AGENDA OF THE
REGULAR MEETING OF THE
CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY

November 6, 2014
10:00 a.m.
League of California Cities
1400 K Street, 3rd Floor
Sacramento, California

27788 Hidden Trail Road
Laguna Hills, CA 92653

340 Olive Street
Morro Bay, CA 93442

709 Portwalk Place
Redwood City, CA 94065

3252 Southern Hills Drive
Fairfield, CA 94534

County of Yuba
915 8th Street, Suite 103
Marysville, CA 95901

County of Butte
7 County Center Drive
Oroville, CA 95965

I. Call the Roll (alternates designate which member they are representing).

II. Consideration of the Minutes of the October 23, 2014 Regular Meeting.

III. Staff Updates.

IV. Consideration of the Consent Calendar.

V. Consideration of the financing; all necessary actions; the execution and delivery of all necessary documents and authorize any member to sign all necessary financing documents for the following:

a. Huntington Memorial Hospital, City of Pasadena, County of Los Angeles; up to $210 million in revenue bonds.

This ___ page agenda was posted at 1100 K Street, Sacramento, California on ________________, 2014 at __: __ m,
Signed ________________________________. Please fax signed page to (925) 933-8457.
b. Direct Levy Delinquency Financing, City of Lake Elsinore, City of Norco, City of Riverside, Lee Lake Water District, County of Riverside and City of Compton, City of Lancaster, County of Los Angeles; up to $1.4 million in certificates of participation. (Staff: Scott Carper)

VI. Consideration of Resolution approving modifications to the CaliforniaFIRST program for seismic strengthening improvements and electric vehicle charging infrastructure and approving conforming modifications to the program report. (Staff: Caitlin Lanctot)

VII. Update on the Internal Revenue Service audit of the CSCDA Plan Nine Partners Project Series 2005 A and B Series and consideration of a request from the Sweetwater Union High School District for the CSCDA to execute a Form 8821 to appoint a tax attorney to represent the District in the matter. (Staff: Mike LaPierre)

VIII. Public Comment.

IX. Adjourn.
CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY
CONSENT CALENDAR

1. Consent Calendar:
   a. Inducement of Bear Valley Housing Associates, LP (Cypress Cove Apartments), City of Escondido, County of San Diego; issue up to $32 million in multi-family housing revenue bonds.
   b. Inducement of IH Alhambra Davis, LLC (The Alhambra at Mace Ranch), City of Davis, County of Yolo; issue up to $30 million in multi-family housing revenue bonds.
   c. Northgate Terrace Community Partners, LP (Northgate Terrace Apartments), City of Oakland, County of Alameda; issue up to $35 million in multi-family housing revenue bonds.
   d. Approval of Wells Fargo Corporate Trust Services Invoice #1124819 for $3,000.00 for trustee fees related to CSCDA SCIP Revenue Bonds 2006A.
   e. Approval of the City of San Fernando, Coachella Valley Water District, and Lee Lake Water District as Program Participants.
   f. Approval of Authorized Signatory Resolution changing signatory Laura Campbell to Laura Labanieh.

Thursday, November 6, 2014

Note: Persons requiring disability-related modification or accommodation to participate in this public meeting should contact (925) 933-9229, extension 225.
Item II

Consideration of the Minutes of the October 23, 2014 Regular Meeting.
Commission Chair Larry Combs called the meeting to order at 10:02 a.m.

I. Roll Call

Commission members present: Larry Combs and Dan Harrison. Commission members participating by conference telephone: Kevin O’Rourke, Alternate Commissioner Ron Holly representing Commissioner Dan Mierzwa and Alternate Commissioner Brian Moura representing Commissioner Irwin Bornstein.

CSCDA Executive Director Catherine Bando present.

Others present: Norman Coppinger, League of California Cities; Chris McKenzie, League of California Cities; Laura Labanieh Campbell, CSAC Finance Corporation; Caitlin Lancot, HB Capital; and Mark Paxson, State Treasurer’s Office. Others participating by conference telephone: Scott Carper, HB Capital; Mike LaPierre, HB Capital; Greg Stepanicich, Richards Watson & Gershon; and Tricia Ortiz, Richards Watson & Gershon.

II. Approval of Minutes

The commission approved the minutes of the meeting held October 9, 2014.

Motion by Harrison; second by O’Rourke; unanimously approved by roll-call vote.

III. Staff Updates.

Executive Director Catherine Bando announced she will be promoting the CSCDA Open Pace program during her attendance at the County Administrative Officers Association on October 24.

IV. Approval of Consent Calendar

The commission approved by consent:

1. Approval of the following Inducement, Program Participant and Invoice for payment:
a. Inducement of Samoa Avenue Housing, LP (Samoa Avenue Apartments), City of Tujunga, County of Los Angeles; issue up to $15,500,000 in multi-family housing revenue bonds.

b. Approval of the Town of Tiburon as Program Participant.

c. Wells Fargo Corporate Trust Services Invoice #1103486 for $3,500.00 for trustee fees related to CSCDA SCIP Revenue Bonds 2013A.

Motion by Holly; second by Harrison; unanimously approved by roll-call vote.

V. Financing Approval

The commission approved the financing; all necessary actions; the execution and delivery of all necessary documents; and authorized any member to sign all necessary financing documents for following projects:

a. Auburn Villa Preservation, LP (Auburn Villa Apartments), City of Auburn, County of Placer; up to $6 million in multi-family housing revenue notes.

Motion by O’Rourke; second by Harrison; unanimously approved by roll-call vote.

b. The Buck Institute for Research on Aging, City of Novato, County of Marin; up to $95 million in revenue bonds.

Motion by Holly; second by Harrison; unanimously approved by roll-call vote.

c. 899 Charleston (Moldaw Residences), City of Palo Alto, County of Santa Clara; up to $75 million in revenue refunding bonds.

Motion by Harrison; second by Moura; unanimously approved by roll-call vote.

d. California College of the Arts, City of San Francisco, County of San Francisco, City of Oakland, County of Alameda; up to $26 million in obligations.

Motion by O’Rourke; second by Holly; unanimously approved by roll-call vote.

e. Olive Villages of Indio, LP (Olive Court Apartments), City of Indio, County of Riverside; up to $6 million in multi-family housing revenue notes.

Motion by Harrison; second by Holly; unanimously approved by roll-call vote.

f. Santa Fe Hesperia AR, LP (Santa Fe Apartments), City of Hesperia, County of San Bernardino; up to $4,890,000 in multi-family housing revenue bonds.

Motion by Moura; second by O’Rourke; unanimously approved by roll-call vote.
g. Montclair Lemoore AR, LP (Montclair Apartments), City of Lemoore, County of Kings; up to $3,525,000 in multi-family housing revenue bonds.

    Motion by Holly; second by Harrison; unanimously approved by roll-call vote.

h. Glenview Cameron Park AR, LP (Glenview Family Apartments), City of Cameron Park, County of El Dorado; up to $6,798,000 in multi-family housing revenue bonds.

    Motion by O’Rourke; second by Holly; unanimously approved by roll-call vote.

VI. Public Comments

    No public comments were made.

VII. Adjournment

    Commission Chair Combs adjourned the meeting at 10:32 a.m.

Submitted by: Norman Coppinger, Assistant to the Secretary

The next regular meeting of the commission is scheduled for

    Thursday, November 6, 2014, at 10:00 a.m.

    in the League of California Cities Office at 1400 K Street, Sacramento, CA.
Item IV

Consent Calendar:

a. Inducement of Bear Valley Housing Associates, LP (Cypress Cove Apartments), City of Escondido, County of San Diego; issue up to $32 million in multi-family housing revenue bonds.

b. Inducement of IH Alhambra Davis, LLC (The Alhambra at Mace Ranch), City of Davis, County of Yolo; issue up to $30 million in multi-family housing revenue bonds.

c. Inducement of Northgate Terrace Community Partners, LP (Northgate Terrace Apartments), City of Oakland, County of Alameda; issue up to $35 million in multi-family housing revenue bonds.

d. Approval of Wells Fargo Corporate Trust Services Invoice #1124819 for $3,000.00 for trustee fees related to CSCDA SCIP Revenue Bonds 2006A.

e. Approval of the City of San Fernando, Coachella Valley Water District, and Lee Lake Water District as Program Participants.

f. Approval of Authorized Signatory Resolution changing signatory Laura Campbell to Laura Labanieh.
Applicant Information

Name of Developer: Community HousingWorks
TIN or EIN: 33-0317950

Primary Contact

First Name: Sylvia  
Last Name: Martinez
Title: Senior Project Manager
Address:
Street: 2815 Camino del Rio South  
City: San Diego  
State: California  
Zip: 92108  
Phone: 619-450-8712  
Ext: 8712  
Fax: 619-282-4541
Email: smartinez@chworks.org

Borrower Description:
Name of Borrowing Entity: Bear Valley Housing Associates, L.P.

Type of Entity:
For-profit Corporation
Non-profit Corporation
Partnership
Other (specify)

Will you be applying for State Volume Cap?

Date Organized: 9/10/2014
No. of Multi-Family Housing Projects Completed in the Last 10 Years: 12
No. of Low Income Multi-Family Housing Projects Completed in the Last 10 Years: 12

Primary Billing Contact

Organization: Community HousingWorks
First Name: Sylvia  
Last Name: Martinez
Title: Senior Project Manager
Address:
Street: 2815 Camino del Rio South  
City: San Diego  
State: California  
Zip: 92108  
Phone: 619-450-8712  
Ext: 8712  
Fax: 619-282-4145
Email: smartinez@chworks.org
Project Information

Project Name: Cypress Cove Apartments

Facility Information

Facility #1

Facility Name: Cypress Cove Apartments
Facility Bond Amount: $31,000,000.00

Project Address:
Street: 260 North Midway Drive
City: Escondido
County: San Diego
State: California
Zip: 92027

Is Project located in an unincorporated part of the County? Y N

Total Number of Units:
Market: 0
Restricted: 198
Total: 198

Lot size: 11.63

Amenities:
Cypress Cove has two swimming pools, ample parking, a laundry facility, a basketball court, two play structures, large grassy open space, and sizeable office/community building. The homes are larger than market norms and are air-conditioned.

Type of Construction (i.e., Wood Frame, 2 Story, 10 Buildings):
Cypress Cove has a total of 200 units in 27, two-story residential buildings. Additionally, the property has one two-story community building and a leasing office.

Type of Housing:

New Construction

Acquisition/Rehab

Facility Use:

Family

Senior

Is this an Assisted Living Facility? ☐

Has the City or County in which the project is located been contacted? If so, please provide name, title, telephone number and e-mail address of the person contacted:

Name of Agency: Housing Division, City of Escondido
First Name: Karen
Title: Management Analyst
Phone: 760-839-4518
Email: kyouel@ci.escondido.ca.us

Public Benefit Info:

Percentage of Units in Low Income Housing: 99
Percentage of Area Median Income (AMI) for Low Income Housing Units: 60

Total Number of Management Units: 2

<table>
<thead>
<tr>
<th>#</th>
<th>Bedrooms (Unit Size)</th>
<th>%AMI</th>
<th>No. of restricted units</th>
<th>Restricted rent</th>
<th>Market rent</th>
<th>Expected savings</th>
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<td>5</td>
<td>983.00</td>
<td>1,450.00</td>
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Note: Restricted Rent must be least 10% lower than Market Rent and must be lower than the HUD Rent limit.

**Government Information**

**Project/Facility is in:**

Congressional District #: 50
State Senate District #: 38
State Assembly District #: 75
Financing Information

Maturity 18 Years

Interest Rate Mode:
- Fixed
- Variable

Type of Offering:
- Public Offering
- New Construction
- Refunding

(Refunding only) Will you be applying for State Volume Cap? Yes No

Is this a transfer of property to a new owner? Yes No

Construction Financing:
- Credit Enhancement
- Letter of Credit

Name of Credit Enhancement Provider or Private Placement Purchaser: TBD

Permanent Financing:
- Credit Enhancement
- Letter of Credit

Name of Credit Enhancement Provider or Private Placement Purchaser: TBD

Expected Rating:
- Unrated

Moody’s: S&P: Fitch:

Projected State Allocation Pool:
- General
- Mixed Income
- Rural

Will the project use Tax-Credit as a source of funding? Y N
Sources and Uses

**Sources of Proceeds**

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<tr>
<th>Source</th>
<th>Amount</th>
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<tr>
<td>Tax-Exempt Bond Proceeds</td>
<td>$28,827,267.00</td>
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<td>Taxable Bond Proceeds</td>
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<td>Tax Credits</td>
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<td>Developer Equity</td>
<td>$1,903,002.00</td>
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<td>Other Funds (Describe):</td>
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<tr>
<td>PVCHA/General Partner Loan</td>
<td>$2,099,543.00</td>
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<tr>
<td>City of Escondido</td>
<td>$1,000,000.00</td>
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<tr>
<td>Income from operations</td>
<td>$1,682,794.00</td>
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<td>Deferred Costs</td>
<td>$3,359,399.00</td>
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<td>Total Sources</td>
<td>$38,872,005.00</td>
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**Uses:**

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<th>Use</th>
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<td>Land Acquisition</td>
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<tr>
<td>Building Acquisition</td>
<td>$23,956,021.00</td>
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<td>Construction or Remodel</td>
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<td>Cost of Issuance</td>
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<td>Capitalized Interest</td>
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<td>Reserves</td>
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<td>Other Uses (Describe):</td>
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<tr>
<td>Architectural &amp; Engineering</td>
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<td>Local Permits and Fees</td>
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<td>Fee &amp; Syndication</td>
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<td>Financing Costs and accrued interest on soft debt</td>
<td>$2,389,216.00</td>
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<td>Other Soft Costs</td>
<td>$718,169.00</td>
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<td>Total Uses</td>
<td>$38,872,006.00</td>
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# Financing Team Information

## Bond Counsel
**Firm Name:** Orrick, Herrington & Sutcliffe LLP

**Primary Contact**

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<tr>
<th>First Name</th>
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<tbody>
<tr>
<td>Paul</td>
<td>Toland</td>
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<table>
<thead>
<tr>
<th>Title</th>
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<tbody>
<tr>
<td>Attorney</td>
<td>405 Howard Street, San Francisco, California 94105</td>
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<table>
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<tr>
<th>Phone</th>
<th>Email</th>
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<tbody>
<tr>
<td>415-773-5796</td>
<td><a href="mailto:ptoland@orrick.com">ptoland@orrick.com</a></td>
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## Bank/Underwriter/Bond Purchaser

**Firm Name:**

**Primary Contact**

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## Financial Advisor

**Firm Name:**

**Primary Contact**

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## Rebate Analyst

**Firm Name:**

**Primary Contact**

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### Applicant Information

Name of Developer: **Affordable Housing Alliance II, Inc dba Integrity Housing**  
TIN or EIN: 33-0616121

### Primary Contact

<table>
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<tr>
<th>First Name</th>
<th>Philip</th>
<th>Last Name</th>
<th>Wood</th>
</tr>
</thead>
<tbody>
<tr>
<td>Title</td>
<td>Vice President</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Address:</td>
<td>Street: 4 Venture</td>
<td>Suite: 295</td>
<td></td>
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<tr>
<td>City:</td>
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<td>State: California</td>
<td>Zip: 92618</td>
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<tr>
<td>Phone:</td>
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<tr>
<td>Email:</td>
<td><a href="mailto:phil@integrityhousing.org">phil@integrityhousing.org</a></td>
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### Borrower Description:

- Same as developer? [ ]
- Name of Borrowing Entity: **IH Alhambra Davis, LLC**

### Type of Entity:

- [ ] For-profit Corporation
- [ ] Non-profit Corporation
- [ ] Partnership
- [ ] Other (specify)

### Primary Billing Contact

<table>
<thead>
<tr>
<th>First Name</th>
<th>Philip</th>
<th>Last Name</th>
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<tr>
<td>Title</td>
<td>Vice President</td>
<td></td>
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<tr>
<td>Address:</td>
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<td>Suite: 295</td>
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<tr>
<td>Email:</td>
<td><a href="mailto:phil@integrityhousing.org">phil@integrityhousing.org</a></td>
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</tbody>
</table>
Project Information

Project Information
Project Name: The Alhambra at Mace Ranch
New Project Name(optional):

Facility Information

Facility #1
Facility Name: The Alhambra at Mace Ranch
Facility Bond Amount: $26,750,000.00

Project Address:
Street: 4500 Alhambra Drive
City: Davis State: California Zip: 95618
County: Yolo

Is Project located in an unincorporated part of the County? ○ Y ○ N

Total Number of Units:
Market: Restricted: 160
Total: 160
Lot size: 335,412 sf
Amenities: On-site amenities include a pool, clubhouse, computer room, and a fitness room.
Type of Construction (i.e., Wood Frame, 2 Story, 10 Buildings):
Wood Frame, Stucco Exterior 2 & 3 Story Walk-up buildings.

