII. 10/8/15

* Consists of Covered Jurisdictions shown in this Appendix 1, Pages 1 and 2, that are not otherwise shown in this table.

4. Initial Resolutions Confirming Report:

CXIX. Covered Jurisdiction(s)	CXX. Resolution Confirming Report #	CXXI. Date
CXXII. Alameda	CXXIII. 10R-45	CXXIV. 3/10/2010
CXXV. Fresno	CXXVI. 10R-46	CXXVII. 3/10/2010
CXXVIII. Kern	CXXIX. 10R-47	CXXX. 3/10/2010
CXXXI. Marin	CXXXII. 3R-29	CXXXIII. 10/24/2013
CXXXIV. Monterey	CXXXV. 10R-48	CXXXVI. 3/10/2010
CXXXVII. Napa	CXXXVIII. 3R-30	CXXXIX. 10/24/2013
CXL. Sacramento	CXLI. 10R-51	CXLII. 3/10/2010
CXLIII. San Benito	CXLIV. 10R-52	CXLV. 3/10/2010
CXLVI. San Diego	CXLVII. 10R-53	CXLVIII. 3/10/2010
CXLIX. San Luis Obispo	CL. 10R-54	CLI. 3/10/2010
CLII. San Mateo	CLIII. 10R-55	CLIV. 3/10/2010
CLV. Santa Clara	CLVI. 10R-49	CLVII. 3/10/2010
CLVIII. Santa Cruz	CLIX. 10R-50	CLX. 3/10/2010
CLXI. Solano	CLXII. 10R-56	CLXIII. 3/10/2010
CLXIV. Tulare	CLXV. 13R-28	CLXVI. 10/24/2013
CLXVII. 2014 Program Expansion*	CLXVIII. 4R-32	CLXIX. 7/17/2014
CLXX. Ventura	CLXXI. 10R-57	CLXXII. 3/10/2010

CLXXIII.	Yolo	CLXXIV. 0R-58	CLXXV. 0/2010	3/1
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* Consists of Covered Jurisdictions shown in this Appendix 1, Pages 1 and 2, that are not otherwise shown in this table.

5. Resolutions Amending Program Report:

CLXXVI. Covered Jurisdiction(s)	CLXXVII. Resolution Confirming Report #	CLXXVIII. Date
CLXXIX. Alameda	CLXXX. 2H-10	CLXXXI. 2/02/2012
CLXXXII. Fresno	CLXXXIII. 2H-9	CLXXXIV. 2/02/2012
CLXXXV. Kern	CLXXXVI. 2H-11	CLXXXVII. 2/02/2012
CLXXXVIII. Monterey	CLXXXIX. 2H-12	CXC. 2/02/2012
CXCI. Sacramento	CXCII. 12H-13	CXCIII. 2/02/2012
CXCIV. San Benito	CXCV. 12H-14	CXCVI. 2/02/2012
CXCVII. San Diego	CXCVIII. 2H-15	CXCIX. 2/02/2012
CC. San Luis Obispo	CCI. 12H-16	CCII. 2/02/2012
CCIII. San Mateo	CCIV. 12H-17	CCV. 2/02/2012
CCVI. Santa Clara	CCVII. 12H-18	CCVIII. 2/02/2012
CCIX. Santa Cruz	CCX. 12H-19	CCXI. 2/02/2012
CCXII. Solano	CCXIII. 12H-20	CCXIV. 2/02/2012
CCXV. Ventura	CCXVI. 2H-21	CCXVII. 2/02/2012
CCXVIII. Yolo	CCXIX. 2H-22	CCXX. 2/02/2012
CCXXI. All Covered Jurisdictions	CCXXII. 4R-23	CCXXIII. 5/22/2014
CCXXIV. All Covered Jurisdictions	CCXXV. 5R-64	CCXXVI. 11/19/2015

6. Original Resolutions of Issuance:

CCXXVII. Covered Jurisdiction	CCXXVIII. Resolution #	CCXXIX. Date
CCXXX. Alameda	CCXXXI. 0R-29	CCXXXII. 3/10/2010
CCXXXIII. Fresno	CCXXXIV. 0R-30	CCXXXV. 3/10/2010
CCXXXVI. Kern	CCXXXVII. 0R-31	CCXXXVIII. 3/10/2010
CCXXXIX. Marin	CCXL. 13R-35	CCXLI. 10/24/2013
CCXLII. Monterey	CCXLIII. 0R-32	CCXLIV. 3/10/2010
CCXLV. Napa	CCXLVI. 3R-36	CCXLVII. 10/24/2013
CCXLVIII. Sacramento	CCXLIX. 0R-35	CCL. 3/10/2010
CCLI. San Benito	CCLII. 10R-36	CCLIII. 3/10/2010
CCLIV. San Diego	CCLV. 10R-37	CCLVI. 3/10/2010
CCLVII. San Luis Obispo	CCLVIII. 0R-38	CCLIX. 3/10/2010
CCLX. San Mateo	CCLXI. 10R-39	CCLXII. 3/10/2010
CCLXIII. Santa Clara	CCLXIV. 0R-33	CCLXV. 3/10/2010
CCLXVI. Santa Cruz	CCLXVII. 0R-34	CCLXVIII. 3/10/2010
CCLXIX. Solano	CCLXX. 0R-40	CCLXXI. 3/10/2010
CCLXXII. Tulare	CCLXXIII. 3R-34	CCLXXIV. 10/24/2013
CCLXXV. 2014 Program Expansion*	CCLXXVI. 4R-31	CCLXXVII. 7/17/2014
CCLXXVIII. Ventura	CCLXXIX. 0R-41	CCLXXX. 3/10/2010

CCLXXXI. Yolo	CCLXXXII. 0R-42	CCLXXXIII. 3/1 0/2010
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* Consists of Covered Jurisdictions shown in this Appendix 1 to this Agreement that are not otherwise shown in this table.