REGULAR MEETING AGENDA
July 9, 2020 at 2:00 p.m.

Pursuant to Governor Newsom’s Executive Order, Commissioners of the California Statewide Community Development Authority or staff may participate in this meeting via a teleconference. In the interest of maintaining appropriate social distancing, members of the public may participate in the meeting telephonically. Members of the public may observe and offer comment at this meeting telephonically by dialing 623-404-9000, Meeting ID 240 338 9861 Passcode 747188. If you are an individual with a disability and need a reasonable modification or accommodation pursuant to the Americans with Disabilities Act (“ADA”) please contact info@cscda.org or 1-800-531-7476 prior to the meeting for assistance.

A. OPENING AND PROCEDURAL ITEMS

1. Roll Call.
   ____ Kevin O’Rourke, Chair
   ____ Tim Snellings, Vice Chair
   ____ Brian Moura, Secretary
   ____ Jordan Kaufman, Treasurer
   ____ Dan Mierzwa, Member
   ____ Brian Stiger, Member
   ____ Marcia Raines, Member
   ____ Michael Cooper, Alt. Member
   ____ Niroop Srivatsa, Alt. Member

2. Consideration of the Minutes of the June 18, 2020 Regular Meeting.

3. Consent Calendar.

4. Public Comment.

B. ITEMS FOR CONSIDERATION

5. Consider the following resolutions for multiple Statewide Community Infrastructure Program (SCIP) Assessment Districts for Series 2020B or a future bond issuance:

   a. Resolutions of intention to finance capital improvements and/or the payment of development impact fees for public capital improvements, including approval of proposed boundary maps.

   b. Resolutions preliminarily approving the engineer’s reports, setting date for the public hearing of protests and providing for property owner ballots.
6. Consideration of commercial PACE financing for 660 J Street, Sacramento (City of Sacramento, County of Sacramento) in amount not-to-exceed $12 million.


8. Consideration of CSCDA Workforce Housing Finance Program.

C. **STAFF ANNOUNCEMENTS, REPORTS ON ACTIVITIES OR REQUESTS**

9. Executive Director Update.

10. Staff Updates.

11. Adjourn.

**NEXT MEETING:** Thursday, July 23, 2020 at 2:00 p.m.
CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY

CONSENT CALENDAR

1. Inducement of Sherwood Family Apartments, LP (Sherwood Family Apartments), City of McFarland, County of Kern; issue up to $22 million in multi-family housing revenue bonds.
<table>
<thead>
<tr>
<th>Item</th>
<th>Description</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>June 18, 2020 Regular Meeting Minutes</td>
<td>5</td>
</tr>
<tr>
<td>3</td>
<td>Consent Calendar</td>
<td>8</td>
</tr>
<tr>
<td>5</td>
<td>SCIP 2020B</td>
<td>12</td>
</tr>
<tr>
<td>6</td>
<td>660 J Street – C-PACE</td>
<td>15</td>
</tr>
<tr>
<td>7</td>
<td>Rockwood Group – C-PACE</td>
<td>23</td>
</tr>
<tr>
<td>8</td>
<td>Workforce Housing</td>
<td>25</td>
</tr>
</tbody>
</table>
Commission Chair Kevin O’Rourke called the meeting to order at 2:03 pm.

1. Roll Call.

Commission members participating via teleconference: Kevin O’Rourke, Tim Snellings, Brian Moura, Jordan Kaufman, Dan Mierzwa, Brian Stiger, and Marcia Raines.

Others participating via teleconference: Cathy Bando, CSCDA Executive Director; James Hamill, Bridge Strategic Partners; Jon Penkower, Bridge Strategic Partners; Norman Coppinger, League of California Cities; Sendy Young, CSAC Finance Corporation; Christy Stutzman, CSAC Finance Corporation; Chase Broffman, CSAC Finance Corporation; Tricia Ortiz, Richards Watson & Gershon; and Besorah Won, Orrick, Herrington & Sutcliffe.


The Commission approved the June 4, 2020 Regular Meeting minutes.

*Motion to approve by B. Moura. Second by T. Snellings. Unanimously approved by roll-call vote.*

3. Consideration of the Consent Calendar.

The Commission approved the Consent Calendar.