Type of Housing:
○ New Construction ○ Acquisition/Rehab

Facility Use:
○ Family ○ Senior

Is this an Assisted Living Facility? ☐

Has the City or County in which the project is located been contacted? If so, please provide name, title, telephone number and e-mail address of the person contacted:

Name of Agency: City of Davis Department of Housing and Human Services
First Name: Danielle Last Name: Foster
Title: Superintendent Phone: 530-747-5853 Ext:
Fax: 530-297-5410
Email: DFoster@cityofdavis.org

Public Benefit Info:

Percentage of Units in Low Income Housing: 100
Percentage of Area Median Income(AMI) for Low Income Housing Units: 50
Total Number of Management Units: 2

<table>
<thead>
<tr>
<th>#</th>
<th>Bedrooms</th>
<th>%AMI</th>
<th>No. of restricted units</th>
<th>Restricted rent</th>
<th>Market rent</th>
<th>Expected savings</th>
</tr>
</thead>
<tbody>
<tr>
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<td>---</td>
<td>---</td>
<td>---</td>
<td></td>
</tr>
<tr>
<td>7.</td>
<td>2 Bedrooms</td>
<td>50</td>
<td>6</td>
<td>771.00</td>
<td>1,295.00</td>
<td>524.00</td>
</tr>
<tr>
<td>8.</td>
<td>2 Bedrooms</td>
<td>60</td>
<td>15</td>
<td>944.00</td>
<td>1,295.00</td>
<td>351.00</td>
</tr>
<tr>
<td>9.</td>
<td>2 Bedrooms</td>
<td>80</td>
<td>27</td>
<td>1,288.00</td>
<td>1,295.00</td>
<td>7.00</td>
</tr>
<tr>
<td>10.</td>
<td>3 Bedrooms</td>
<td>50</td>
<td>6</td>
<td>882.00</td>
<td>1,450.00</td>
<td>568.00</td>
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<tr>
<td>11.</td>
<td>3 Bedrooms</td>
<td>60</td>
<td>13</td>
<td>1,082.00</td>
<td>1,450.00</td>
<td>368.00</td>
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<tr>
<td>12.</td>
<td>3 Bedrooms</td>
<td>80</td>
<td>29</td>
<td>1,419.00</td>
<td>1,450.00</td>
<td>31.00</td>
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<td>13.</td>
<td>4 Bedrooms</td>
<td>50</td>
<td>2</td>
<td>974.00</td>
<td>1,580.00</td>
<td>606.00</td>
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<tr>
<td>14.</td>
<td>4 Bedrooms</td>
<td>60</td>
<td>4</td>
<td>1,197.00</td>
<td>1,580.00</td>
<td>383.00</td>
</tr>
<tr>
<td>15.</td>
<td>4 Bedrooms</td>
<td>80</td>
<td>10</td>
<td>1,519.00</td>
<td>1,580.00</td>
<td>61.00</td>
</tr>
</tbody>
</table>

Note: Restricted Rent must be least 10% lower than Market Rent and must be lower than the HUD Rent limit.

**Government Information**

**Project/Facility is in:**

<table>
<thead>
<tr>
<th>Congressional District #:</th>
<th>State Senate District #:</th>
<th>State Assembly District #:</th>
</tr>
</thead>
<tbody>
<tr>
<td>3</td>
<td>3</td>
<td>4</td>
</tr>
</tbody>
</table>
Financing Information

Maturity 10 Years

Interest Rate Mode:
- Fixed
- Variable

Type of Offering:
- Public Offering
- Private Placement
- New Construction
- Acquisition of Existing Facility
- Refunding

(Refunding only) Will you be applying for State Volume Cap?  Yes  No

Is this a transfer of property to a new owner?  Yes  No

Construction Financing:
- Credit Enhancement
- Letter of Credit
- None
- Other (specify)

Name of Credit Enhancement Provider or Private Placement Purchaser:

Permanent Financing:
- Credit Enhancement
- Letter of Credit
- None
- Other (specify)

Name of Credit Enhancement Provider or Private Placement Purchaser: East West Bank

Expected Rating:
- Unrated
- Moody's: AAA
- S&P:
- Fitch:

Projected State Allocation Pool:
- General
- Mixed Income
- Rural

Will the project use Tax-Credit as a source of funding?  Yes  No
# Sources and Uses

## Sources and Uses

### Sources of Proceeds

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tax-Exempt Bond Proceeds</td>
<td>$26,750,000.00</td>
</tr>
<tr>
<td>Taxable Bond Proceeds</td>
<td>$</td>
</tr>
<tr>
<td>Tax Credits</td>
<td>$</td>
</tr>
<tr>
<td>Developer Equity</td>
<td>$415,000.00</td>
</tr>
<tr>
<td>Other Funds (Describe)</td>
<td>$</td>
</tr>
<tr>
<td></td>
<td>$</td>
</tr>
<tr>
<td></td>
<td>$</td>
</tr>
<tr>
<td></td>
<td>$</td>
</tr>
</tbody>
</table>

**Total Sources:** $27,165,000.00

### Uses

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land Acquisition</td>
<td>$803,200.00</td>
</tr>
<tr>
<td>Building Acquisition</td>
<td>$24,296,800.00</td>
</tr>
<tr>
<td>Construction or Remodel</td>
<td>$400,000.00</td>
</tr>
<tr>
<td>Cost of Issuance</td>
<td>$950,000.00</td>
</tr>
<tr>
<td>Capitalized Interest</td>
<td>$</td>
</tr>
<tr>
<td>Reserves</td>
<td>$</td>
</tr>
<tr>
<td>Other Uses (Describe)</td>
<td>$</td>
</tr>
<tr>
<td><strong>Developer Fee (paid at closing)</strong></td>
<td>$715,000.00</td>
</tr>
<tr>
<td></td>
<td>$</td>
</tr>
<tr>
<td></td>
<td>$</td>
</tr>
<tr>
<td></td>
<td>$</td>
</tr>
</tbody>
</table>

**Total Uses:** $27,165,000.00
Financing Team Information

Bond Counsel
Firm Name: Orrick, Herrington & Sutcliffe, LLP

Primary Contact
First Name: Thomas Last Name: Downey
Title: Special Counsel
Address:
Street: 405 Howard Street City: San Francisco
Phone: 415-773-5965
Email: tdowney@orrick.com

Bank/Underwriter/Bond Purchaser
Firm Name: East West bank

Primary Contact
First Name: Debbie Last Name: Beveridge
Title: Senior Vice President
Address:
Street: 135 N. Los Robles Avenue City: Pasadena
Phone: 626-768-6209
Email: deborah.beveridge@eastwestbank.com

Financial Advisor
Firm Name: Hutchinson Shockey Erley & Co

Primary Contact
First Name: Lauro Last Name: Garcia
Title: Senior Vice President
Address:
Street: 2020 Cordero Road City: Del Mar
Phone: 858-509-0556
Email: lgarcia@hsemuni.com

Rebate Analyst
Firm Name:

Primary Contact
First Name: Last Name:
Title:
Address:
Street: City: State: Zip:
Phone: Ext: Fax:
### Applicant Information

Name of Developer: **Northgate Terrace Preservation Developer, LLC**
TIN or EIN: 1111111

<table>
<thead>
<tr>
<th><strong>Primary Contact</strong></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>First Name:</strong></td>
<td><strong>Seth</strong></td>
</tr>
<tr>
<td><strong>Last Name:</strong></td>
<td><strong>Gellis</strong></td>
</tr>
<tr>
<td><strong>Title:</strong></td>
<td><strong>Sr. Project Manager</strong></td>
</tr>
</tbody>
</table>

**Address:**

- **Street:** 17782 Sky Park Circle
- **City:** Irvine
- **State:** California
- **Phone:** 949-236-8280
- **Fax:** 714-662-4412

**Borrower Description:**

- **Name of Borrowing Entity:** **Northgate Terrace Community Partners, LP**

**Type of Entity:**

- **For-profit Corporation**
- **Partnership**
- **Non-profit Corporation**
- **Other (specify)**

**Will you be applying for State Volume Cap?**

- **Date Organized:** 10/31/2014
- **No. of Multi-Family Housing Projects Completed in the Last 10 Years:** **59**
- **No. of Low Income Multi-Family Housing Projects Completed in the Last 10 Years:** **59**

### Primary Billing Contact

**Organization:** **WNC Community Preservation Partners**

<table>
<thead>
<tr>
<th><strong>First Name:</strong></th>
<th><strong>Seth</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Last Name:</strong></td>
<td><strong>Gellis</strong></td>
</tr>
</tbody>
</table>

**Title:** **Sr. Project Manager**

**Address**

- **Street:** 17782 Sky Park Circle
- **City:** Irvine
- **State:** California
- **Phone:** 949-236-8280
- **Fax:** 714-662-4412
Project Information

Project Name: Northgate Terrace Apartments
New Project Name(optional):

Facility Information

Facility #1
Facility Name: Northgate Terrace
Facility Bond Amount: $32,000,000.00

Project Address:
Street: 550 24th St
City: Oakland
State: California
Zip: 94612
County: Alameda

Is Project located in an unincorporated part of the County? Y N

Total Number of Units:
Market: 0
Restricted: 201
Total: 201
Lot size: 1.14

Amenities:
4. Refrigerators/Microwaves
5. Vinyl flooring in Kitchen and Bath
6. Mini/Blinds Vertical Blinds
7. Air Conditioner
8. Elevators
2. Controlled Access
3. Lounges
4. TV and Library Room
5. Clubhouse

Type of Construction (i.e., Wood Frame, 2 Story, 10 Buildings):
11 Story Type 1 Tower with:
1. Two Hour Fire Walls
2. Reinforced Framing in the hallways for the handrails
3. Emergency Call systems located in the bathroom and bedroom

Type of Housing:

☐ New Construction
☐ Acquisition/Rehab

Facility Use:

☐ Family
☐ Senior

Is this an Assisted Living Facility? ☐

Has the City or County in which the project is located been contacted? If so, please provide name, title, telephone number and e-mail address of the person contacted:

Name of Agency:
First Name:
Last Name:
Title:
Phone:
Ext:
Fax:
Email:

Public Benefit Info:

Percentage of Units in Low Income Housing: 100
Percentage of Area Median Income(AMI) for Low Income Housing Units: 60
Total Number of Management Units: 1

<table>
<thead>
<tr>
<th># Bedrooms (Unit Size)</th>
<th>%AMI</th>
<th>No. of restricted units</th>
<th>Restricted rent</th>
<th>Market rent</th>
<th>Expected savings</th>
</tr>
</thead>
</table>
1. Studio 60 162 966.00 2,000.00 1,034.00
2. Studio 50 18 805.00 2,000.00
3. 1 Bedroom 60 18 1,035.00 2,000.00
4. 1 Bedroom 50 2 862.00 2,000.00

Note: Restricted Rent must be least 10% lower than Market Rent and must be lower than the HUD Rent limit.

**Government Information**

**Project/Facility is in:**

<table>
<thead>
<tr>
<th>Congressional District #:</th>
<th>State Senate District #:</th>
<th>State Assembly District #:</th>
</tr>
</thead>
<tbody>
<tr>
<td>13</td>
<td>9</td>
<td>18</td>
</tr>
</tbody>
</table>
### Financing Information

**Maturity:** 18 Years

**Interest Rate Mode:**
- [ ] Fixed
- [x] Variable

**Type of Offering:**
- [x] Public Offering
- [x] Private Placement
- [ ] New Construction
- [ ] Acquisition of Existing Facility
- [ ] Refunding

(Refunding only) Will you be applying for State Volume Cap? [ ] Yes [ ] No

Is this a transfer of property to a new owner? [ ] Yes [ ] No

**Construction Financing:**
- [ ] Credit Enhancement
- [ ] Letter of Credit
- [ ] None
- [ ] Other (specify)

Name of Credit Enhancement Provider or Private Placement Purchaser:

**Permanent Financing:**
- [ ] Credit Enhancement
- [ ] Letter of Credit
- [ ] None
- [ ] Other (specify)

Name of Credit Enhancement Provider or Private Placement Purchaser:

**Expected Rating:**
- [x] Unrated

Moody's:  
S&P:  
Fitch:  

**Projected State Allocation Pool:**
- [x] General
- [ ] Mixed Income
- [ ] Rural

Will the project use Tax-Credit as a source of funding? [ ] Yes [ ] No
### Sources and Uses

#### Sources of Proceeds

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tax-Exempt Bond Proceeds</td>
<td>$32,000,000.00</td>
</tr>
<tr>
<td>Taxable Bond Proceeds</td>
<td>$</td>
</tr>
<tr>
<td>Tax Credits</td>
<td>$6,858,241.00</td>
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<tr>
<td>Developer Equity</td>
<td>$</td>
</tr>
<tr>
<td>Other Funds (Describe): Free Cashflow through Construction</td>
<td>$1,091,736.00</td>
</tr>
<tr>
<td>Capitalized Interest</td>
<td>$613,269.00</td>
</tr>
<tr>
<td>Seller Reserves</td>
<td>$1,237,987.00</td>
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<tr>
<td>Deferred Developer Fee</td>
<td>$1,756,746.00</td>
</tr>
<tr>
<td>Total Sources</td>
<td>$43,557,979.00</td>
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</table>

#### Uses:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land Acquisition</td>
<td>$</td>
</tr>
<tr>
<td>Building Acquisition</td>
<td>$27,775,000.00</td>
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<tr>
<td>Construction or Remodel</td>
<td>$10,494,555.00</td>
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<td>Cost of Issuance</td>
<td>$584,000.00</td>
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<td>Capitalized Interest</td>
<td>$613,269.00</td>
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<tr>
<td>Reserves</td>
<td>$864,000.00</td>
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<tr>
<td>Other Uses (Describe):</td>
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<tr>
<td>Third Party Reports</td>
<td>$132,000.00</td>
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<tr>
<td>Accounting</td>
<td>$15,000.00</td>
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<tr>
<td>Legal &amp; Org</td>
<td>$150,000.00</td>
</tr>
<tr>
<td>Other Fees &amp; Costs</td>
<td>$430,155.00</td>
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<tr>
<td>Developer Fee</td>
<td>$2,500,000.00</td>
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<td>Total Uses</td>
<td>$43,557,979.00</td>
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Financing Team Information

**Bond Counsel**
Firm Name: ORRICK, HERRINGTON & SUTCLIFFE LLP

**Primary Contact**
First Name: Tom
Last Name: Downey
Title: Special Counsel
Address: 405 Howard Street
City: San Francisco
State: California
Zip: 94105
Phone: 415-773-5965
Email: tdowney@orrick.com

**Bank/Underwriter/Bond Purchaser**
Firm Name: 

**Primary Contact**
First Name: 
Last Name: 
Address: 

**Financial Advisor**
Firm Name: 

**Primary Contact**
First Name: 
Last Name: 
Address: 

**Rebate Analyst**
Firm Name: 

**Primary Contact**
First Name: 
Last Name: 
Address: 
Fee Invoice

Corporate Trust Services

Invoice Number: 1124819
Billing Date: 10/16/2014
Due Date: 11/15/2014

Amount Due: $3,000.00

Please mail or wire payment to:
Mailing Address:
Wells Fargo Bank
610 South Fourth Street
Minneapolis, MN 55402

Wire Instructions:
ABA #: 121000248
DDA #: 1000031565
Swift Code: WFBIUS68
Reference: Invoice #, Accent Name, Attn Name

Account Number: 20551500
SCIP Revenue Bonds 2006A
Administration Charges:

Trustee Fee

For the Period 10/31/2014 through 10/30/2015
$3,000.00

Total Amount Due:
$3,000.00

Billings past due are subject to an 18% annual finance charge of the balance due.

Please address questions to Robert W. Schneider
Phone: 213-253-7517
Email: Robert.Schneider@wellsfargo.com
Item V

Consideration of the financing; all necessary actions; the execution and delivery of all necessary documents and authorize any member to sign all necessary financing documents for the following:

a. Huntington Memorial Hospital, City of Pasadena, County of Los Angeles; up to $210 million in revenue bonds. (Staff: Caitlin Lanctot)
SUMMARY AND APPROVALS

DATE: NOVEMBER 6, 2014

APPLICANT: HUNTINGTON MEMORIAL HOSPITAL

AMOUNT: UP TO $210 MILLION OF NONPROFIT REVENUE BONDS

PURPOSE: REFINANCE THE ACQUISITION, CONSTRUCTION, IMPROVEMENT, RENOVATION AND EQUIPPING OF HEALTH FACILITIES

PRIMARY ACTIVITY: HEALTH CARE - HOSPITAL

LEGAL STRUCTURE: 501(C)(3) CORPORATION

Background:

Huntington Memorial Hospital (“Huntington”) is a California nonprofit public benefit corporation located in Pasadena, California. The 625 bed facility is home to the only level II trauma center in the San Gabriel Valley. Huntington is renowned for its programs in neurosciences, cardiovascular services and cancer care. It is an active teaching hospital with graduate medical education programs in internal medicine and general surgery. Additionally, the hospital has a high level neonatal intensive care unit, treating babies with the highest acuity.

Since 1892, Huntington has served the San Gabriel Valley community and has been committed to excellence, compassion and respect. Consistent with its mission, the hospital provides millions of dollars annually in charity care, benefits for vulnerable populations, health research, education and training and support programs that may otherwise be absent from the community.

On May 18, 2005 CSCDA issued revenue bonds in the amount of $228,760,000 to finance (1) the West Tower Replacement and seismic upgrade project; (2) Emergency Department expansion; (3) Modernization of hospital technology and routine capital expenditures; and (4) refinance of CSCDA Series 1996 Certificates of Participation. Huntington has requested that the CSCDA issue nonprofit revenue bonds in an aggregate principal amount not to exceed $210,000,000 (the “Obligations”) to refinance the Series 2005 bonds. The refinance is expected to decrease annual interest payments, allowing HMH to continue to provide affordable healthcare to the community.

Huntington’s application was submitted to CSCDA on August 4, 2014. CSCDA has issued bonds for Huntington in the approximate amount of $279 million for two prior transactions.