1. Consider and approve the levy of special taxes for fiscal year 2020-2021 for Community Facilities District No. 2015-02 (Rio Bravo) and (ii) Community Facilities District No. 2018-01 (Wagon Wheel).

*Motion to approve by B. Moura. Second by B. Stiger. Unanimously approved by roll-call vote*

4. Public Comment.

Chase Broffman informed the Commission that the CSCDA Promotional Video should be completed by the end of the month.
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. Pleasant Village Preservation L.P. (Pleasant Village Apartments), City of Fresno, County of Fresno; issue up to $15 million in multi-family housing revenue bonds.

Executive Director Bando gave an overview of the project, and the financing complies with CSCDA’s general and issuance policies. The project is an acquisition and rehabilitation of a 100-unit rental affordable housing project. 100% of the units will remain rent restricted for low-income tenants. This is 21 Alpha’s 3rd financing with CSCDA. CSCDA’s Executive Director recommended that the Commission adopt the resolution.

   Motion to approve by J. kaufman. Second by D. Mierzwa. Unanimously approved by roll-call vote


   a. Consider the following resolutions to initiate proceedings to form Community Facilities District No. 2020-02 (Atwell), City of Banning, County of Riverside:

      i. A resolution approving a joint community facilities agreement and acquisition agreement and declaring intention to establish California Statewide Communities Development Authority Community Facilities District No. 2020-02 (Atwell), City of Banning, County of Riverside, State of California, to designate Improvement Area No. 1 therein and to levy special taxes therein to finance certain public improvements, certain development impact fees and certain public services, and to identify territory proposed for annexation to the Community Facilities District in the future and to levy special taxes therein.

      ii. A resolution to incur bonded indebtedness to finance certain public improvements and certain development impact fees within California Statewide Communities Development Authority Community Facilities District No. 2020-02 (Atwell), City of Banning, County of Riverside, State of California and in and for Improvement Area No. 1 designated therein and territory proposed for annexation to the Community Facilities District in the future and calling for a public hearing.

   Motion to approve both resolutions by M. Raines. Second by T. Snellings. Unanimously approved by roll-call vote.

7. Consideration of 2020-21 CSCDA Budget.

Executive Director Bando went over the proposed 2020-21 budget, which is a compilation of projections compiled by the Executive Director, CSCDA Staff with accounting help provided by the League of California Cities. CSCDA’s Executive Director recommended approval of the 2020-21 budget.

   Motion to approve by D. Mierzwa. Second by B. Moura. Unanimously approved by roll-call vote.

Staff gave an update of the current market conditions related to CSCDA programs

9. Consideration of sponsorships for the Local Government Summer Institute (LGSI) at Stanford and the California City Management Foundation (CCMF).

This item was postponed.

10. Executive Director Update.

Executive Director Bando informed the Commission that at the next upcoming CSCDA there would be an action item regarding interest earnings.

11. Staff Update.

Staff had no updates.

12. Adjourn.

The meeting was adjourned at 2:43 p.m.

Submitted by: Sendy Young, CSAC Finance Corporation

NEXT MEETING: Thursday, July 9, 2020 at 2:00 p.m.
RESOLUTION NO. 20H-__

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 July 9, 2020.

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 July 9, 2020.

By: ____________________________
   Authorized Signatory
## EXHIBIT A

<table>
<thead>
<tr>
<th>Project Name</th>
<th>Project Location</th>
<th>Project Description (units)</th>
<th>New Construction/Acquisition and Rehabilitation</th>
<th>Legal Name of initial owner/operator</th>
<th>Bond Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sherwood Family Apartments</td>
<td>City of McFarland, County of Kern</td>
<td>81</td>
<td>New Construction</td>
<td>Sherwood Family Apartments, LP</td>
<td>$22,000,000</td>
</tr>
</tbody>
</table>
DATE: July 9, 2020

TO: CSCDA COMMISSIONERS

FROM: Cathy Bando, Executive Director

PURPOSE: Consider Resolutions for the Statewide Community Infrastructure Program (SCIP) 2020B Assessment Districts:

a. Resolutions of intention to finance capital improvements and/or the payment of development impact fees for public capital improvements, including approval of proposed boundary maps.

b. Resolutions preliminarily approving the engineer’s reports, setting date for the public hearing of protests and providing for property owner ballots.

BACKGROUND AND SUMMARY:

The actions requested today by the Commission are the first steps in connection with 11 projects expected to be included in the SCIP 2020B pool. Attachment A includes a breakdown of the 9 projects being formed today. Three of the projects in Attachment A, (1) Campus Oaks Apartments (Phase II); (2) Murieta Gardens; and (3) Hyatt House have already been formed, and are not part of today’s resolution of intention. The above-referenced projects deferred from SCIP 2020A to 2020B due to COVID-19. The estimated amount of the SCIP 2020B financing is $28 million.

The resolutions/notices include the following actions:

1. Resolution of intention to finance the capital improvements and/or development impact fees, including approval of proposed boundary maps;

2. Resolution approving the preliminary engineer’s reports;

Related documents:
https://www.dropbox.com/sh/kabnhy703d8ebti/AACkFCuSzDnOEC1Xv1_ApTo8a?dl=0
3. Setting the public hearing of protests and providing property owner ballots for September 3, 2020 at 2:00 pm.

Subsequent approvals of the financing will be brought back to the Commission at future meetings.

**RECOMMENDED ACTION:**

CSCDA’s Executive Director recommends approval of the resolutions as presented to the Commission and setting the public hearing for September 3, 2020 at 2:00 pm.
<table>
<thead>
<tr>
<th>Local Agency</th>
<th>Project</th>
<th>Developer</th>
<th>Land Use</th>
<th>Land Use Type</th>
<th>Units</th>
<th>Estimated Par Amounts</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bakersfield, City of</td>
<td>Juliana's Garden</td>
<td>LGI Homes California LLC</td>
<td>Single-Family</td>
<td>Residential</td>
<td>70</td>
<td>2,082,000</td>
</tr>
<tr>
<td>Roseville, City of</td>
<td>Campus Oaks Apartments (Phase II)</td>
<td>Campus Oaks Apartments 1 LP</td>
<td>Multi-Family</td>
<td>Residential</td>
<td>210</td>
<td>5,645,000</td>
</tr>
<tr>
<td>Desert Hot Springs, City</td>
<td>Rolling Hills</td>
<td>Watermarke Homes, LLC</td>
<td>Single-Family</td>
<td>Residential</td>
<td>27</td>
<td>455,000</td>
</tr>
<tr>
<td>Galt, City of</td>
<td>Cedar Flats</td>
<td>Tim Lewis Communities</td>
<td>Single-Family</td>
<td>Residential</td>
<td>112</td>
<td>4,157,000</td>
</tr>
<tr>
<td>Sacramento, City of</td>
<td>24 Wayne Ct. Spec Shells</td>
<td>Buzz Oates Corporation</td>
<td>Warehouse</td>
<td>Industrial</td>
<td>n/a</td>
<td>2,422,000</td>
</tr>
<tr>
<td>Sacramento, County of</td>
<td>Murieta Gardens</td>
<td>Bhupinder Singh Sandu and Manjinder</td>
<td>Retail</td>
<td>Commercial</td>
<td>n/a</td>
<td>487,000</td>
</tr>
<tr>
<td>Fontana, City of</td>
<td>Windrows</td>
<td>Inland Senior Development LLC</td>
<td>Single-Family</td>
<td>Residential</td>
<td>54</td>
<td>1,793,000</td>
</tr>
<tr>
<td>Yucaipa, City of</td>
<td>Belfort Gardens</td>
<td>BCM Development, LLC</td>
<td>Single-Family</td>
<td>Residential</td>
<td>70</td>
<td>1,375,000</td>
</tr>
<tr>
<td>Santee, City of</td>
<td>Walker Trails</td>
<td>Mastercraft Residential</td>
<td>Single-Family</td>
<td>Residential</td>
<td>67</td>
<td>1,843,000</td>
</tr>
<tr>
<td>Vacaville, City of</td>
<td>Farmstead</td>
<td>Taylor Morrison of California, LLC</td>
<td>Single-Family</td>
<td>Residential</td>
<td>130</td>
<td>5,558,000</td>
</tr>
<tr>
<td>Davis, City of</td>
<td>Hyatt House Davis</td>
<td>Presidio Companies</td>
<td>Hotel</td>
<td>Commercial</td>
<td>n/a</td>
<td>1,661,000</td>
</tr>
</tbody>
</table>
Agenda Item No. 6