Agency Approvals:

A TEFRA hearing was be held by the City of Pasadena on September 8, 2014 and the project was unanimously approved.
Estimated Sources and Uses:

<table>
<thead>
<tr>
<th>Sources:</th>
<th>Series 2014B</th>
<th>Series 2014C</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Bond Proceeds:</strong></td>
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<td></td>
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</tr>
<tr>
<td>Par Amount</td>
<td>148,725,000.00</td>
<td>10,775,000.00</td>
<td>159,500,000.00</td>
</tr>
<tr>
<td>Premium</td>
<td>18,809,898.10</td>
<td>1,360,612.75</td>
<td>20,170,510.85</td>
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<tr>
<td><strong>Total</strong></td>
<td>167,534,898.10</td>
<td>12,135,612.75</td>
<td>179,670,510.85</td>
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<tr>
<td><strong>Other Sources of Funds:</strong></td>
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<tr>
<td>DSRF Accrued Int</td>
<td>1,381,655.08</td>
<td>64,980.36</td>
<td>1,446,635.44</td>
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<tr>
<td>DSRF Release</td>
<td>13,299,000.00</td>
<td>1,604,000.00</td>
<td>14,893,000.00</td>
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<tr>
<td>Principal Fund Release</td>
<td>1,856,250.05</td>
<td>741,666.66</td>
<td>2,597,916.72</td>
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<td>Interest Fund Release</td>
<td>3,681,770.90</td>
<td>236,416.67</td>
<td>3,918,187.57</td>
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<tr>
<td>Equity Contribution</td>
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<td>26,662.75</td>
<td>26,662.75</td>
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<tr>
<td><strong>Total</strong></td>
<td>20,208,676.04</td>
<td>2,673,726.44</td>
<td>22,882,402.48</td>
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<tr>
<td><strong>Uses:</strong></td>
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<tr>
<td>Refunding Escrow Deposits:</td>
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<td></td>
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<tr>
<td>Cash Deposit</td>
<td>0.32</td>
<td>0.70</td>
<td>1.02</td>
</tr>
<tr>
<td>SLGS Purchases</td>
<td>185,509,403.00</td>
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<td>200,048,781.00</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>185,509,403.32</td>
<td>14,539,378.70</td>
<td>200,048,782.02</td>
</tr>
<tr>
<td>Delivery Date Expenses:</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Cost of Issuance</td>
<td>2,230,875.00</td>
<td>269,375.00</td>
<td>2,500,250.00</td>
</tr>
<tr>
<td>Other Uses of Funds:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Additional Proceeds</td>
<td>3,295.82</td>
<td>565.49</td>
<td>3,861.31</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>187,743,574.14</td>
<td>14,809,339.19</td>
<td>202,552,913.33</td>
</tr>
</tbody>
</table>

Finance Team:

- Bond Counsel: Orrick, Herrington & Sutcliffe, LLP, Sacramento
- Authority Counsel: Orrick, Herrington & Sutcliffe, LLP, Sacramento
- Underwriter: Barclays Capital Inc., New York

Financing Structure:

Only a portion of the 2005 bonds can be advance refunded with tax-exempt bonds. For this reason, Huntington anticipates that this financing will take place in two tranches:

(A) One series of tax-exempt bonds (Series 2014B) at fixed rates of approximately 4.10% with a term of 30 years to advance refund the advance-refundable portion.
(B) The remaining portion will be refunded with another series (Series 2014C), which will be either: a series of tax-exempt bonds at fixed rates with a shorter term (12 years) on a forward delivery basis (i.e. to be priced concurrently with the Series 2014B but issued at a future date in 2015 to allow a current refunding of the remaining portion of the 2005 bonds), or a series of taxable bonds.

It is anticipated that the bonds will receive an A+ rating from Standard & Poor’s. The net present value savings from the refinance is expected to be nearly $13 million.

**Executive Director Review and Recommendation:**

The Executive Director has reviewed the Huntington transaction and based on the overall Project public benefit, finance related considerations detailed in Attachment 1 and compliance with CSCDA’s 501(c)(3) nonprofit healthcare facilities policies and the Authority’s general and issuance policies, the Executive Director recommends that the Commission approve of the Resolution as submitted to the Commission, which:

1. Approves the granting of the Obligation;
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.

**Attachments:**

1. Attachment 1 – economic and public benefits
2. Original application
Economic Development:

- Huntington employs approximately 3,200 staff throughout its campus and support facilities in Pasadena, California. Many Huntington employees live, eat, and shop within those communities and support the local economy.

- Huntington continues to collaborate in the education and training of general surgery and internal medicine residents, pharmacy interns and residents, other health care professionals such as registered nurses, technicians experts in radiology, ultrasound, and echocardiology; paramedics, physical and occupational therapists, respiratory care practitioners, social workers, and psychologists. As a teaching facility affiliated with the University of Southern California’s Keck School of Medicine, Huntington supports 39 residents each year specializing in internal medicine or general surgery.

Public Benefit:

- Health care resource – Huntington operates the only trauma center in the region, serving nearly 236,000 residents in the cities of Pasadena, San Marino, Altadena and South Pasadena.

- Community Benefit – For 2012, the economic value of community benefits provided by Huntington is estimated at $92,853,772. Unreimbursed community benefits include medical care services, benefits for vulnerable populations, benefits for the community, and health research, education and training programs.

- Emergency care – Huntington provides 24-hour emergency care to all individuals, regardless of their ability to pay.

- Community outreach – Huntington supports a wide range of activities and resources for chronic disease management. These programs are designed to address diabetes, obesity, oncology patients, and chronic pulmonary diseases.

In 2012, 2,367 free flu shots were administered free of charge to targeted audiences: seniors, pregnant women, those with compromised immune systems and caretakers of children.

- Medi-Cal and Medicare acceptance – Huntington provides health care and helps to subsidize the cost of service for patients who participate in government sponsored programs such as Medi-Cal and Medicare.
### Applicant Information

**Primary Contact E-mail:** mrobbins@kaufmanhall.com

<table>
<thead>
<tr>
<th><strong>Organization</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Name of Organization:</strong> Pasadena Hospital Association, Ltd. dba Huntington Memorial Hospital</td>
</tr>
<tr>
<td><strong>TIN or EIN:</strong> 95-1644036</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Primary Contact</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>First Name:</strong> Eugene</td>
</tr>
<tr>
<td><strong>Last Name:</strong> Gutierrez</td>
</tr>
<tr>
<td><strong>Title:</strong> Vice President of Finance</td>
</tr>
<tr>
<td><strong>Street:</strong> 100 West California Blvd</td>
</tr>
<tr>
<td><strong>City:</strong> Pasadena</td>
</tr>
<tr>
<td><strong>State:</strong> California</td>
</tr>
<tr>
<td><strong>Zip:</strong> 91109-7013</td>
</tr>
<tr>
<td><strong>Phone:</strong> 626-397-5555</td>
</tr>
<tr>
<td><strong>Ext:</strong></td>
</tr>
<tr>
<td><strong>Fax:</strong> 626-397-2995</td>
</tr>
<tr>
<td><strong>Email:</strong> <a href="mailto:eugene.gutierrez@huntingtonhospital.com">eugene.gutierrez@huntingtonhospital.com</a></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Primary Billing Contact</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Organization:</strong> Pasadena Hospital Association, Ltd. dba Huntington Memorial Hospital</td>
</tr>
<tr>
<td><strong>First Name:</strong> Eugene</td>
</tr>
<tr>
<td><strong>Last Name:</strong> Gutierrez</td>
</tr>
<tr>
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<tr>
<td><strong>Ext:</strong></td>
</tr>
<tr>
<td><strong>Fax:</strong> 626-397-2995</td>
</tr>
<tr>
<td><strong>Email:</strong> <a href="mailto:eugene.gutierrez@huntingtonhospital.com">eugene.gutierrez@huntingtonhospital.com</a></td>
</tr>
</tbody>
</table>
Project Information

Project type: Healthcare: Hospital
Project Name: Refunding of Series 2005A Bonds
Small Issue Public Benefit Project?

Facility #1

Facility Name: Huntington Memorial Hospital
Facility Bond Amount: $200,000,000.00

Project Address:
Street: 100 West California Blvd.
City: Pasadena
County: Los Angeles
State: California
Zip: 91109-7013

Is Project located in an unincorporated part of the County? Y N
Has the City or County in which the project is located been contacted? If so, please provide name, title, telephone number and e-mail address of the person contacted:
Name of Agency:
First Name: Last Name:
Title:
Phone: Ext: Fax:
Email:

Government Information

Project/Facility is in:
Congressional District #: 27
State Senate District #: 21
State Assembly District #: 44
Financing Information

Tax Exempt: $200,000,000.00
Taxable: $
Total Principal Amount: $200,000,000.00
Maturity 30 Years

Interest Rate Mode:
- [x] Fixed
- [ ] Variable

Denominations: 5000

Type of Offering:
- [x] Public Offering
- [ ] Private Placement
- [ ] New Construction
- [ ] Acquisition of Existing Facility
- [x] Refunding

Financing:
- [ ] Credit Enhancement
- [ ] None
- [ ] Letter of Credit
- [ ] Other

Name of Credit Enhancement Provider or Private Placement Purchaser:

Expected Rating:
- [ ] Unrated
- Moody's: 
- S&P: A+
- Fitch: 

Financing Team Information

Bond Counsel
Firm Name: Orrick Herrington & Sutcliffe, LLP
Primary Contact
First Name: Jenna Last Name: Magan
Title: Partner
Address:
Street: 400 Capitol Mall Suite: Suite 3000
City: Sacramento State: California Zip: 95814-4497
Phone: 916-447-9200 Ext: Fax:
Email: vcmagan@orrick.com

Bank/Underwriter/Bond Purchaser
Firm Name:
Primary Contact
First Name: Last Name:
Title:
Address:
Street: Suite:
City: State: Zip:
Phone: Ext: Fax:
Email:

Financial Advisor
Firm Name: Kaufman, Hall & Assoc.
Primary Contact
First Name: Matt Last Name: Robbins
Title: Vice President
Address:
Street: 5202 Old Orchard Rd. Suite: Suite N700
City: Skokie State: Illinois Zip: 60077
Phone: 847-441-8780 Ext: 262 Fax:
Email: mrobbins@kaufmanhall.com

Rebate Analyst
Firm Name:
Primary Contact
First Name: Last Name:
Title:
Address:
Street: Suite:
City: State: Zip:
Phone: Ext: Fax:
Email:
Benefit Guidelines for 501(c)(3) Nonprofit Healthcare Facilities

In 1991, CSCDA adopted economic development benefit guidelines based upon the finding that the nonprofit facility promotes economic development within the jurisdiction of a CSCDA Program Participant. Effective March 1, 2006, the CSCDA Commission adopted health care benefit guidelines to be considered in conjunction with the CSCDA economic development guidelines with respect to proposed bond issues for 501(c)(3) nonprofit healthcare facilities.

**Economic Development Benefit**

A significant and growing opportunity for the creation and retention of employment to the California economy and the enhancement of the quality of life of local Program Participant residents;

The facility being a significant factor in the economic development of an area, promoting residential, commercial and industrial development and increasing the tax base; or

The facility providing the educational background and vocational training which is a necessary element to the development and retention of a capable work force.

**Health Care Benefit**

Health care resource – consideration given to quality of life for Program Participant and other area residents for access to quality medical care in general;

Emergency care – consideration given to quality of life for Program Participant and other area residents; whether the health care facility provides 24-hour emergency care to all individuals, regardless of ability to pay;

Facility upgrades and increased patient capacity - consideration given to quality of life for Program Participant patients, health facility employees, physicians and staff for new, improved or expanded medical facilities;

SB1953 compliance - consideration given to quality of life for Program Participant patients, health facility employees, physicians and staff for medical facilities being rehabilitated or constructed in compliance with SB1953 and that provide a safer acute health care environment;

Public health facility assistance - consideration given to quality of life for Program Participant owned or operated public health facilities for healthcare applicants that identify programs, contracts or practices where facilities link with or otherwise assist or ease the burden on area public health facilities;

Community outreach – consideration given to quality of life for Program Participant residents from efforts of health facility physicians and staff (such as free health screenings, immunizations for the elderly and disadvantaged, toy drives, holiday events, etc.).
Research – consideration given to medical advancements by way of research that benefit Program Participant residents and others;

Medi-Cal and Medicare acceptance - consideration given to quality of life for Program Participant residents for health care providers that serve Medi-Cal and / or Medicare patients; special consideration should be given to disproportionate share hospitals (a government measure for how much care hospitals provide to designated low-income patients);

Non-reimbursed community benefit costs for the poor and the broader community - consideration given to quality of life for Program Participant and other area residents that include:

   a. Charity care and uncompensated care
   b. Unpaid cost of Medi-Cal services
   c. Unpaid cost of Medicare services
   d. Education
   e. Research
   f. Low or negative margin services
   g. Nonbilled services
   h. Cash and in-kind donations
   i. Other benefits to the poor or broader community, as defined by the applicant

* Although any one of these listed benefits may demonstrate a clear public benefit, the absence of other benefits does not mean that there is a lack of public benefit associated with a project. There may be other benefits not listed which can also be considered to demonstrate public benefit.

Effective March 1, 2006.
RESOLUTION NO. 14NP-__

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 $210,000,000 TO REFINANCE THE ACQUISITION, CONSTRUCTION, IMPROVEMENT, RENOVATION AND EQUIPPING OF HEALTH FACILITIES FOR HUNTINGTON MEMORIAL HOSPITAL 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 Pasadena, California (the “City”) is a Program Participant, and such City is 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, the Authority had previously issued its Revenue Bonds (Huntington Memorial Hospital), Series 2005 (the “Series 2005 Bonds”), the proceeds of which were used to finance and refinance the acquisition, construction, improvement, renovation and equipping of certain health facilities (the “Facilities”) operated by the Pasadena Hospital Association, Ltd. d/b/a Huntington Memorial Hospital, a California nonprofit public benefit corporation and an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986 (the “Corporation”), and owned by the Corporation or the Collis P. and Howard Huntington Memorial Hospital Trust;

WHEREAS, the Facilities are located in the City;

WHEREAS, the Corporation wishes to refinance all or any portion of the Series 2005 Bonds, from time to time, and is requesting the assistance of the Authority in refinancing all or any portion of the Series 2005 Bonds, from time to time;

WHEREAS, pursuant to one or more Bond Indentures (the “Indentures”), between the Authority and U.S. Bank National Association (the “Trustee”), the Authority will issue, from time to time, one or more series of the California Statewide Communities Development Authority Refunding Revenue Bonds (Huntington Memorial Hospital) (the “Bonds”) for the purpose, among others, of refinancing all or any portion of the Series 2005 Bonds;

WHEREAS, the Bonds may be issued as one or more series of tax-exempt bonds or one or more series of federally taxable bonds (that is, the interest on such bonds is not excludable from gross income for federal income tax purposes) in separate transactions with different closing dates;

WHEREAS, one series of the Bonds may be purchased on a “forward delivery basis” (the “Forward Delivery Bonds”) whereby the Forward Delivery Bonds would be priced in anticipation of an issuance at a future date in 2015 that is no more than 90 days prior to the first call date of the Series 2005 Bonds of July 1, 2015 (the “Call Date”);

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 refinancing all or any portion of the Series 2005 Bonds;

WHEREAS, pursuant to one or more Bond Purchase Agreements, each to be dated the date of sale of the related series of the Bonds (the “Purchase Agreement”), among Barclays Capital Inc., as underwriter (the “Underwriter”), the Authority and the Corporation, the Bonds will be sold to the Underwriter, and the proceeds of such sale will be used as set forth in the Indentures to refinance all or any portion of the Series 2005 Bonds and to pay costs incurred in connection with the issuance of the Bonds;

WHEREAS, pursuant to a Forward Delivery Bond Purchase Agreement (the “Forward Delivery Purchase Agreement”), to be dated the sale of the Forward Delivery Bonds, among the Underwriter, the Authority and the Corporation, the Forward Delivery Bonds will be.
sold to the Underwriter and the proceeds of such sale will be used as set forth in the related Indenture to refinance a portion of the Series 2005 Bonds and to pay costs incurred in connection with the issuance of the Forward Delivery Bonds, such issuance to take place at a future date in 2015 that is no more than 90 days prior to the Call Date;

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

(1) A proposed form of the Indentures;
(2) A proposed form of the Loan Agreements;
(3) A proposed form of the Purchase Agreements;
(4) A proposed form of the Forward Delivery Purchase Agreement; and
(4) A proposed form of one or more official statements (the “Official Statements”) to be used by the Underwriter in connection with the offering and sale of the Bonds, including the Forward Delivery Bonds.

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 Indentures, the Authority is hereby authorized to issue its revenue bonds, in one or more series, and from time to time, designated as the “California Statewide Communities Development Authority Refunding Revenue Bonds (Huntington Memorial Hospital)” in an aggregate principal amount not to exceed two hundred ten million dollars ($210,000,000). 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 Indentures as made available to the Commissioners. 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. 14R-4 of the Authority, adopted on February 6, 2014 (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 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 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 Trustee, 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, whether the Bonds are tax-exempt or taxable for federal tax law purposes, and other terms of the Bonds shall be as provided in the Indentures, as finally executed.
Section 3. The proposed form of 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 Purchase 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 Purchase 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 5. The proposed form of the Forward Delivery Purchase Agreement, 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 Forward Delivery Purchase Agreement, 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 6. The proposed form of Official Statements, 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 the Official Statements, 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 Underwriter is 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 to the purchasers of the Bonds, in each case with such changes as may be approved as aforesaid.

Section 8. 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 9. 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 10. 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 11. Notwithstanding anything to the contrary in this Resolution, no documents referenced in this Resolution may be executed and delivered until the City has held the hearing pursuant to Section 147(f) of the Internal Revenue Code of 1986, if required by said Section, and has approved the issuance of the Bonds as may be required thereby and in accordance with Section 9 of the Agreement to provide refinancing for all or any portion of the Series 2005 Bonds.