Agenda Report

DATE: July 9, 2020
TO: CSCDA COMMISSIONERS
FROM: Cathy Bando, Executive Director
PROJECT: 660 J Street – Sacramento
PURPOSE: Authorize the Issuance of commercial PACE Bonds to finance seismic and energy efficiency upgrades
AMOUNT: Not to Exceed $12,000,000

EXECUTIVE SUMMARY:

660 J Street Owner, LLC, a Delaware limited liability company (660 J Street Owner) is seeking PACE financing to finance a portion of the retrofit costs associated with the building located at 660 J Street, Sacramento, California.

PROJECT ANALYSIS:

About the Project:

CSCDA will finance energy efficiency improvements, water conservation improvements, seismic retrofit and safety improvements, and indirect and soft costs, for the building located at 660 J Street, California. The taxable financing will be funded through the Property Assessed Clean Energy (PACE) mechanism.

Public Agency Approval:

The City of Sacramento approved CSCDA levying assessments under PACE on November 6, 2016.
Sources and Uses:

Sources of Funds:
- Bonds: $11,600,000.00
- Total Sources: $11,600,000.00

Use of Funds:
- Project Fund: $10,012,552.78
- Capitalized Interest: $1,398,847.22
- Costs of Issuance: $187,100.00
- Administrative Fund: $1,500.00
- Total Uses: $11,600,000.00

Finance Partners:

Bond Counsel: Stradling, Yocca, Carlson & Rauth, P.C. Newport Beach, California

PACE Assessment Consultant: DTA, Newport Beach, California

Private Placement Purchaser: Western Alliance Business Trust, Phoenix, Arizona

Finance Terms:

Anticipated Rating: Unrated
Term: 25 years at a fixed interest rate
Structure: Private Placement
Estimated Closing: July 30, 2020

CSCDA Policy Compliance:

The financing complies with CSCDA’s general, issuance and PACE policies.

DOCUMENTS: (as attachments)

1. CSCDA Resolution (Attachment A)
2. SB 450 Certificate (Attachment B)
COMMISSION ACTION RECOMMENDED BY THE EXECUTIVE DIRECTOR:

CSCDA’s Executive Director recommends that the Commission adopt the resolution, which:

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. _____

RESOLUTION OF THE COMMISSION OF THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY AUTHORIZING THE ISSUANCE OF LIMITED OBLIGATION IMPROVEMENT BONDS IN AN AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED ELEVEN MILLION SIX HUNDRED THOUSAND DOLLARS ($11,600,000) AND APPROVING FORMS OF A SUPPLEMENT TO THE MASTER INDENTURE AND AN ASSESSMENT CONTRACT, AND TAKING CERTAIN OTHER ACTIONS IN CONNECTION THEREWITH

WHEREAS, the California Statewide Communities Development Authority, a public entity of the State of California (“CSCDA”), is authorized under Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (the “Act”) and a joint exercise of powers agreement entered into by a number of California cities, counties and special districts in accordance with the Act, to authorize assessments to finance or refinance the installation of distributed generation renewable energy sources, energy efficiency improvements, water efficiency improvements, seismic strengthening improvements, electric vehicle charging infrastructure and such other work, infrastructure or improvements as may be authorized by law from time to time that are permanently fixed to real property (collectively, the “Improvements”), all in accordance with Chapter 29 of Part 3 of Division 7 of the Streets & Highways Code of the State of California, as amended (“Chapter 29”); and

WHEREAS, on November 6, 2014, pursuant to Resolution No. 14R-61 (the “Resolution of Intention”), the Commission declared its intention to establish the CSCDA Open PACE Program (the “Program”) in the Covered Jurisdictions (as defined in the Resolution of Intention and herein, the “Covered Jurisdictions”); and