Section 12. This Resolution shall take effect from and after its adoption.
PASSED AND ADOPTED by the California Statewide Communities Development Authority this 6th day of November, 2014.

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 November 6, 2014.

By: __________________________

Authorized Signatory
California Statewide Communities
Development Authority
Item V

Consideration of the financing; all necessary actions; the execution and delivery of all necessary documents and authorize any member to sign all necessary financing documents for the following:

b. Direct Levy Delinquency Financing, City of Lake Elsinore, City of Norco, City of Riverside, Lee Lake Water District, County of Riverside and City of Compton, City of Lancaster, County of Los Angeles; up to $1.4 million in certificates of participation. (Staff: Scott Carper)
SUMMARY AND APPROVALS

DATE: NOVEMBER 6, 2014

APPLICANT: TOWER CAPITAL MANAGEMENT, LLC

AMOUNT: APPROXIMATELY $1,400,000 OF CERTIFICATES OF PARTICIPATION

PURPOSE: FUNDING DELINQUENT SPECIAL TAXES AND ASSESSMENTS OF FOUR RIVERSIDE COUNTY & TWO LOS ANGELES COUNTY AGENCIES

PRIMARY ACTIVITY: DELINQUENT SPECIAL TAX AND ASSESSMENT FINANCING

LEGAL STRUCTURE: LIMITED LIABILITY COMPANY

Background:

Section 6516.6 of the California Government Code permits joint powers authorities to establish programs to finance delinquent property taxes, assessments and other amounts levied on the property tax rolls on behalf of local agencies. The joint powers authority enters into an agreement with each local agency to acquire its tax receivables, and finances the purchase by issuing a Certificate of Participation to a funding entity to finance the acquisition.

Tower Capital Management, LLC (Tower Capital) is based in Morristown, New Jersey and is one of the largest funders of delinquent property tax receivables in the country. Tower Capital began to fund delinquent property tax receivables (consisting of special taxes, assessments, and property-related fees and charges) for a small group of Riverside County local taxing agencies a little over three years ago via a joint powers authority based in that county. Subsequently Tower Capital has been selected to fund delinquent property taxes receivables for a group of 21 public school agencies in Monterey County and 92 public school agencies in Los Angeles County via joint powers authorities in those counties.

Proposal

Tower Capital has asked CSCDA to take on the role of the purchasing joint powers authority for its Riverside and Los Angeles County programs to acquire delinquent special taxes, assessments, and property-related fees and charges.

The legal structure involves agreements between CSCDA and each participating local agency for the purchase and sale of the receivables and an agreement between CSCDA and a special purpose entity (SPE) of Tower Capital for the purchase and sale of a Certificate of Participation. These agreements are submitted for approval as to form.
The six participating local taxing agencies, and their estimated delinquent special tax and assessment receivables that would be purchased in the current transaction, are:

<table>
<thead>
<tr>
<th>Agency</th>
<th>Receivables</th>
</tr>
</thead>
<tbody>
<tr>
<td>City of Lake Elsinore</td>
<td>167,654.96</td>
</tr>
<tr>
<td>City of Norco</td>
<td>76,816.17</td>
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<tr>
<td>City of Riverside</td>
<td>132,291.02</td>
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<tr>
<td>Lee Lake Water District</td>
<td>68,049.21</td>
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<tr>
<td>City of Compton</td>
<td>482,984.05</td>
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<tr>
<td>City of Lancaster</td>
<td>491,401.40</td>
</tr>
<tr>
<td></td>
<td><strong>1,419,156.81</strong></td>
</tr>
</tbody>
</table>

The current transaction would involve funding delinquencies for fiscal year 2013-14 for the four Riverside agencies and for the two Los Angeles County agencies an additional four years because those agencies have not previously participated in the program. The purchase price being paid to each local agency will consist of the principal amount of the delinquent property tax receivables being funded plus a 10% premium. Tower Capital will also pay all costs of issuance, including the fees of bond counsel and CSCDA’s issuer counsel.

Each participating local agency is a member of CSCDA.

Tower is currently targeting a closing date of November 20, 2014.

Finance Team:

- Bond Counsel: Jones Hall, San Francisco
- Authority Counsel: Orrick, Herrington & Sutcliffe, LLP, Sacramento
- Purchaser: Tower Capital Management, LLC, New Jersey
- Private Placement Funder: Fortress Investment Group, LLC, New York

Executive Director Review and Recommendation:

The Executive Director has reviewed the delinquent special tax and assessment transaction and based on the overall Project public benefit, finance related considerations and compliance with the Authority’s general and issuance policies, the Executive Director recommends that the Commission approve of the Resolution as submitted to the Commission, which:

1. Approves the granting of the Certificates of Participation;
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.
Attachments:

1. Original application
2. Resolution
Applicant Information

Organizations
Name of Organization: Tower Capital Management, LLC
TIN or EIN: 27-2461900

Primary Contact
First Name: Kurt
Last Name: Shadle
Title: Managing Director
Address:
Street: 10 North Park Place
City: Morristown
State: New Jersey
Zip: 07960
Phone: 973-512-2370
Ext: 
Fax: 
Email: kshadle@tcmfund.com

Type of Entity:
- For-profit Corporation
- Non-profit Corporation
- Partnership
- Other (specify)
Date Organized: 4/28/2010

Primary Billing Contact
Organization: Tower Capital Management, LLC
First Name: Kurt
Last Name: Shadle
Title: Managing Director
Address:
Street: 10 North Park Place
City: Morristown
State: New Jersey
Zip: 07960
Phone: 973-512-2370
Ext: 
Fax: 
Email: kshadle@tcmfund.com
## Project Information

**Project Name:** Special Tax and Ad Valorem Receivables Financing

### Facility #1

**Facility Name:** City of Lake Elsinore  
**Facility Bond Amount:** $1.00

**Project Address:**
- **Street:** 140 South Main Street  
- **City:** City of Lake Elsinore  
- **State:** California  
- **Zip:** 92530  
- **County:** Riverside

- Is Project located in an unincorporated part of the County? ☐ Y ☐ N
- Has the City or County in which the project is located been contacted? If so, please provide name, title, telephone number and e-mail address of the person contacted:
  - **Name of Agency:**  
  - **First Name:**  
  - **Last Name:**  
  - **Title:**  
  - **Phone:**  
  - **Ext:**  
  - **Fax:**  
  - **Email:**

### Government Information

**Project/Facility is in:**
- **Congressional District #:**  
- **State Senate District #:**  
- **State Assembly District #:**

### Facility #2

**Facility Name:** City of Riverside  
**Facility Bond Amount:** $1.00

**Project Address:**
- **Street:** 3900 Main Street  
- **City:** Riverside  
- **State:** California  
- **Zip:** 92501  
- **County:** Riverside

- Is Project located in an unincorporated part of the County? ☐ Y ☐ N
- Has the City or County in which the project is located been contacted? If so, please provide name, title, telephone number and e-mail address of the person contacted:
  - **Name of Agency:**  
  - **First Name:**  
  - **Last Name:**  
  - **Title:**  
  - **Phone:**  
  - **Ext:**  
  - **Fax:**  
  - **Email:**

### Government Information

**Project/Facility is in:**
- **Congressional District #:**  
- **State Senate District #:**  
- **State Assembly District #:**

### Facility #3

**Facility Name:** City of Norco  
**Facility Bond Amount:** $1.00
Project Address:
Street: 2870 Clark Avenue
City: Norco State: California Zip: 92860
County: Riverside

Is Project located in an unincorporated part of the County? ☐ Y ☐ N
Has the City or County in which the project is located been contacted? If so, please provide name, title, telephone number and e-mail address of the person contacted:
Name of Agency:
First Name: Last Name:
Title:
Phone: Ext:
Fax:
Email:

Government Information

Project/Facility is in:
Congressional District #: State Senate District #: State Assembly District #:

Facility #4
Facility Name: Lee Lake Water District
Facility Bond Amount: $1.00
Project Address:
Street: 22646 Temescal Canyon Road
City: Corona State: California Zip: 92883
County: Riverside

Is Project located in an unincorporated part of the County? ☐ Y ☐ N
Has the City or County in which the project is located been contacted? If so, please provide name, title, telephone number and e-mail address of the person contacted:
Name of Agency:
First Name: Last Name:
Title:
Phone: Ext:
Fax:
Email:

Government Information

Project/Facility is in:
Congressional District #: State Senate District #: State Assembly District #:

Facility #5
Facility Name: City of Compton
Facility Bond Amount: $1.00
Project Address:
Street: 205 South Willowbrook Avenue
City: Compton State: California Zip: 90220
County: Los Angeles

Is Project located in an unincorporated part of the County? ☐ Y ☐ N
Has the City or County in which the project is located been contacted? If so, please provide name, title, telephone number and e-mail address of the person contacted:
Name of Agency:
First Name: Last Name:
Title:
Phone: Ext:
Fax:
Email:
Facility #6

Facility Name: City of Lancaster
Facility Bond Amount: $1.00

Project Address:
Street: 44933 Fern Avenue
City: Lancaster
County: Los Angeles
State: California
Zip: 93534

Is Project located in an unincorporated part of the County? Y N

Has the City or County in which the project is located been contacted? If so, please provide name, title, telephone number and e-mail address of the person contacted:

Name of Agency:
First Name: Last Name:
Title:
Phone: Ext: Fax:
Email:

Government Information

Project/Facility is in:
Congressional District #: State Senate District #: State Assembly District #:
Financing Information

Tax Exempt: $ 
Taxable: $ 2,000,000.00 
Total Principal Amount: $ 2,000,000.00 
Proposed Closing date: 11/17/2014 
Maturity 5 Years

Interest Rate Mode:
- [ ] Fixed
- [x] Variable

Denominations: Single Placement

Type of Offering:
- [ ] Public Offering
- [x] Private Placement

Financing:
- [x] Credit Enhancement
- [ ] None
- [x] Other

Letter of Credit
Private Placement via Certificate of Participation

Name of Credit Enhancement Provider or Private Placement Purchaser: Tower Capital Management, LLC

Expected Rating:
- [x] Unrated

Moody's: S&P: Fitch:
Financing Team Information

**Bond Counsel**
Firm Name: Jones Hall

**Primary Contact**
First Name: Scott Last Name: Ferguson
Title: Vice President
Address:
Street: 475 Sansome Street
City: San Francisco State: California Zip: 94111
Phone: 415-391-5780 Ext: 204 Fax:
Email: sferguson@joneshall.com

**Bank/Underwriter/Bond Purchaser**
Firm Name:

**Primary Contact**
First Name: Kurt Last Name: Shadle
Title: Managing Director
Address:
Street: 10 North Park Place
City: Morristown State: New Jersey Zip: 07960
Phone: 973-512-2370 Ext: Fax:
Email: kshadle@tcmfund.com

**Financial Advisor**
Firm Name:

**Primary Contact**
First Name: Last Name:
Title:
Address:
Street: Suite: Zip:
City: State:
Phone: Ext: Fax:
Email:

**Rebate Analyst**
Firm Name:

**Primary Contact**
First Name: Last Name:
Title:
Address:
Street: Suite: Zip:
City: State:
Phone: Ext: Fax:
Email:
RESOLUTION NO. __________

CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY

A RESOLUTION APPROVING DELINQUENT TAX AND ASSESSMENT FINANCING PLAN FOR FISCAL YEARS 2013-14 AND PRIOR FISCAL YEARS, AUTHORIZING ISSUANCE AND SALE OF CERTIFICATES OF PARTICIPATION, AND AUTHORIZING EXECUTION AND DELIVERY OF RELATED DOCUMENTS AND OFFICIAL ACTIONS

WHEREAS, the California Statewide Communities Development Authority (the “Authority”) is authorized under Section 6516.6 of the California Government Code (the “Law”) to enter into agreements with local agencies to acquire, by sale, assignment, pledge, or other transfer, any or all right, title, and interest of any local agency in and to the enforcement and collection of delinquent and uncollected property taxes, assessments, and other receivables that have been levied by or on behalf of the local agency and placed for collection on the secured, unsecured, or supplemental property tax rolls, and the Authority is further authorized under the Law to issue its bonds, notes or certificates of participation to finance such acquisition; and

WHEREAS, the Commission of the Authority (the “Commission”) wishes at this time to authorize the acquisition of certain tax receivables representing delinquent ad valorem property taxes, special taxes, assessments, and property-related fees and charges (collectively, the “Tax Receivables”) for fiscal years 2013-14 from the City of Norco, the City of Riverside, the Lee Lake Water District and the City of Lake Elsinore, and for fiscal years 2008-09 through 2013-14 for the City of Compton and the City of Lancaster (collectively, the “Taxing Entities”);

WHEREAS, in order to obtain funds for the purchase of the Tax Receivables from the Taxing Entities, the Authority will simultaneously sell the Tax Receivables to an affiliate of Tower Capital Management, LLC, a Delaware limited liability company (“Tower”), which will be evidenced by one or more certificates of participation evidencing a 100% participation interest in the Tax Receivables (the “Certificates of Participation”) executed by the Authority and delivered to Tower;

WHEREAS, there have been made available to the Commissioners of the Authority the proposed form of the financing documents described below;

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

Section 1. Approval of Financing Plan. The Commission hereby approves the financing plan for the purchase of Tax Receivables by the Authority presented at the meeting at which this Resolution is adopted, and as generally described in the recitals of this Resolution. Without limiting the generality of the foregoing, the Commission hereby approves the following specific actions relating to the financing plan:

- the Authority’s purchase of Tax Receivables for fiscal year 2013-14 from the City of Norco, the City of Riverside, the Lee Lake Water District and the City of Lake Elsinore, and the purchase of Tax
Receivables for fiscal years 2008-09 through 2013-14 from the City of Compton and the City of Lancaster, all as set forth in each Purchase and Sale Agreement (as defined below) between the Authority and each respective Taxing Entity;

- the sale of the Tax Receivables by the Authority to Tower; and
- the execution and delivery by the Authority to Tower of one or more Certificates of Participation evidencing a 100% participation interest in the Tax Receivables.

Section 2. Approval of Financing Documents. In order to implement the financing plan approved under Section 1, the Commission hereby approves each of the following agreements:

- One or more separate Purchase and Sale Agreements between the Authority and each of the Taxing Entities with respect to the Tax Receivables, in substantially the forms on file with the Secretary of the Authority.
- One or more Certificate Purchase Agreements between the Authority and Tower, specifying the terms and provisions on which the Authority will convey the Tax Receivables to Tower and execute and deliver the Certificates of Participation, in substantially the forms on file with the Secretary of the Authority.

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 (each an “Authorized Signatory”) are hereby authorized and directed, jointly and severally, for and in the name and on behalf of the Authority, to approve the final forms of each of the foregoing agreements for each individual Taxing Entity, and to execute each of the foregoing agreements, in the name and on behalf of the Authority. The Commission hereby authorizes the delivery and performance of each of the foregoing agreements.

Section 3. Issuance and Sale of Certificates of Participation. The Commission hereby authorizes the issuance of the Certificates of Participation and the sale thereof to Tower. The Certificates of Participation shall be issued in an aggregate principal amount not exceeding the aggregate principal amount of the Tax Receivables acquired by the Authority, and shall represent the right of the owner thereof to receive such Tax Receivables.

Each Authorized Signatory is hereby authorized and directed to execute, and the Secretary is hereby authorized and directed to attest, the Certificates of Participation and to deliver the Certificates of Participation to Tower upon satisfaction of the terms and conditions set forth in the related Certificate Purchase Agreement, including without limitation the condition that the Authority receive the purchase price of the Certificates of Participation. In accordance with the Law, the proceeds received by the Authority from the Certificates of Participation shall be applied to acquire the Tax Receivables from the
Taxing Entities under the Purchase and Sale Agreements that are approved under Section 2.

Section 4. Authorization to Deliver Consolidated Certificates of Participation. At the request of Tower, the Certificates of Participation may be consolidated with one another, or with one or more Certificates of Participation which have been delivered to evidence a participation interest in the Tax Receivables from any prior fiscal year. Such consolidation shall be evidenced by the execution by the Authority of a new Certificate of Participation evidencing a participation interest in all of the years which have been consolidated, to be delivered to Tower upon surrender and cancellation of each Certificate of Participation which it is intended to consolidate.

Section 5. Facsimile Signatures of Authorized Officers. Whenever in this Resolution the Commission authorizes the execution of a document by an officer of the Authority, such execution may be accomplished by affixing the facsimile signature of the officer to that document. For purposes of this Section, the term “facsimile signature” has the meaning given to it in Section 5500(d) of the California Government Code. Each facsimile signature which is affixed to a document approved hereunder shall have the same legal effect as a manual signature.

Section 6. Closing Documents and Actions. Each Authorized Signatory 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, including execution and delivery of any and all assignments, certificates, requisitions, agreements, notices, consents, instruments of conveyance, warrants and other documents, which they, or any of them, may deem necessary or advisable in order to consummate the transactions described herein. Whenever in this Resolution any officer of the Authority is authorized to execute or countersign any document or take any action, such execution, countersigning or action may be taken on behalf of such officer by any person designated by such officer to act on his or her behalf in the case such officer is absent or unavailable.

Section 7. Effective Date. This resolution shall take effect from and after its adoption.

* * * * * * * * * * * * * * *

PASSED AND ADOPTED by the California Statewide Communities Development Authority this _____ day of November, 2014.

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 November ___. 2014.