WHEREAS, the Resolution of Intention directed the Executive Director or the designee thereof to prepare or cause to be prepared and to file with the Commission a report (the “Program Report”) addressing all of the matters set forth in Sections 5898.22 and 5898.23 of Chapter 29; and

WHEREAS, on December 4, 2014, pursuant to Resolution No. 14R-66 (the “Resolution Confirming Report”), the Commission confirmed the Program Report and established the Program in the Covered Jurisdictions, subject to the limitations set forth in the Resolution of Intention; and

WHEREAS, pursuant to Chapter 29 and the Resolution Confirming Report, CSCDA is authorized to enter into contractual assessments (the “Assessments”) to finance or refinance the installation of Improvements in the Covered Jurisdictions, subject to the limitations set forth in the Resolution of Intention; and
WHEREAS, pursuant to the Resolution of Intention, the Commission provided for the issuance of one or more series of limited obligation improvement bonds from time to time pursuant to the Improvement Bond Act of 1915, Division 10 of the Streets and Highways Code of the State of California (the “Bond Act”) for the purpose, among others, of financing or refinancing the installation of Improvements; and

WHEREAS, pursuant authorization set forth in Resolution No. 18R-5 adopted on July 19, 2018, CSCDA and Western Alliance Bank entered into a Master Indenture, dated as of August 1, 2018 (the “Master Indenture”); and

WHEREAS, CSCDA now desires to approve the issuance of limited obligation improvement bonds in an aggregate principal amount of not to exceed $11,600,000 (the “Bonds”), secured by Assessments pursuant to the Bond Act for the purpose, among others, of financing or refinancing the installation of certain improvements (the “Improvements”) described in the Assessment Contract (the “Assessment Contract”), by and between CSCDA and 660 J Street Owner, a Delaware limited liability company (the “Property Owner”), such Bonds to be sold to Western Alliance Business Trust, a Delaware statutory trust from Western Alliance Business, a wholly owned affiliate of Western Alliance Bank, an Arizona corporation (the “Initial Purchaser”); and

WHEREAS, in connection with the financing of the Improvements and the issuance of the Bonds, CSCDA desires to approve the forms of the Master Indenture, a Supplemental Indenture to Master Indenture, dated as of July 1, 2020 (the “Supplemental Indenture to Master Indenture”), by and between CSCDA and the Western Alliance Bank, as fiscal agent (the “Fiscal Agent”) and an Assessment Contract (collectively, the “Documents”); and

WHEREAS, CSCDA desires to approve the assignment of any Assessments to the Project Administrator in connection with any financing of the Improvements that occurs prior to the issuance of the Bonds; and

WHEREAS, the Assessments have previously been validated pursuant to Section 860 et seq. of the Government Code of the State of California in three separate validation actions;

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

Each of the above recitals is true and correct and is adopted by the Commission.

The issuance of the Bonds in an aggregate principal amount of not to exceed $11,600,000 is hereby authorized. The Bonds may be issued in one or more series and will be privately placed with the Initial Purchaser.

The forms of the Documents are hereby approved and any authorized signatory of CSCDA appointed by resolution of the Commission from time to time (collectively, the “Authorized Officers”), are hereby authorized to execute the Documents substantially in the form presented herewith, with such additions thereto and changes therein as the officer or officers executing the same deem necessary or desirable, including but not limited to insert the offering price(s), interest rate(s), selling compensation, principal amount per maturity, redemption dates and prices, reserve account
deposits and such other related terms and provisions as such Authorized Officer or Authorized Officers shall deem appropriate.

CSCDA is hereby authorized to assign any Assessments prior to the issuance of the Bonds to the Western Alliance Bank, as Program Administrator (the “Program Administrator”) in connection with any financings secured by the Assessments in anticipation of Bonds being issued.

Each of the Authorized Officers is authorized to provide for all services necessary to effect the issuance, sale and delivery of the Bonds and the origination of the Assessments. Such services shall include, but not be limited to, obtaining legal services, fiscal agent services, consultant services and any other services deemed appropriate by an Authorized Officer. Any one of the Authorized Officers is authorized to pay for the cost of such services, together with other costs of issuance incurred in connection with the issuance of the Bonds from the sale and delivery of Bond proceeds.