By: ____________________________
Authorized Signatory
California Statewide Communities Development Authority
Item VI

Consideration of Resolution approving modifications to the CaliforniaFIRST program for seismic strengthening improvements and electric vehicle charging infrastructure and approving conforming modifications to the program report. (Staff: Caitlin Lanctot)
SUMMARY AND APPROVALS

DATE: NOVEMBER 6, 2014
CSSCDA PROGRAM: CALIFORNIA FIRST – PROPERTY ASSESSED CLEAN ENERGY PROGRAM
PURPOSE: I. CONSIDERATION OF RESOLUTION AMENDING THE PROGRAM REPORT
II. CONSIDERATION OF CALIFORNIA FIRST PROGRAM CHANGES
III. RESIDENTIAL PACE PROGRAM UPDATE

Background:

CSCDA established CaliforniaFIRST, a multi-jurisdiction Property Assessed Clean Energy (“PACE”) program, in 2008. PACE is a financing tool that allows property owners to secure upfront funding for energy and water-saving improvements, which they repay through a voluntary contractual assessment lien on their property tax bill. The Commission is being asked to consider two items for the CaliforniaFIRST program: 1. A Resolution amending the Program Report; and 2. Various program changes.

Discussion:

Program Report Resolution - The CaliforniaFIRST Residential PACE program launched in May 2014. The Program Administrator, Renewable Funding, regularly seeks to improve the program for the benefit of property owners. On October 9, 2014, Renewable Funding requested the Commission approve several program changes. These changes have been incorporated into the Program Report, where necessary. In addition, the Program Report has been amended to include additional eligible improvements such as seismic improvements, electric vehicle chargers or future improvements permissible by law.

The “Resolution Approving Modifications to the CaliforniaFIRST Program to Make Financing Available for Seismic Strengthening Improvements, Electric Vehicle Charging Infrastructure and Other Authorized Improvements; Approving Conforming Modifications to the Program Report; and Ordering Other Related Matters” authorizes the changes to the Program and Program Report and the related documents.

Program changes – The Program Administrator intends to make two additional program changes. It is requested that the Commission allow for the following updates to be made:

1. Permit 2-day payment to contractors. The Program Administrator will be responsible for payment to contractors. For receiving faster payment, contractors will agree to assign program fund proceeds to Renewable Funding at bond closing.
2. Permit elimination of prepayment penalties, reduce prepayment period to 50 days rather than 90 days prior to a bond payment date and reduce prepayment amount from $5000 to $2500.
The changes came as a result of feedback from contractors and consumers and it is believed that it will improve our California FIRST PACE financing product. If approved, clarifying language would be added to all program and consumer facing documents.

Program Update:

The California FIRST Residential PACE program was rolled out over the summer and now is fully launched in the original 17 counties as of September 2, 2014. Key highlights about program include:

- There are over 203 approved contractors in the program and nearly additional 100 are in the process of enrolling.
- Over 900 applications have been received representing over $18.5 M in value
- The average assessment amount is $21,000.
- Fundings have occurred in 15 of the 17 counties.
- 74 assessment contracts representing $1.56 M in value have been funded through bond issuances.
- There have been 34 bonds issued with an average bond size of $46K. The program has issued bonds for 16 weeks and the average weekly issuance amount is $97K.

Executive Director Review and Recommendation:

The Executive Director has reviewed the proposed PACE program changes and recommends that the Commission approve of the Resolution as submitted to the Commission, which:

1. Approves modifications to the CaliforniaFIRST program and program report; and

2. Authorizes any member of the Commission or Authorized Signatory to sign all necessary documents.
RESOLUTION NO. _____

RESOLUTION APPROVING MODIFICATIONS TO THE CALIFORNIAFIRST PROGRAM TO MAKE FINANCING AVAILABLE FOR SEISMIC STRENGTHENING IMPROVEMENTS, ELECTRIC VEHICLE CHARGING INFRASTRUCTURE AND OTHER AUTHORIZED IMPROVEMENTS; APPROVING CONFORMING MODIFICATIONS TO THE PROGRAM REPORT; AND ORDERING OTHER RELATED MATTERS

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, 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 those of the Program Reports that were approved prior to the effectiveness of Assembly Bill 44 and Senate Bill 1340 by adopting the resolutions listed in Appendix 1 under the heading “Resolutions Amending Program Report” for the related Covered Jurisdictions; and
WHEREAS, the Commission subsequently amended the Program Reports relating to the Covered Jurisdictions that established the Program prior to May 22, 2014, by adopting Resolution No. 14R-23 (such resolution, together with the Initial Resolutions Amending Program Report and Resolutions Amending Program Report, the “Resolutions Confirming Program Report”); and

WHEREAS, pursuant to the Resolutions Confirming Program Report, the Commission, among other things, confirmed and approved Program Reports that addressed all the matters set forth in Sections 5898.22 and 5898.23 of Chapter 29, including a form of Assessment Contract between California Communities and property owners participating in the Program providing for payment of contractual assessments; and

WHEREAS, Section 5899 of Chapter 29 authorizes California Communities to levy contractual assessments to finance the installation of seismic strengthening improvements that are permanently fixed to residential, commercial, industrial, agricultural, or other real property, including, but not limited to, the seismic strengthening of cripple walls and sill plate anchorage of light, woodframed buildings (“Seismic Improvements”), and Section 5899.3 of Chapter 29 authorizes California Communities to levy contractual assessments to finance the installation of electric vehicle charging infrastructure; and

WHEREAS, pursuant to the Resolutions Confirming Program Report, the Program Manager for the Program is authorized to make such changes to the matters addressed by the Program Reports, including the list of the Authorized Improvements, as the Program Manager determines are appropriate in connection with implementation of the Program within the boundaries of the Covered Jurisdictions; and

WHEREAS, California Communities wishes to amend and restate the Program Report (the amended and restated version of which is attached hereto as Exhibit A and referred to herein as the “Amended and Restated Program Report”) to add Seismic Improvements, electric vehicle charging infrastructure and all other improvements authorized by Chapter 29 from time to time to be financed by contractual assessments to the list of Authorized Improvements, and reflect certain other policy changes with respect to the Program that Renewable Funding, LLC, as administrator of the Program, presented to the Commission, and the Commission approved, at its meeting on October 9, 2014;

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

1. The above recitals are true and correct.

2. The provisions of the Resolutions of Intention and the Resolutions Confirming Program Report are hereby ratified and incorporated in this Resolution by this reference to the extent not amended by this Resolution.

3. The Commission hereby approves the Amended and Restated Program Report, and the component parts thereof, including each exhibit incorporated by reference therein, are hereby approved and confirmed. The Program Manager for the Program is hereby authorized to make such changes to the matters addressed by the Amended and Restated Program Report, including but not limited to the list of Authorized Improvements, the draft form of Assessment Contract attached thereto, and the plan for financing installation of the Authorized
Improvements, as the Program Manager determines are appropriate in connection with implementation of the Program within the boundaries of the Covered Jurisdictions.

4. All actions heretofore taken by the officers and agents of California Communities with respect to the matters contemplated by this Resolution and the Amended and Restated Program Report are hereby approved, confirmed and ratified, and the proper officers of California Communities, including an Authorized Signatory, are hereby authorized, for and in the name and on behalf of California Communities, to do any and all things and take any and all actions and execute and deliver any and all documents that they, or any of them, may deem necessary or advisable in order to consummate the matters contemplated by this Resolution.

5. This Resolution shall take effect immediately upon its adoption.

************
PASSED AND ADOPTED by the California Statewide Communities Development Authority this 6th day of November 2014.

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 November 6, 2014.

By: ____________________________
Authorized Signatory
California Statewide
Communities Development
Authority
APPENDIX 1

1. Counties:

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## 2. Cities in Los Angeles County

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EXHIBIT A

[Amended and Restated Program Report]
CaliforniaFIRST

Program Report

County of ________ All Covered Jurisdictions
(as of October 27November 6, 2014)
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1. Introduction

This CaliforniaFIRST Program Report (this "Program Report") outlines the basic design and financing structure of a property assessed clean energy ("PACE") municipal financing program called CaliforniaFIRST (the "CaliforniaFIRST Program") for the each County of _______ (the "County") and incorporated city in Los Angeles County that is a member of the CaliforniaFIRST Program as of the date hereof (each a "Covered Jurisdiction," and collectively, the "Covered Jurisdictions").

A separate Program Handbook will provide operational details of the CaliforniaFIRST program for the County Covered Jurisdictions.

1.1 California Statewide Communities Development Authority

The California Statewide Communities Development Authority ("CSCDA") is a statewide joint powers authority sponsored by the California State Association of Counties and the League of California Cities. CSCDA’s mission is to provide local governments access to low-cost financing for projects that provide a tangible public benefit, contribute to social and economic growth, and improve the overall quality of life in local communities.

1.2 Purpose of the CaliforniaFIRST Program

CSCDA is offering the CaliforniaFIRST Program on a statewide basis, including within the County Covered Jurisdictions, to encourage installation of distributed generation renewable energy sources, energy efficiency and water efficiency improvements, seismic strengthening improvements, electric vehicle charging infrastructure, and all other improvements allowed under the law from time to time within the existing residential and non-residential building stock. CSCDA will facilitate a statewide bond pool and/or non-pooled bonds that will allow property owners to access competitive interest rates offered by the bond market.

With the passage of AB 32, the State of California (the "State") set ambitious goals for reducing carbon emissions and building alternative energy use. The California Public Utilities Commission has set a goal of retrofitting over 13 million residences in the State to be at least 30% more energy efficient. Many California cities and counties have also set their own greenhouse gas reduction targets. Similarly, water conservation efforts, including the promotion of water-related improvements to residential, commercial, industrial, or other real property, are necessary to address the issue of chronic water shortages in the State.

Property owners can help to achieve greenhouse gas reductions and reduce water use and, at the same time, save money by investing in distributed generation renewable energy sources, energy efficiency, and/or water efficiency improvements. The number one barrier to achieving these goals is the large upfront cost.

Utilities sell power and water to their customers as a simple pay-as-you-go service. Homes and businesses can be converted to clean energy and reduce water use quickly, but many believe that it can happen only if paying for distributed generation renewable energy sources, energy efficiency improvements and water efficiency improvements becomes simple – like paying a utility bill. The CaliforniaFIRST Program can make this happen.

1.3 Assessment Financing; Contractual Assessments

The CaliforniaFIRST Program uses a tool that is widely used by local agencies in California to finance public benefit projects: land-secured financing. State law has long provided cities and counties with the power to issue bonds and levy assessments on the a County county’s property tax bill to finance public projects such as sewers, parks, and the undergrounding of utilities.

Chapter 29 of the Improvement Act of 1911, commencing with Section 5898.10 of the Streets & Highways Code of the State ("Chapter 29"), authorizes the levy of "contractual assessments" to finance the installation of the following (collectively, the "Authorized Improvements"):

• the Installation of distributed generation renewable energy sources and energy efficiency and water efficiency improvements to be permanently affixed to residential, commercial, industrial,
agricultural, or other real property. Pursuant to Section 5899, further authorizes that voluntary contractual assessments may also be used to finance the installation of seismic strengthening improvements that are permanently fixed to residential, commercial, industrial, agricultural, or other real property. Pursuant to Section 5899.3, electric vehicle charging infrastructure; and Additionally, other improvements that may be authorized by Chapter 29 may from time to time to be added to the list of Authorized Improvements and financed by contractual assessments.

A "contractual assessment" is an assessment that is levied by contract, between a public agency and property owner, pursuant to Chapter 29. For the CaliforniaFIRST Program, the assessment contract will be an "Agreement to Pay Assessment and Finance Improvements" in substantially the form attached to this Program Report as Exhibit A (the “Assessment Contract”). The Assessment Contract is strictly voluntary and will be executed by each participating property owner and CSCDA.

Under the CaliforniaFIRST Program, a contractual assessment lien is placed on each participating property in an amount necessary to (i) finance the installation of authorized renewable energy, energy efficiency and water efficiency, seismic improvements, and other Authorized Improvements over a period of time not to exceed the expected useful life of the financed improvements, subject to a minimum of 5 years, (ii) pay for costs of issuing bonds (including, fund a reserve fund or pay capitalized interest, in each case if required), and (iii) pay the costs of administering the CaliforniaFIRST Program. The contractual assessment installments are collected on the relevant County's property tax bill. If the owner sells the property, the contractual assessment obligation remains an obligation of the property.

Under the CaliforniaFIRST Program, if a property owner fails to pay the annual contractual assessment installments, CSCDA is obligated to strip the delinquent installments off the property tax bill and commence judicial proceedings to foreclose the lien of the delinquent installments. This is an expedited procedure that can result in the public sale of the property in less than a year.

All property owners participating in the program need to consult their private lenders to determine that the execution of the Assessment Contract will not violate their existing loan agreements. One of the conditions for non-residential properties participating in the CaliforniaFIRST Program is to obtain written consent or affirmative acknowledgement of existing lenders whose consent or affirmative acknowledgement is required for further encumbrance. The Program’s consent or affirmative acknowledgement requirement will be detailed in the Program Handbook and consistent with current law.

The CaliforniaFIRST program is completely voluntary and property taxes for properties in the Covered Jurisdictions that do not choose to participate are completely unaffected by the CaliforniaFIRST Program. Individual contractual assessments are not affected by other properties participating in the program.

1.4 Purpose of This Program Report

This Program Report constitutes the report required pursuant to Section 5898.22 (and satisfying the requirements of 5898.23, 5899 and 5899.3 of Chapter 29) for the CaliforniaFIRST program in the County Covered Jurisdiction. The CaliforniaFIRST Program will be offered throughout the entire County Covered Jurisdiction as shown on the boundary maps attached as Exhibit B. If a property is located in a city’s incorporated territory within the County, a property may participate in the CaliforniaFIRST Program only after the city has adopted a resolution authorizing CSCDA to offer the CaliforniaFIRST Program within its boundaries.

1.5 Program Administration and Underwriting

CSCDA has hired a third-party administrator to administer the CaliforniaFIRST Program in the County Covered Jurisdictions. Initially Renewable Funding LLC. The administrator will review applications and provide marketing and customer service through a website, email, and a toll-free phone number. As needed, CSCDA will work with a bond underwriter to underwrite bonds sold in the public marketplace.

2. Program Requirements
This Program Report identifies the CaliforniaFIRST Program requirements relating to the types of improvements that can be financed under the CaliforniaFIRST Program, eligible properties and financing parameters.

2.1 Eligible Products

The CaliforniaFIRST Program offers financing of the installation of only approved distributed generation renewable energy sources, energy efficiency and water efficiency, seismic improvements, and other Authorized Improvements that will be permanently fixed to property ("Eligible Products"); the initial list of Eligible Products is attached as Exhibit C (the "Initial Eligible Products"). CSCDA will update the list of Eligible Products authorized for financing from time to time and publish the updated list in the Program Handbook.

Property owners are responsible for installation, operation and maintenance of the Eligible Products installed on their property. Property owners must address performance and other system-related issues directly with the contractor according to the terms of the contract between the property owner and the contractor. The CaliforniaFIRST Program is a financing program only. Neither CSCDA nor its employees or agents are responsible for the Eligible Products or their performance.

2.2 Loading Order Process

The CaliforniaFIRST Program may implement certain "loading order" requirements if CSCDA deems it necessary or prudent. These requirements would generally mandate installation of the most cost-effective improvements first. Any CaliforniaFIRST Program loading order requirements will be detailed in the Program Handbook.

2.3 Property Eligibility Criteria

In order to receive financing from the CaliforniaFIRST program, the property to be assessed and its owners must meet the following basic requirements. Details on the criteria are provided in the Program Handbook; the criteria may be modified from time to time by the program administrator (without action by the Commission of CSCDA) in order to conform to changes in law, emerging best practices or otherwise deemed appropriate.

Property Requirements

a. Location. The property to be improved with the Eligible Products (the "subject property") must be located within the boundaries of the CaliforniaFIRST Program. If a property is located in a city’s incorporated territory within the a County, a property may participate in the CaliforniaFIRST Program only after the city has adopted a resolution authorizing CSCDA to offer the CaliforniaFIRST Program within its boundaries.

b. Use. The subject property may be used for residential, commercial, industrial, agricultural, or other real property purposes. Note: commercial includes multi-family properties of 4 or more units.

c. Lender Notification & Acknowledgement. The contractual assessment levied pursuant to an Assessment Contract will have priority over pre-existing private liens, such as mortgages. Therefore, notice to, and in some cases written consent/acknowledgement from, mortgage holders may be required.

d. Taxes. The property owners must be current in the payment of all obligations secured by the subject property, including property taxes, assessments and tax liens, within the time period specified in the Program Handbook.

e. Foreclosure. There must be no notices of default or foreclosure filed against the subject property within the time period specified in the Program Handbook.

f. Involuntary Liens. The property must not be subject to involuntary liens, defaults or judgments in excess of the amount identified in the Program Handbook.
g. **Value Ratios.**
   i. The "private loan to value ratio" must be compliant with the terms defined in the Program Handbook.
   ii. The "public debt to value ratio" must be compliant with the terms defined in the Program Handbook.

h. **Annual Property Tax & Assessment Limitation.** In compliance with Section 5898.15 of Chapter 29, the total amount of any annual property taxes and assessments, including the AB 811 contractual assessment, for any participating property shall not exceed 5% of the property's market value, as such value is determined at the time of approval of the property's contractual assessment.

**Property Owner Requirements**

a. **Owners.** All owners of the fee simple title to the subject property must sign the CaliforniaFIRST Program Documents and consent to the contractual assessment.

b. **Bankruptcy.** All property owner(s) must certify that they have not declared bankruptcy within the time period indicated in the Program Handbook.

c. **Surveys.** All property owner(s) must agree to participate in surveys and CaliforniaFIRST Program evaluations directed by CSCDA. In addition, property owners will be required to sign a waiver allowing the CaliforniaFIRST Program to collect utility usage data as appropriate to comply with State and federal reporting standards.

d. **Additional Information.** The CaliforniaFIRST Program involves the issuance of bonds by CSCDA, and therefore, it is important that property owners pay their contractual assessment installments and other property-related obligations in full on a timely basis. CSCDA reserves the right to request additional information regarding the property owners’ ability to pay such amounts.