All actions heretofore taken by any Authorized Officers, or by any officers, employees or agents of CSCDA, with respect to: (1) the issuance, delivery or sale of the Bonds; (2) the Assessments; and (3) the Documents or any of the documents referenced therein, are hereby approved, confirmed and ratified. The Authorized Officers and the other officers responsible for the fiscal affairs of CSCDA are hereby jointly and severally authorized and directed to do all things and take any and all actions and execute and deliver any and all documents as are necessary or desirable to accomplish the issuance, sale and delivery of the Bonds in accordance with the provisions of this Resolution and as are necessary or appropriate for the fulfillment of the purposes of the Bonds and the Assessments. Any document authorized herein to be signed by the Secretary may be signed by a duly appointed Deputy Secretary.

This resolution shall take effect immediately upon its passage.

PASSED AND ADOPTED by the California Statewide Communities Development Authority this July 9, 2020.

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 July 9, 2020.

By______________________________

Authorized Signatory
California Statewide Communities Development Authority
ATTACHMENT B

PUBLIC DISCLOSURES RELATING TO CONDUIT REVENUE OBLIGATIONS

Pursuant to California Government Code Section 5852.1, the borrower (the “Borrower”) identified below has provided the following required information to the California Statewide Communities Development Authority (the “Authority”) as conduit financing provider, prior to the Authority’s regular meeting (the “Meeting”) of its Commission (the “Commission”) at which Meeting the Commission will consider the authorization of conduit revenue obligations (the “Obligations”) as identified below.

1. Name of Borrower: 660 J Street Owner, LLC, a Delaware limited liability company.

2. Authority Meeting Date: July 9, 2020.

3. Name of Obligations: California Statewide Communities Development Authority PACE Limited Obligation Improvement Bonds Open PACE Program (Commercial WAB) (660 J. Street, Sacramento, California)

4. X Private Placement Lender or Bond Purchaser, ___ Underwriter or ___ Financial Advisor (mark one) engaged by the Borrower provided the Borrower with the required good faith estimates relating to the Obligations as follows:

   (A) The true interest cost of the Obligations, which means the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for Obligations (to the nearest ten-thousandth of one percent): 5.75%.

   (B) The finance charge of the Obligations, which means the sum of all fees and charges paid to third parties: $187,100.00.

   (C) The amount of proceeds received by the public body for sale of the Obligations less the finance charge of the Obligations described in subparagraph (B) and any reserves or capitalized interest paid or funded with proceeds of the Obligations: $10,012,552.78.

   (D) The total payment amount, which means the sum total of all payments the Borrower will make to pay debt service on the Obligations plus the finance charge of the Obligations described in subparagraph (B) not paid with the proceeds of the Obligations (which total payment amount shall be calculated to the final maturity of the Obligations): $22,800,679.32.
5. The good faith estimates [provided above / attached as Schedule A] were ___ presented to the governing board of the Borrower, or X presented to the official or officials or committee designated by the governing board of the Borrower to obligate the Borrower in connection with the Obligations or, in the absence of a governing board, ___ presented to the official or officials of the Borrower having authority to obligate the Borrower in connection with the Obligations (mark one).

The foregoing estimates constitute good faith estimates only. The actual principal amount of the Obligations issued and sold, the true interest cost thereof, the finance charges thereof, the amount of proceeds received therefrom and total payment amount with respect thereto may differ from such good faith estimates due to a variety of factors. The actual interest rates borne by the Obligations and the actual amortization of the Obligations will depend on market interest rates at the time of sale thereof. Market interest rates are affected by economic and other factors beyond the control of the Borrower.

The Authority is authorized to make this document available to the public at the Meeting of the Authority.
Agenda Report

DATE: July 9, 2020
TO: CSCDA COMMISSIONERS
FROM: Cathy Bando, Executive Director
PURPOSE: Consideration of Open PACE Handbook & Documents for Rockwood Group

EXECUTIVE SUMMARY:

CSCDA’s Open PACE program currently has eleven program administrators: Renew Financial, AllianceNRG/Counterpointe, PACE Funding, CleanFund Commercial Capital, Petros PACE Finance, Greenworks Lending, PACE Equity, White Oak Advisors, Fortifi, LordCap and Stonehill.