**Project Requirements**

a. **Project Installation Loading Order Requirements.** All participating properties will be required to meet project installation prioritization requirements to the extent that any are mandated by CSCDA.

b. **Audits.** CSCDA reserves the right to waive or require an energy efficiency audit for all properties seeking financing. Audit requirements, if any, will be detailed in the Program Handbook.

c. **Rebate Programs.** Property owners will be encouraged to participate in appropriate State incentive and rebate programs as detailed in the Program Handbook.

d. **CEQA Review.** Projects will be reviewed for compliance with or exemption from the California Environmental Quality Act.

e. **Additional Criteria.** Additional criteria may be applied, including net operating income requirements and/or project cost-effectiveness.

**2.4 Eligible Contractors**

Contractor eligibility is being standardized throughout the country, and the CaliforniaFIRST Program will comply with applicable State and federal laws, as well as eligibility requirements of applicable State and federal grant and rebate programs.

**2.5 Quality Assurance**
Quality assurance protocols serve to prevent improper or low-quality installation of energy and water improvements and protect against fraud and abuse in the CaliforniaFIRST Program.

The CaliforniaFIRST Program will institute a quality assurance protocol. All quality assurance and quality control procedures are subject to review and adjustment based on applicable State and federal standards. Details on the current quality assurance procedures are outlined in the Program Handbook.

Despite the presence of these protocols and procedures, the responsibility for the successful operation of any products is that of the property owner and its contractor, and not of CSCDA or its agents or employees.

3. Financing of the CaliforniaFIRST Program

3.1 Minimum and Maximum Financing Amounts

Maximum Financing Amount for the CaliforniaFIRST Program. The maximum aggregate dollar amount of the principal component of contractual assessments to be levied under the CaliforniaFIRST Program for the County each Covered Jurisdiction is $1 billion, subject to increase if there is sufficient demand.

Minimum Financing Amount for Each Property. The minimum installation cost that can be financed for a single residential property is $5,000. Non-residential properties using a Non-Pooled Bond issuance structure shall have no financing minimum.

Maximum Financing Amount for Each Property. The maximum installation cost that can be financed for a single property is dependent on the type of property, as indicated below.

Residential Properties. Residential properties are eligible for financing up to the least of (i) a percentage of the assessed or market value of the property or (ii) a fixed dollar amount as identified in the Program Handbook. For this purpose, residential properties include detached single-family homes, duplexes, townhouses, twin homes, and multi-family and tenancy-in-common properties with up to three units.

Non-residential Residential Properties. Non-residential properties are eligible for financing up to a percentage of the assessed or market value of the property. For this purpose, non-residential properties consist of commercial, industrial, agricultural, large multi-family (four or more units), community facilities, and non-profit-owned properties.

Exceptions. CSCDA reserves the right to finance the installation of Eligible Products in a greater amount than described above.

3.2 Financing Structure

CSCDA will finance the installation of Eligible Products by issuing bonds. In order to provide the lowest possible interest rates through credit diversification, CSCDA may, where prudent and when financing is available, issue bonds to the public bond market on a statewide basis and use the proceeds of those statewide bonds to purchase bonds issued for each Covered Jurisdiction the CaliforniaFIRST Program.

3.3 Overview of Application and Financing Process

Applications from property owners for financing will be considered on a first come, first served basis. If a request from a property owner for financing would cause the CaliforniaFIRST Program to exceed the authorized amount, then the last property that caused the authorization amount to be exceeded will be ineligible for financing. All applications receive a time stamp in order to evidence priority.

Sample Residential Application and Financing Process

Education. Property owners visit the website to learn about the program, financing terms and other details, and find approved contractors and products.

Application. Property owners apply over the phone, mail, fax or on-line. Completed applications must

Comment [AH1]: No need to adjust for 15%
include a proposed project and contractor. Property owners must agree to the CaliforniaFIRST Program terms as part of the application.

**Review and Approval.** The Program performs title search to confirm ownership, screens for unpaid taxes or other delinquent property-based debt, applies lien-to-value metrics, and evaluates the proposed project. CSCDA will approve an application only after confirming that the property meets the underwriting criteria and other CaliforniaFIRST Program requirements as outlined in the Program Handbook.

**Reservation.** If the Program approves an application, it will provide a Notice to Proceed to the property owner. The property owner has a specific period of time to install the Eligible Products and to request funding when the property has met all the applicable requirements for funding. See “Funding Reservation and Installation” in Section 3.5.

**Installation.** A qualified contractor must complete the installation of Eligible Products on the property. See “Eligible Products” in Section 2.1 and “Eligible Contractors” in Section 2.4.

**Financing.** Once a project is complete, the property owner submits a Completion Certificate, a lien is placed on the property, a bond is issued, and payment is released to the payment designee.

**Repayment.** The property owner will be expected to pay the contractual assessment installments in the amounts and at the times specified in the Assessment Contract. In general, the contractual assessments will be due at the same time as property taxes (unless they are billed off-roll, to the extent permitted by law).

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**Sample Non-Residential Application and Financing Process**

**Education.** Property owners visit the dedicated to learn about the program. Information will be provided to Property owners to determine that they meet the eligibility requirements outlined in the Program Handbook.

**Application.** Property owners will complete an application and may pay a non-refundable application fee. Applications must include a proposed project and contractor bid. Property owners must agree to the CaliforniaFIRST Program terms as part of the application.

**Review and Approval.** The Program performs title work to confirm ownership, screens for unpaid taxes or other delinquent property-based debt, applies lien-to-value metrics, and evaluates the proposed project. CSCDA will approve an application only after confirming that the property meets the underwriting criteria and other CaliforniaFIRST Program requirements as outlined in the Program Handbook.

**Reservation.** If the Program approves an application, it will notify a property owner of its approval. The property owner has a specific period of time to obtain funding and install the Eligible Products. See “Funding Reservation and Installation” in Section 3.5.

**Financing.** Non-residential financings may either be structured as Non-Residential Pool Bonds or Non-Pooled Bonds. Where the bond buyer is identified prior to bond issuance, a Bond Purchase Agreement or similar agreement will be executed between CSCDA and the bond buyer.

**Installation.** A qualified contractor must complete the installation of Eligible Products on the property. See “Eligible Products” in Section 2.1 and “Eligible Contractors” in Section 2.4.

**Repayment.** The property owner will be expected to pay the contractual assessment installments in the amounts and at the times specified in the Assessment Contract. In general, the contractual assessments will be due at the same time as property taxes.

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**3.4 Application; Application Fee; Approval or Denial**

**Application.** All property owners interested in applying to the Program must submit a signed application along with other application documents.

**Application Fee.** The property owner may be asked to pay a non-refundable fee (subject to applicable law) when he/she submits an application.
Identification of Bond Buyer. Properties participating in a non-residential financing, may be required to identify a qualified lender that will purchase a bond to finance their particular projects, as described in the Program Handbook.

Approval or Denial. Based on the eligibility requirements listed in the Program Handbook, CSCDA will approve or deny a residential or non-residential application within the specific time periods identified in the Program Handbook. The applicant will be notified of approval or denial via email. See “Consumer Protection” in Section 4.

3.5 Funding Reservation and Installation

Funding Reservation; Reservation Period. If CSCDA approves the application, the funding reservation will be effective for the period of time identified in the Program Handbook. This period of time is referred to as the “reservation period.” The property owner must have a participating contractor complete installation of the Eligible Products on the subject property and submit a Completion Certificate (see “Funding Request and Disbursement” in Section 3.6) within the applicable reservation period. If the property owner fails to have a participating contractor complete the installation of Eligible Products on the subject property and/or submit a Completion Certificate during the reservation period, the funding reservation will expire (or a portion of the funding reservation will expire where a progress payment already has been disbursed, as described in Section 3.6).

Expiration. An applicant may request to extend the reservation period prior to its expiration. However, an additional fee may be required and/or the interest rate may change, as described in the Program Handbook.

Cancellation. An applicant may cancel a funding reservation during the reservation period, but will forfeit any applicable application fee. The applicant may reapply and will be required to pay another application fee, if applicable.

3.6 Funding Request and Disbursement

Funding Request. After a participating contractor has completed installation of the Eligible Products on the subject property, the property owner must submit a Completion Certificate and other documents, as described in the Program Handbook; however, where identified in the Program Handbook, progress payments in the form of multiple disbursements may be arranged for non-residential projects.

Disbursement. CSCDA will approve a disbursement to the property owner (or the contractor, if the property owner instructs CSCDA to pay the contractor directly) after it has received all required documentation from the applicant and confirmed compliance with the eligibility requirements. Where identified in the Program Handbook, progress payments in the form of multiple disbursements may be arranged for non-residential projects.

3.7 Costs of Issuance and Administrative Costs

The costs of issuing bonds and administering the CaliforniaFIRST Program will be financed through participant application fees, proceeds of the financing, and an administrative component of the contractual assessment installments. CSCDA’s costs of establishing the CaliforniaFIRST Program and the costs of the cities and counties joining the CaliforniaFIRST Program will be paid through city/county set-up fees or other available funds.

Financing of Upfront Costs. In addition to financing installation of the Improvements, the Authority will finance the following amounts, which are included in the Assessment:

Application Fees. Application fees for residential property owners are not expected to exceed $350. Non-residential application fees will vary depending on the size and scope of the project, as detailed in the Program Handbook. An application fee may not be collected.

Program-Related Fees. These include closing fees paid from a portion of bond proceeds to the Authority, any other entities responsible for program management and administration, and issuer and bond counsel to the Authority, and as well as any other related costs of issuance of any bond.
Lien Recording Fee. This one-time fee is paid from a portion of bond proceeds to cover the cost associated with recording the lien of the Assessment on the Property.

Reserve Fund Deposit. This is a one-time deposit from a portion of bond proceeds into a debt service reserve fund for bonds issued by the Authority to finance installation of the Improvements on the Property and other Properties participating in the CaliforniaFIRST Program.

California Alternative Energy and Advanced Transportation Financing Authority ("CAEATFA") PACE Loss Reserve Program Fee. This is a one-time fee associated with the CAEATFA PACE Loss Reserve Program, which benefits any first mortgage lender on the Property and other Properties participating in the CaliforniaFIRST Program. The fee will be paid from a portion of bond proceeds. This fee only applies to residential financing.

Foreclosure Expense Reserve Account Deposit. This is a one-time deposit from a portion of bond proceeds into a reserve account that the Authority will use to pay for the costs of foreclosing on the Property and other properties participating in the CaliforniaFIRST program as a result of a delinquency in the payment of any Financing Installment or Administrative Expenses. This fee only applies to residential financing.

Capitalized Interest. The CaliforniaFIRST Program’s deadline for placing the first year’s Financing Installment and related Administrative Expenses. If the Authority issues a bond to finance installation of the Improvements on the Property before the Applicable Tax Roll Deadline occurring in the same calendar year of the bond issuance, then the first year’s Financing Installment and related Administrative Expenses will be billed on the Property Owner’s property tax bill for the related Tax Year. However, if the Authority issues such a bond after the Applicable Tax Roll Deadline occurring in the same calendar year of the bond issuance, the first year’s Financing Installment will not include a principal component, and a portion of the proceeds of the bond will be used to fund the payment of all of such year’s interest component.

Administrative Expenses. Pursuant to the 1915 Act (including Sections 8682(b) and 8682.1(a)), the Authority may add annual amounts to any Financing Installment in order to pay for the costs of collecting that installment and administering the CaliforniaFIRST Program.

3.8 Amounts That Can Be Financed

Financing Cost. In order to receive funding, property owners will agree to pay annual assessment installments in an amount equal to (i) a portion of the principal amount of the contractual assessment (ii) interest on the unpaid principal amount of the contractual assessment, and (iii) ongoing administrative expenses.

1. Principal Amount. The principal amount of the contractual assessment will be composed of the following items:

   a. Eligible Costs. The CaliforniaFIRST Program may finance the costs of installing Eligible Products, energy-efficiency or water-efficiency audit costs, and related professional services fees for project management and financing transaction structuring. All local and state rebates received for the project must be deducted from the financed amount prior to approval. The amount of the federal Investment Tax Credit (ITC) that the property may be eligible to receive does not need to be deducted from the financed amount.

   b. Deposit to a Debt Service Reserve Fund. CSCDA or project investors may require property owners to finance a deposit to a debt service reserve fund; the reserve fund would be used to pay debt service on the bonds in the event of contractual assessment installment delinquencies. The amount of the deposit to a debt service reserve fund will be provided in the Program Handbook.

   c. Deposit to CAEATFA Loss Reserve Fund. The Program will participate in the California Alternative Energy and Advanced Transportation Finance Authority’s Loss Reserve Program that will reimburse mortgage holders on losses experienced as a result of the Program lien on foreclosed properties. The amount of the deposit to the Loss Reserve Fund will be provided in the Program Handbook.
d. **Foreclosure Expense Reserve Fund.** CSCDA may require property owners to finance a deposit to a Foreclosure Expense Reserve Fund that will cover CSCDA’s costs to initiate judicial foreclosure for properties that are delinquent on payment of their assessment contract. The amount of the deposit to the Foreclosure Expense Reserve Fund will be provided in the Program Handbook.

e. **Capitalized Interest.** Because the each County has established a deadline for placing the contractual assessments on the property tax bill, the principal component of the contractual assessment may also include the interest on the first tax year’s contractual assessment installments if the deadline cannot be met.

f. **Costs of Issuance and Administrative Costs.** Initial administrative costs and the costs of issuing any bonds are built into the principal component of the contractual assessment. The costs to be included in the principal component are provided in the Program Handbook. See Costs of Issuance of Administrative Costs in Section 3.7.

2. **Interest Rate.** The rate of interest on the contractual assessment will be a fixed interest rate. The rate will be fixed at the time of a completed application for each assessment contract. Market conditions will determine the interest rate. Interest rates for non-residential properties using Non-Pooled Bonds will be fixed over the repayment term but may vary by agreement of the property owner and lender. See Exhibit D for more information on fixed and variable interest rates.

3. **Ongoing Program Administrative Fees.** Ongoing administrative costs are reflected in the administrative component of the annual contractual assessment installments and subject to increase by CSCDA. See “Costs of Issuance and Administrative Costs” in Section 3.7.

3.9 **Payment Terms**

Payment of the CaliforniaFIRST annual contractual assessment installments is made through the addition of a line item on the property tax bill. Repayment term ranges depending on the expected life of the installed improvement, subject to a minimum of 5 years, but may not exceed repayment term as permitted by law.

Contractual assessments may be prepaid in full or in part at any time, subject to a prepayment penalty. The prepayment penalty will be identified in the Assessment Contract.

3.10 **Transfer or Resale of Property**

The contractual assessment obligation remains an obligation of the subject property following the sale of the subject property. Successor property owners will receive disclosure of the contractual assessment as a result of the two statutory notices recorded in the real property records: the “Notice of Assessment” and the “Payment of Contractual Assessment Required.” In addition, sellers of property are obligated by California law to disclose the contractual assessment obligations to prospective purchasers.

4. **Consumer Protection**

The CaliforniaFIRST Program is subject to certain State and federal laws designed to protect consumers. Among other things, these laws require CSCDA to disclose information to property owners and, only during the three-day period following execution of the Assessment Contract, guarantee certain residential property owners the right to rescind the Assessment Contract without penalty (including the return of the application fee, if applicable). CSCDA will comply with all applicable State and federal laws in connection with the CaliforniaFIRST Program.

5. **Duration**

The CaliforniaFIRST Program will continue as long as there is sufficient demand and there is a positive regulatory environment.
6. Public Agency Official

CSCDA will, from time to time, authorize certain representatives to execute Assessment Contracts on its behalf; the current authorized representative is:

<table>
<thead>
<tr>
<th>Name:</th>
<th>Norman Coppinger</th>
</tr>
</thead>
<tbody>
<tr>
<td>Title:</td>
<td>Administrative Director</td>
</tr>
<tr>
<td>Phone:</td>
<td>(916) 658-8277</td>
</tr>
<tr>
<td>Email:</td>
<td><a href="mailto:ncoppinger@cacities.org">ncoppinger@cacities.org</a></td>
</tr>
<tr>
<td>Address:</td>
<td>1400 K Street, Suite 400Sacramento, CA 95814</td>
</tr>
</tbody>
</table>

7. Changes to the Report

CSCDA may make changes to this Report and the other CaliforniaFIRST Program documents from time to time in its absolute discretion. No such changes will affect the amounts payable by a property owner under an existing Assessment Contract.

8. Program Handbook

CSCDA has prepared a Program Handbook to communicate CaliforniaFIRST Program details to property owners and other interested parties. The Program Handbook will be amended from time to time to reflect the details of the CaliforniaFIRST Program.

9. Appendices and Exhibits

Exhibit A: Form Assessment Contract - Agreement to Pay Assessment and Finance Improvements

Exhibit B: CaliforniaFIRST Program County Boundary Maps

Exhibit C: CaliforniaFIRST Program Initial Eligible Products

Comment [AH4]: Will need to be updated to reflect changes.
Exhibit A

Form Assessment Contract – Agreement to Pay Assessment and Finance Improvements

Comment [AHS]: Must attach updated AC.
Form Assessment Contract – Agreement to Pay Assessment and Finance Improvements

AGREEMENT TO PAY ASSESSMENT AND FINANCE IMPROVEMENTS

CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY
CALIFORNIAFIRST
(COUNTY OF ________)

This AGREEMENT TO PAY ASSESSMENT AND FINANCE IMPROVEMENTS (this "Agreement") is made and entered into as of this ______ day of ______ 20__, by and between the California Statewide Communities Development Authority, a joint exercise of powers authority (the "Authority"), and the record owner(s) (the "Property Owner") of the fee title to the real property identified on Exhibit A (the "Property").

RECITALS

WHEREAS, the Authority is a joint exercise of powers authority the members of which include numerous cities and counties in the State of California; and

WHEREAS, the Authority has established the CaliforniaFIRST program (the "CaliforniaFIRST Program") to allow the financing of certain renewable energy, energy efficiency and water efficiency improvements that are permanently fixed to real property (the "Authorized Improvements") through the levy of contractual assessments pursuant to Chapter 29 of Division 7 of the Streets & Highways Code ("Chapter 29") and the issuance of improvement bonds under the Improvement Bond Act of 1915 (Streets and Highways Code Sections 8500 and following) (the "1915 Act") upon the security of the unpaid contractual assessments; and

WHEREAS, Chapter 29 provides that assessments may be levied under its provisions only with the free and willing consent of the owner of each lot or parcel on which an assessment is levied at the time the assessment is levied pursuant to a contract between the property owner and the public agency; and

WHEREAS, the Authority has conducted the proceedings required by Chapter 29 with respect to the territory within the boundaries of the county identified on Exhibit A (the "County"); and

WHEREAS, the Property is located within the boundaries of unincorporated land of the County, or the incorporated city or city and county, identified in Exhibit A as the “Municipality” (the “Municipality”), and the Municipality has consented to (i) owners of property within its jurisdiction participating in the CaliforniaFIRST Program and (ii) the Authority conducting assessment proceedings under Chapter 29 and issuing bonds under the 1915 Act to finance the Authorized Improvements; and

WHEREAS, pursuant to Chapter 29, the Authority and the Property Owner wish to enter
into a contract pursuant to which the Property Owner would agree to pay an assessment in order to finance the installation on the Property of the Authorized Improvements described on Exhibit A (the “Improvements”) and the Authority would agree to provide financing, all on the terms set forth in this Agreement;

NOW, THEREFORE, in consideration of the foregoing and the material covenants hereinafter contained, the Property Owner and the Authority formally covenant, agree and bind themselves and their successors and assigns as follows:

AGREEMENT

Section 1. Purpose. The Property Owner and the Authority are entering into this Agreement for the purpose of financing the installation of the Improvements identified on Exhibit A on the Property. The Authority will not finance installation of Improvements other than those listed on Exhibit A.

Section 2. The Property. This Agreement relates to the real property identified on Exhibit A. The Property Owner has supplied to the Authority current evidence of its ownership of fee title to the Property and possesses all legal authority necessary to execute this Agreement on behalf of the Property Owner.

Section 3. Agreement to Pay Assessment; Prepayment.

(a) Payment of Assessment. The Property Owner hereby freely and willingly agrees to pay the assessment shown as the “Assessment Amount” on Exhibit B, representing the amounts being financed (i) for purposes of installing the Improvements, which are shown as the “Cost of Improvements” in Exhibit B, and (ii) for the purposes described in Section 3(b) (the “Assessment”). The Authority will not provide financing for the benefit of the Property Owner in an amount in excess of the Assessment.

Except as otherwise set forth in this Agreement, the Assessment will be paid in the installments of principal (representing the amortization of the Assessment over the period shown on Exhibit B), except as provided in Section 3(b)(vi), and interest on the unpaid principal at the rate set forth on Exhibit B (collectively, the “Financing Installments”). Interest will begin to accrue on the date on which the Authority disburses money to the Property Owner, or its designee, to finance the installation of the Improvements. The interest rate is further described in Section 5(b) of this Agreement.

(b) Financing of Upfront Costs. In addition to financing installation of the Improvements, the Authority will finance the following amounts, which are included in the Assessment and shown as “Upfront Costs” on Exhibit B:

(i) Program-Related Fees. These include closing fees paid from a portion of bond proceeds to the Authority, any other entities responsible for program management and administration, and issuer and bond counsel to the Authority, and as well as any other related costs of issuance of any bond.

(ii) Lien Recording Fee. This one-time fee is paid from a portion of bond proceeds to cover the cost associated with recording the lien of the Assessment on the Property.
(iii) Reserve Fund Deposit. This is a one-time deposit from a portion of bond proceeds into a debt service reserve fund for bonds issued by the Authority to finance installation of the Improvements on the Property and other Properties participating in the CaliforniaFIRST Program.

(iv) California Alternative Energy and Advanced Transportation Financing Authority (“CAEATFA”) PACE Loss Reserve Program Fee. This is a one-time fee associated with the CAEATFA PACE Loss Reserve Program, which benefits any first mortgage lender on the Property and other Properties participating in the CaliforniaFIRST Program. The fee will be paid from a portion of bond proceeds.

(v) Foreclosure Expense Reserve Account Deposit. This is a one-time deposit from a portion of bond proceeds into a reserve account that the Authority will use to pay for the costs of foreclosing on the Property and other properties participating in the CaliforniaFIRST program as a result of a delinquency in the payment of any Financing Installment or Administrative Expenses.

(vi) Capitalized Interest. The Financing Installments and related Administrative Expenses may be billed either on or (to the extent permitted by law) off the County’s property tax roll at the sole discretion of the Authority. If on-roll billing is utilized, the CaliforniaFIRST Program’s deadline for placing the first year’s Financing Installation and related Administrative Expenses (as defined in Section 3(c)) on the County’s property tax roll is shown on Exhibit B as the “Applicable Tax Roll Deadline” (the “Applicable Tax Roll Deadline”). If the Authority issues a bond to finance installation of the Improvements on the Property before the Applicable Tax Roll Deadline occurring in the same calendar year of the bond issuance, then the first year’s Financing Installation and related Administrative Expenses will be billed on the Property Owner’s property tax bill for the related Tax Year (as defined in Section 5(c)). However, if the Authority issues such a bond after the Applicable Tax Roll Deadline occurring in the same calendar year of the bond issuance, the first year’s Financing Installation will not include a principal component, and a portion of the proceeds of the bond will be used to fund the payment of all of such year’s interest component.

(c) Administrative Expenses. The Property Owner hereby acknowledges that, pursuant to the 1915 Act (including Sections 8682(b) and 8682.1(a)), the Authority may add annual amounts to any Financing Installment in order to pay for the costs of collecting that installment and administering the CaliforniaFIRST Program (“Administrative Expenses”). Exhibit B shows the estimated Administrative Expenses with the Financing Installments; however, such estimated Administrative Expenses may increase if the cost of collecting the Financing Installments or administering the CaliforniaFIRST Program increase. The Property Owner agrees to pay actual Administrative Expenses, which may be higher than such estimates. The Administrative Expenses, together with each Financing Installment and the Assessment, are referred to collectively as the “Assessment Obligations.”

(d) Prepayment of the Assessment. The Assessment may be prepaid, in increments of $2,500 or in whole, at any time without premium upon the payment of (i) the whole or a portion of the unpaid Assessment, (ii) the accrued but unpaid interest relating to the whole or applicable portion of the unpaid Assessment through the date on which the related bonds will be redeemed (which, for the purpose of calculating the amount of such accrued but unpaid interest, will be the first bond interest payment date that is 50 days or more following the date of the prepayment), and (iii) the reasonable costs of the Authority related to such prepayment.
(e) **Absolute Obligation.** The Property Owner hereby agrees that none of the Assessment Obligations will be subject to reduction, offset or credit of any kind in the event that the bonds secured thereby are refunded or for any other reason.

**Section 4. Collection of Assessment; Lien.** The Assessment Obligations, and the interest and penalties thereon imposed by law as a result of a delinquency in the payment of any Financing Installment and Administrative Expenses, shall constitute a lien against the Property until they are paid and shall be collected and have the lien priority set forth in Chapter 29.

The Property Owner acknowledges that if any Financing Installment and related Administrative Expenses are not paid when due, the Authority has the right to have the delinquent installment, associated penalties and interest stripped off the secured property tax roll and immediately enforced through a judicial foreclosure action that could result in a sale of the Property for the payment of the delinquent installment, associated penalties and interest, and all costs of suit, including attorneys’ fees.

The Property Owner acknowledges that if bonds are sold to finance the Improvements, the Authority may obligate itself, through a covenant with the owners of the bonds, to exercise its foreclosure rights with respect to delinquent Financing Installments and related Administrative Expenses under specified circumstances. Such a covenant would typically provide that no later than a specific date in each year, the Authority will determine whether the Property is delinquent in the payment of Financing Installments and related Administrative Expenses and, if so, will notify its legal counsel (“Authority Counsel”) of any such delinquencies. Authority Counsel will commence, or cause to be commenced, the foreclosure proceedings against the Property, including collection actions preparatory to the filing of any complaint, but will file the complaint by a specific date acceptable to the bond owner(s).

**Section 5. Financing of the Improvements.**

(a) **Agreement to Finance Improvements.** The Authority hereby agrees to use the Assessment to finance the Improvements, including the payment of the Authority’s reasonable costs of administering the CaliforniaFIRST Program, subject to the Property Owner’s compliance with the conditions for such financing established by the Authority. The Property Owner hereby acknowledges that the Improvements confer a special benefit to the Property in an amount at least equal to the Assessment.

(b) **Financing Installments.** The Property Owner agrees to the issuance of bonds by the Authority to finance the installation of the Improvements and other purposes described in Section 3(b). The interest rate used to calculate the interest component of the Financing Installments, as identified on Exhibit B, reflects the interest cost of the bonds. If the cost of the Improvements, as shown in a final invoice provided to the Authority by the Property Owner, is less than the amount shown on Exhibit B, then, concurrently with the disbursement of funds to the Property Owner, the Authority may provide the Property Owner with a schedule that provides for annual installments that are less than those set forth in the attached Exhibit B. The Property Owner hereby represents to the Authority that the cost of the Improvements as shown in a final invoice provided to the Authority by the Property Owner does not include any costs of constructing the Improvements for which the Property Owner will receive credits, incentives or rebates.
In the event the actual cost of acquisition, construction or installation of the Improvements exceeds the portion of the Assessment expected in this Agreement to be used to finance acquisition, construction and installation of the Improvements, then the Property Owner agrees to pay the additional costs and to complete acquisition, construction or installation of the Improvements.

(c) Initial Tax Year. The Financing Installments and related Administrative Expenses will be placed on the County property tax roll each “Tax Year” (being the period beginning July 1 and ending the immediately succeeding June 30), commencing with the first Tax Year in which the Financing Installments and related Administrative Expenses are placed on the Property Owner’s property tax bill prior to the Applicable Tax Roll Deadline for a Tax Year (the “Initial Tax Year on Roll”). The estimated Initial Tax Year on Roll is identified on Exhibit B.

Section 6. Term; Agreement Runs with the Land; Subdivision. (a) If the Authority has not received a completion certificate for the Improvements within 150 days of the date hereof, this Agreement shall automatically expire. The date of such expiration is shown as the “Completion Deadline” on Exhibit B. Except as otherwise set forth in this Agreement, this Agreement shall also expire upon the final payment or prepayment of the Assessment Obligations. The Authority will notify the Property Owner in writing (at the address specified in Exhibit A) when the lien of the Assessment Obligations has been removed from the property.

(b) This Agreement establishes rights and obligations that are for the benefit of the Property and, therefore, such rights and obligations run with the land pursuant to Civil Code Section 1462.

(c) In the event the Property is subdivided while the Assessment Obligations remain unpaid, the Assessment Obligations will be assigned to the newly created parcel on which the Improvements are located. If the Improvements no longer exist, the Assessment Obligations will be assigned to each of the newly created parcels on a per-acre basis, unless the Authority, in its sole discretion, determines that the Assessment Obligations should be allocated in an alternate manner.

Section 7. Recordation of Documents. The Property Owner hereby authorizes and directs the Authority to cause to be recorded in the office of the County Recorder the various notices and other documents required by Chapter 29 and other applicable laws to be recorded against the Property, including but not limited to the Notice of Assessment and the Payment of Contractual Assessment Required.

Section 8. Notice. To the extent required by applicable law, the Property Owner hereby agrees to provide written notice to any subsequent purchaser of the Property (including the purchasers of any subdivisions of the Property) of the obligation to pay the Assessment Obligations pursuant to this Agreement.

Section 9. Waivers, Acknowledgment and Agreement. Because this Agreement reflects the Property Owner’s free and willing consent to pay the Assessment Obligations following a noticed public hearing, the Property Owner hereby waives any otherwise applicable requirements of Article XIIID of the California Constitution or any other provision of California law for an engineer’s report, notice, public hearing, protest or ballot.

The Property Owner acknowledges its right to cancel this transaction within three (3) business days from the date of its executing this Agreement.
The Property Owner hereby waives its right to repeal the Assessment Obligations by initiative or any other action, or to file any lawsuit or other proceeding to challenge the Assessment Obligations or any aspect of the proceedings of the Authority undertaken in connection with the CaliforniaFIRST Program. The Property Owner hereby agrees that the Property Owner and its successors in interest to fee title in the Property shall be solely responsible for the installation, operation and maintenance of the Improvements. The Property Owner hereby acknowledges that the Property will be responsible for payment of the Assessment Obligations regardless of whether the Improvements are properly installed, operated or maintained as expected.

The Property Owner hereby agrees that the Authority is entering into this Agreement solely for the purpose of assisting the Property Owner with the financing of the installation of the Improvements, and that any bond purchaser, the Authority and the city and county in which the Property is located have no responsibility of any kind for, and shall have no liability arising out of, the installation, operation, financing, refinancing or maintenance of the Improvements. Based upon the foregoing, the Property Owner hereby waives the right to recover from and fully and irrevocably releases any bond purchaser, the Authority, the city and county in which the Property is located and any and all agents, employees, attorneys, representatives and successors and assigns of the bond purchaser, the Authority and the city and county in which the Property is located from any and all losses, liabilities, claims, damages (including consequential damages), penalties, fines, forfeitures, costs and expenses (including all reasonable out-of-pocket litigation costs and reasonable attorney’s fees), relating to the subject matter of this Agreement that the Property Owner may now have or hereafter acquire against the bond purchaser, the Authority, the city and county in which the Property is located and any and all agents, employees, attorneys, representatives and successors and assigns of the bond purchaser, the Authority or the city and county in which the Property is located.

To the extent that the foregoing waivers and agreements are subject to Section 1542 of the California Civil Code or similar provisions of other applicable law, it is the intention of the Property Owner that the foregoing waivers and agreements will be effective as a bar to any and all losses, liabilities, claims, damages (including consequential damages), penalties, fines, forfeitures, costs and expenses (including all reasonable out-of-pocket litigation costs and reasonable attorney’s fees), of whatever character, nature and kind, known or unknown, suspected or unsuspected, and Property Owner agrees to waive any and all rights and benefits conferred upon the Property Owner by the provisions of Section 1542 of the California Civil Code or similar provisions of applicable law. Section 1542 reads as follows:

"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR."

By initialing below, the Property Owner agrees to waive the provisions of Section 1542 in connection with the matters that are the subject of the foregoing waivers and releases.

Property Owner’s Initials: _______ _______ _______

The waivers, releases and agreements set forth in this Section 9 shall survive termination of this Agreement.
Section 10. **Indemnification.** The Property Owner agrees to indemnify, defend, protect, and hold harmless the Authority, the city and county in which the Property is located, any bond purchaser and any and all agents, employees, attorneys, representatives and successors and assigns of the Authority, the city and county in which the Property is located or any bond purchaser, from and against all losses, liabilities, claims, damages (including consequential damages), penalties, fines, forfeitures, costs and expenses (including all reasonable out-of-pocket litigation costs and reasonable attorney's fees) and any demands of any nature whatsoever related directly or indirectly to, or arising out of or in connection with (i) the Property Owner’s participation in the CaliforniaFIRST Program, (ii) the Assessment Obligations, (iii) the Improvements, or (iv) any other fact, circumstance or event related to the subject matter of this Agreement, regardless of whether such losses, liabilities, claims, damages (including consequential damages), penalties, fines, forfeitures, costs and expenses (including all reasonable out-of-pocket litigation costs and reasonable attorney's fees) accrue before or after the date of this Agreement.

The provisions of this Section 10 shall survive the termination or expiration of this Agreement.

Section 11. **Right to Inspect Property.** The Property Owner hereby grants the Authority and its agents and representatives the right to enter at any reasonable time, upon reasonable notice, to inspect the Improvements. The Property Owner further hereby grants the Authority and its agents and representatives the right to examine and copy any documentation relating to the Improvements.

Section 12. **Carbon Credits.** The Property Owner hereby agrees that any carbon credits or other similar environmental attributes that are attributable to the Improvements shall be owned by the Authority.

Section 13. **CaliforniaFIRST Application.** The Property Owner hereby represents and warrants to the Authority that the information set forth in the CaliforniaFIRST Program Application submitted to the Authority in connection with its request for financing is true and correct as of the date hereof, and that the representations set forth in the CaliforniaFIRST Program Application are true and correct as of the date hereof as if made on the date hereof.

Section 14. **Amendment.** Except as set forth in Section 5(b), this Agreement may be modified only by the written agreement of the Authority and the Property Owner.

Section 15. **Binding Effect; Assignment.** This Agreement inures to the benefit of and is binding upon the Authority, the Property Owner and their respective successors and assigns.

The Authority has the right to assign any or all of its rights and obligations under this Agreement without the consent of the Property Owner. The obligation to pay the Assessment Obligations set forth in this Agreement is an obligation of the Property, and no agreement or action of the Property Owner will be competent to impair in any way the Authority’s rights, including, but not limited to, the right to pursue judicial foreclosure of the Assessment Obligations lien or the right to enforce the collection of the Assessment Obligations or any installment thereof against the Property.