The request today is for the approval of form documents for the Rockwood Group to finance commercial PACE projects through CSCDA on a conduit basis, not as a program administrator.

About Rockwood Group

Rockwood Group was founded in 2004 and is led by Scott Zajac, a veteran in the venture capital and private equity industry. Over the last 30 years, Mr. Zajac has executed on numerous transactions providing extensive and innovative funding solutions to companies throughout the United States. The Rockwood Group has created significant positive impact on numerous underserved communities by assisting investment in emerging technologies and business expansion opportunities. Rockwood Group maintains the highest standards of excellence and integrity and employs a rigorous due diligence process to identify potential investment recipients. The range of services includes public/private partnerships, tax credit funded projects, and other capital structures. Its PACE experience includes acting as an administrator for the City of St Louis, Missouri.

Rockwood Group will engage a team comprised of firms similar to those required for an assessment district financing or community facilities district, in order to administer each PACE financing.

In order to complete this structure with CSCDA the program documents that outline the parameters of the commercial PACE financing are required to be approved.
OVERVIEW:

Attached are the documents Rockwood Group is proposing to utilize. Staff and counsel, Jones Hall, have reviewed the program handbook and related documents. The documents meet all of CSCDA’s general, issuance and PACE guidelines.

All commercial PACE transactions originated by Rockwood will be brought back to the Commission for approval.

RECOMMENDED ACTION:

CSCDA’s Executive Director recommends approval of the documents for the Rockwood Group relating to commercial PACE projects.

Attachment: Rockwood Group Documents:
https://www.dropbox.com/sh/zxayqys7wrrnrbk/AABv4t-k78A-biBg4QS2EYtZa?dl=0
DATE:            July 9, 2020
TO:               CSCDA COMMISSIONERS
FROM:             Cathy Bando, Executive Director
PURPOSE:          Consideration of CSCDA Workforce Housing Finance Program

BACKGROUND:

California’s housing crisis remains critical and the State continues to experience a significant shortage of available affordable housing units. According to a 2018 report from the California Department of Housing and Community Development (HCD), projections for 2015–2025 population growth show that by the end of the period, California will need 1.8 million more housing units, but only a fraction of the necessary units are being created each year. Affordable housing is typically financed with tax-exempt private activity bonds and low-income housing tax credits, but these subsidies are limited to projects that restrict units for residents earning less than 60% of the area median income (AMI) (in certain cases up to 80% AMI). Since its inception, CSCDA has financed the construction or preservation of nearly 100,000 affordable units throughout California.

State leaders, as well as individual cities and counties have also recognized a serious shortage of workforce housing for those that have been termed the “missing middle”, individuals and families that earn too much to qualify for traditional affordable housing, but not enough to afford market rate rents in the communities where they work. Workforce housing (sometimes referred to as middle-income or moderate-income housing) is housing for individuals and families typically earning between 80% and 120% AMI. Unfortunately, workforce housing for the “missing middle” is not eligible for tax credits, private activity bonds or most other federal, state or local government subsidies.

DISCUSSION:

CSCDA remains a leader in the affordable housing industry and has the ability to facilitate the creation of workforce housing through its existing asset ownership program. On May 8, 2014, CSCDA adopted Public Private Partnership (P3) policies which apply to financings where CSCDA takes ownership to certain assets (See Attachment A). The ownership and financing of workforce housing can be accomplished through this program and subject to CSCDA’s existing P3 policies.
Structure:

A joint-powers authority (JPA) can acquire new or existing multifamily housing properties and restrict occupancy to residents earning between 80% and 120% AMI.

- Below market rents and a limitation on rent increases would be extended to residents through a recorded regulatory agreement. CSCDA would ensure that the property continues to be in compliance with the regulatory agreement.
- The JPA issues tax-exempt bonds to acquire the properties and third-party professionals would manage the properties and administer the assets.
- Surplus income from the projects can be provided to the City and/or County where the project is located and a purchase option at below market cost can be granted to the City and/or County. The purchase option cost can be calculated at the remaining outstanding debt on the property, which after 15 years would be significantly less than current market value.
- The CSCDA Commission would govern one or more newly formed affiliate JPAs in order to take title to the properties and issue tax-exempt bonds.
- Any potential risks to CSCDA are mitigated through selection of high performing assets, indemnification, insurance and appropriate project reserves.

The developer and underwriting communities have expressed significant interest in participating in a new CSCDA Workforce Housing Finance Program. All proposed transactions would be brought back to the Commission for approval.

Commissioners O’Rourke, Mierzwa, Raines and CSCDA’s Executive Director have been briefed about the proposed program, as well as Alan Fernandes of CSAC and Norman Coppinger of the League of California Cities. Furthermore, the program has been reviewed by CSCDA’s General Counsel, Richards, Watson, Gershon, and Issuer Counsel, Orrick, Herrington & Sutcliffe.

RECOMMENDED ACTION:

CSCDA’s Executive Director recommends that the Commission:

1. Approve in concept CSCDA’s Workforce Housing Finance Program pursuant to CSCDA’s existing asset ownership program and P3 policies;
2. Formally establish the Workforce Housing Finance Program ad hoc committee comprised of Commissioners O’Rourke, Mierzwa and Raines to work with CSCDA’s Executive Director and Staff on the program, and provide updates to the Commission.
3. Authorize the CSCDA Commission to govern one or more affiliate joint powers authorities or other appropriate legal entities to facilitate such program.
4. The organization of an affiliate JPA or other legal entities, and all individual transactions shall be brought back to the Commission at a later date.
ATTACHMENT A

Issuance/Financing Policy

V. Criteria for Ownership (P3) Structure

1. Sponsor would agree to include structural and document protections of CSCDA, set out in an outline prepared by Orrick Herrington & Sutcliffe based on its prior experience designing and implementing this structure. These protections will include (a) Disclaimers of contractual liability of any kind with respect to the bonds and all the other agreements to which CSCDA is a party, (b) Disclaimer of responsibility for information contained in any disclosure document (other than the “Authority” and “Litigation” sections), (c) Adequate indemnifications or Indenture provisions for the funding of accounts with enough revenues from the project to cover any expenses the CSCDA may incur for any reason (budgeted and unbudgeted), and (d) Delegation as much as possible to the Bond Trustee, the Manager or the Financial Consultant of any additional responsibilities CSCDA might otherwise have as a result of its ownership of the project.

2. Orrick would be Issuer and Bond Counsel, and in such capacity would report to the Board any material adverse deviations prior to authorization of bonds and documents by the Board.

3. In the event a disclosure document is prepared, any opinion rendered by disclosure or underwriters counsel would also be addressed to CSCDA.

4. In event of private placement or limited offering, an investor letter would be required in connection with the original sale in form satisfying #1 and 2 above.

5. CSCDA would select an Insurance Consultant, and the insurance required with respect to the project would meet or exceed the recommendations of the insurance consultant.

6. CSCDA would not select, but would review the qualifications and concur in the selection of, the Facilities Manager.

7. CSCDA would engage a Financial Consultant to act as CSCDA’s fiduciary financial consultant on the transaction, and post-closing to oversee performance of the Facilities Manager, including formulation of budgets and approving disbursements, performing other tasks of the CSCDA as owner that are specified in accordance with #1d above, review post-issuance rebate and other tax and disclosure compliance, and report annually to the Board on the foregoing.

8. CSCDA will, at its discretion, annually review the Insurance Consultant, Facilities Manager and Financial Consultant, and make any changes it deems appropriate, including replacement of any such party if it is in default or otherwise not performing satisfactorily, provided that CSCDA will not seek to change the Facilities Manager without concurrence of the Bond Trustee and any ground lessor, donee of the project or other holder of residential interests in the project, and subject to any conditions set out in the bond documents.

9. The foregoing are in addition to the usual provisions and procedures the CSCDA applies to approving traditional conduit financings.

http://cscda.org/Policies-And-Fees/Issuance-Policy