Section 16. **Exhibits.** The Exhibits to this Agreement are incorporated into this Agreement by this reference as if set forth in their entirety in this Agreement.
Section 17. Severability. If any provision of this Agreement is held invalid or unenforceable by any court of competent jurisdiction, such holding will not invalidate or render unenforceable any other provision of this Agreement.

Section 18. Corrective Instruments. The Authority and the Property Owner agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required in order to carry out the expressed intention of this Agreement.

Section 19. Governing Law; Venue. This Agreement is governed by and construed in accordance with the laws of the State of California. Any legal action brought under this Agreement must be instituted in the Superior Court of the County of Sacramento, State of California; provided, however, that actions to foreclose delinquent Financing Installments and related Administrative Expenses will be instituted in the superior court of the County or as otherwise provided by law.

Section 20. Existing Instruments. BEFORE ENTERING INTO THIS ASSESSMENT CONTRACT, THE PROPERTY OWNER SHOULD CAREFULLY REVIEW ANY MORTGAGE AGREEMENT(S) OR OTHER SECURITY INSTRUMENT(S) (“EXISTING INSTRUMENTS”) THAT AFFECT THE PROPERTY OR TO WHICH THE PROPERTY OWNER IS A PARTY. THE PROPERTY OWNER’S ENTERING INTO THIS AGREEMENT WITHOUT THE CONSENT OF AN EXISTING LENDER COULD CONSTITUTE AN EVENT OF DEFAULT UNDER SUCH EXISTING INSTRUMENTS. DEFAULTING UNDER AN EXISTING INSTRUMENT COULD HAVE SERIOUS CONSEQUENCES TO THE PROPERTY OWNER, WHICH COULD INCLUDE THE ACCELERATION OF THE REPAYMENT OBLIGATIONS DUE UNDER SUCH INSTRUMENT. IN ADDITION, FANNIE MAE AND FREDDIE MAC, THE OWNER OF A SIGNIFICANT PORTION OF ALL HOME MORTGAGES, STATED THAT THEY WOULD NOT PURCHASE HOME LOANS WITH ASSESSMENTS SUCH AS THOSE OFFERED BY THE AUTHORITY. THIS MAY MEAN THAT PROPERTY OWNERS WHO SELL OR REFINANCE THEIR PROPERTY MAY BE REQUIRED TO PREPAY SUCH ASSESSMENTS AT THE TIME THEY CLOSE THEIR SALE OR REFINANCING.

Section 21. Counterparts. This Agreement may be executed in several counterparts, each of which is an original and all of which constitutes one and the same instrument.
IN WITNESS WHEREOF, the Authority and the Property Owner have caused this Agreement to be executed in their respective names by their duly authorized representatives, all as of the date first above written.

CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY

By: ___________________________

Its: ___________________________

The following are the authorized signatories of the Property Owner:

<table>
<thead>
<tr>
<th>Name: ___________________________</th>
<th>Name: ___________________________</th>
</tr>
</thead>
<tbody>
<tr>
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<tr>
<td>Its: ____________________________</td>
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EXHIBIT A
Description of the Property and Improvements

Description of Property

Agreement Number: __________________________

Property Owner: __________________________

Property (APN/Legal Description): __________________________

Property Address for Notice Provided Pursuant to Section 6: __________________________

County: __________________________

Municipality: __________________________

Description of Improvements

Improvements to the property include the following:

**EXAMPLE**

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<thead>
<tr>
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<td>Inverter Model Description</td>
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<td>Number of Invertors</td>
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EXHIBIT B
Assessment Amount, Financing Installments, Estimated Administrative Expenses*, and Assessment Terms

Assessment Amount: $___________

Financing Installments and Estimated Administrative Expenses*

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<tr>
<td>2019 - 2020</td>
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<td>2033 - 2034</td>
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Grand Total Assessment Obligations*

* Estimated Administrative Expenses may increase as provided in Section 3(c).
**Assessment Terms:**

The schedule of the Financing Installments is based on the following assumptions:

<table>
<thead>
<tr>
<th>Cost of Improvements</th>
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<tbody>
<tr>
<td><strong>Upfront Costs</strong></td>
<td></td>
</tr>
<tr>
<td>• Program-Related Fees pursuant to Section 3(b)(i)</td>
<td>$</td>
</tr>
<tr>
<td>• Lien Recording Fee pursuant to Section 3(b)(ii)</td>
<td>$</td>
</tr>
<tr>
<td>• Reserve Fund Deposit pursuant to Section 3(b)(iii)</td>
<td>$</td>
</tr>
<tr>
<td>• CAEATFA PACE Loss Reserve Program Fee pursuant to Section 3(b)(iv)</td>
<td>$</td>
</tr>
<tr>
<td>• Foreclosure Expense Reserve Account Deposit pursuant to Section 3(b)(v)</td>
<td>$</td>
</tr>
<tr>
<td>• Capitalized interest pursuant to Section 3(b)(vi)</td>
<td>$</td>
</tr>
<tr>
<td><strong>Applicable Tax Roll Deadline</strong></td>
<td>[June 15][July 15] [DEPENDS ON COUNTY]</td>
</tr>
<tr>
<td><strong>Interest rate used to calculate the interest component of the Financing Installments</strong></td>
<td>%</td>
</tr>
<tr>
<td><strong>Annual Percentage Rate</strong>*</td>
<td>%</td>
</tr>
<tr>
<td><strong>Completion Deadline</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Term of Assessment Obligations</strong></td>
<td>years</td>
</tr>
<tr>
<td><strong>Initial Tax Year on Roll</strong></td>
<td></td>
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</table>

*The Annual Percentage Rate is interest and certain other costs over the term of the Assessment Obligations expressed as an annual rate. This is not your interest rate.
Exhibit B

CaliforniaFIRST Program County-Boundary Maps
Exhibit C

CaliforniaFIRST Program Initial Eligible Products

<table>
<thead>
<tr>
<th>Energy Efficiency</th>
<th></th>
</tr>
</thead>
</table>
| Air Sealing and Ventilation | Air Filtration  
                        | Air Sealing  
                        | Air Barriers  
                        | Bathroom Fan  
                        | Ceiling Fan  
                        | Crawlspace Sealing  
                        | Duct Sealing  
                        | Whole House Fan  |
| Insulation            | Roof  
                        | Attic  
                        | Duct  
                        | Floor  
                        | Hot Water System  
                        | Wall  |
| Heating and Cooling   | Cogeneration furnace  
                        | Demand Recirculation Pump  
                        | Duct Replacement  
                        | Ducted Heat Pump  
                        | Evaporative Cooler  
                        | Exhaust Fan  
                        | Geothermal Heat Pump  
                        | Heat Recovery Ventilation System  
                        | High Efficiency Air Conditioner  
                        | High Efficiency Furnace  
                        | Radiant Barrier Installation  
                        | Solar Space Heating  
                        | Thermostat Installation  
                        | Weatherization  |
| Water Heating         | High Efficiency Hot Water Boiler  
                        | High Efficiency Water Heater  
                        | Tankless Water Heater  
                        | On-Demand Recirculation Pump  |
| Lighting              | High Efficiency Lighting Retrofit  
                        | Lighting (hard-wired)  
                        | Lighting controls, including occupancy sensors  |
| Windows, Doors, Skylights | Skylight  
                        | Window Replacement  
                        | Window Film  |
| Reflective Roof       | White Roofing  |
| Renewable Energy      | Solar Thermal Installation  
                        | Solar Photovoltaics  |
| Wind                  | Wind Turbine Power System  |
| Fuel Cell             | Fuel Cell Power System  |
| Water Efficiency      | Fixtures  
                        | Low Flow Showerheads  
                        | Low Flow Showers  
                        | Toilets: flush at 1.28 gpf or less  
                        | Urinals: flushing at 0.5 gpf or less  
                        | Showerheads: flow at 1.5 gpm or less  
                        | Aerators: flow at 1.0 gpm or less  |
| Landscaping           | Grey Water Systems  |
| Other                 | Other measures such as potable water offsets, efficiency improvements,  
                        | irrigation measures, process improvements and storm water management  
                        | improvements shall be considered on a case-by-case basis in consultation with  
                        | the CaliforniaFIRST program  |

<table>
<thead>
<tr>
<th>Seismic Strengthening</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Cripple walls</td>
<td>Electric Vehicle Chargers</td>
</tr>
<tr>
<td>Sill plate anchorage</td>
<td>Other</td>
</tr>
</tbody>
</table>

Other
AGENDA OF THE
SPECIAL MEETING OF THE
CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY

November 6, 2014
10:00 a.m.
League of California Cities
1400 K Street, 3rd Floor
Sacramento, California

27788 Hidden Trail Road
Laguna Hills, CA 92653

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

340 Olive Street
Morro Bay, CA 93442

709 Portwalk Place
Redwood City, CA 94065

3252 Southern Hills Drive
Fairfield, CA 94534

County of Yuba
915 8th Street, Suite 103
Marysville, CA 95901

County of Butte
7 County Center Drive
Oroville, CA 95965

I. Call the Roll (alternates designate which member they are representing).

II. Consideration of resolution declaring intention 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 other work for the Open PACE Program.

III. Adjourn.
RESOLUTION NO. 14R-__

A RESOLUTION DECLARING INTENTION 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 OTHER WORK, INFRASTRUCTURE OR IMPROVEMENTS AUTHORIZED BY LAW

Open PACE Program

WHEREAS, the California Statewide Communities Development Authority (the “Authority”) 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, 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”) (the “Authorized Improvements”); and

WHEREAS, Chapter 29 authorizes the Authority to enter into contractual assessments to finance or refinance the installation of Authorized Improvements in the counties (including the incorporated cities therein) listed on Schedule I (each, a “County”) and the cities in Los Angeles County listed on Schedule II (each, a “City in Los Angeles County” and, collectively with the Counties, the “Covered Jurisdictions”); and

WHEREAS, the Authority wishes to declare its intention to establish the CSCDA Open PACE Program (the “Program”) in each Covered Jurisdiction; and

WHEREAS, pursuant to the Program and Chapter 29 and subject to certain conditions set forth below, the Authority will enter into contractual assessments to finance or refinance the installation of Authorized Improvements in the Covered Jurisdictions; and

WHEREAS, prior to entering into contractual assessments to finance or refinance the installation of Authorized Improvements, the Authority intends to require the following:

(i) if the real property to be assessed is located in the unincorporated territory of a County, the County’s board of supervisors must have consented by adopting a resolution in substantially the form set forth in Exhibit A;

(ii) if the real property to be assessed is located in the incorporated territory of a city within a County, the city’s legislative body must have consented by adopting a resolution in substantially the form set forth in Exhibit A; and
(iii) if the real property to be assessed is located in a City in Los Angeles County, the legislative body of the City in Los Angeles County must have consented by adopting a resolution in substantially the form set forth in Exhibit A;

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

Section 1. The Commission of the Authority hereby finds and declares the following:

(a) The above recitals are true and correct.

(b) Energy conservation efforts, including the promotion of energy efficiency and other energy related Authorized Improvements to residential, commercial, industrial, or other real property, are necessary to address the issue of global climate change and the reduction of greenhouse gas emissions.

(c) Water conservation efforts, including the promotion of water-related Authorized Improvements to residential, commercial, industrial, or other real property, are necessary to address the issue of chronic water shortages in California.

(d) Seismic strengthening improvements are necessary to address seismic safety needs throughout California.

(e) Electric vehicle charging infrastructure is a necessary component to transitioning to increased electric vehicle usage and electric vehicles and electric vehicle charging infrastructure address the issue of global climate change and the reduction of greenhouse gas emissions.

(f) The upfront cost of making residential, commercial, industrial, or other real property more energy and water efficient and/or seismically safe and the upfront cost of installing electric vehicle charging infrastructure improvements, along with the fact that most commercial loans for these purposes are due on the sale of the property, prevent many property owners from installing Authorized Improvements.

(g) A public purpose will be served by establishing a contractual assessment program, to be known as the CSCDA Open PACE Program, pursuant to which the Authority will finance or refinance the installation of Authorized Improvements to residential, commercial, industrial, or other real property in each Covered Jurisdiction.

Section 2. The Commission of the Authority hereby determines that (a) it would be convenient, advantageous, and in the public interest to designate an area, which shall encompass the entire geographic territory within the boundaries of each Covered Jurisdiction, within which the Authority and property owners within each Covered Jurisdiction may enter into contractual assessments to finance or refinance the installation of Authorized Improvements pursuant to Chapter 29; (b) it is in the public interest for the Authority to finance or refinance the installation of Authorized Improvements in each Covered Jurisdiction pursuant to Chapter 29; (c) refinancing of Authorized Improvements pursuant to Chapter 29 will result in an increased adoption of Authorized Improvements.
Section 3. The Authority hereby declares that it proposes to make contractual assessment financing available to property owners to finance or refinance the installation of Authorized Improvements, including but not limited to those improvements detailed in the Report described in Section 7 below, as that Report may be amended from time to time.

Section 4. Contractual assessments may be entered into by property owners located within the entire geographic territory of each Covered Jurisdiction; provided, however, that the Authority shall not enter into contractual assessments to finance or refinance the installation of Authorized Improvements with the owner of any property in a Covered Jurisdiction unless the following shall have occurred:

(i) if the real property to be assessed is located in the unincorporated territory of a County, the County’s board of supervisors must have consented by adopting a resolution in substantially the form set forth in Exhibit A;

(ii) if the real property to be assessed is located in the incorporated territory of a city within a County, the city’s legislative body must have consented by adopting a resolution in substantially the form set forth in Exhibit A; and

(iii) if the real property to be assessed is located in a City in Los Angeles County, the legislative body of the City in Los Angeles County must have consented by adopting a resolution in substantially the form set forth in Exhibit A.

For purposes of clarity, the Authority may enter into contractual assessments to finance or refinance the installation of Authorized Improvements with the owner of any property in a city that is located in a County if the city has adopted the requisite resolution referred to above notwithstanding the fact that the city is located in a County that has not adopted a similar resolution for the County’s unincorporated territory. In addition, the Authority may enter into contractual assessments to finance or refinance the installation of Authorized Improvements with the owner of any property in a City in Los Angeles County if the City in Los Angeles County has adopted the requisite resolution referred to above notwithstanding the fact that Los Angeles County has not adopted a similar resolution for the unincorporated territory in Los Angeles County.

Section 5. Under Chapter 29, the Authority may issue bonds pursuant to Chapter 29 that are payable by contractual assessments and the Authority may advance its own funds to finance work to be repaid through contractual assessments, and may from time to time sell bonds to reimburse itself for such advances. Division 10 (commencing with Section 8500) of the Streets & Highways Code of the State (the “Improvement Bond Act of 1915”) shall apply to any bonds issued pursuant to Chapter 29, insofar as the Improvement Bond Act of 1915 is not in conflict with Chapter 29. It is the intention of the Authority to issue bonds pursuant to Chapter 29 and the Improvement Bond Act of 1915 payable from contractual assessments to finance or refinance Authorized Improvements.

The Authority shall determine the creditworthiness of a property owner to participate in the financing or refinancing of Authorized Improvements based on the criteria developed by the Authority in consultation with the Program financing team.
In connection with bonds issued under the Improvement Bond Act of 1915 that are payable from contractual assessments, serial and/or term improvement bonds shall be issued in such series and shall mature in such principal amounts and at such times (not to exceed 39 years from the second day of September next following their date) and at such rate or rates of interest (not to exceed the maximum rate permitted by applicable law) as shall be determined by the Authority at the time of the issuance of the bonds. The provisions of Part 11.1 of the Improvement Bond Act of 1915 shall apply to the calling of the bonds. The Authority may create one or more special reserve funds for all or any portion of the bonds under Part 16 of the Improvement Bond Act of 1915. The Authority will not advance available surplus funds from its treasury to cure any deficiency in any redemption fund to be created with respect to the bonds; provided, however, that this determination shall not prevent the Authority from, in its sole discretion, so advancing funds. The bonds may be refunded under Division 11.5 of the California Streets and Highways Code or other applicable laws permitting refunding of the bonds, upon the conditions specified by and at the determination of the Authority. The principal amount of bonds maturing or becoming subject to mandatory redemption each year need not be an amount equal to an even annual proportion of the aggregate principal of the bonds.

In connection with the issuance of bonds payable from contractual assessments, the Authority expects to obligate itself, through a covenant with the owners of the bonds, to exercise its foreclosure rights with respect to delinquent contractual assessment installments under specified circumstances.

Section 6. Pursuant to the Act, the Authority hereby orders that a public hearing be held before this Commission, at 1400 K Street, 3rd Floor, Sacramento, CA 95814, on December 4, 2014, at 10:00 a.m., or such later date and time selected by the Executive Director, for the purposes of allowing interested persons to object to or inquire about the proposed Program or any of its particulars. The public hearing may be continued from time to time as determined by the Commission for a time not exceeding a total of 180 days.

At the time of the hearing, the Report described in Section 7 below shall be summarized and the Commission shall afford all persons who are present an opportunity to comment upon, object to, or present evidence with regard to the proposed contractual assessment program, the extent of the area proposed to be included within the program, the terms and conditions of the draft Contract described in Section 7 below, or the proposed financing provisions. Following the public hearing, the Authority may adopt a resolution confirming the Report (the “Resolution Confirming Report”) or may direct the Report’s modification in any respect, or may abandon the proceedings.

The Commission hereby orders the Secretary to publish a notice of public hearing once a week for two successive weeks as required by Section 5898.24(a) of Chapter 29. Two publications in a newspaper published once a week or more often, with at least five days intervening between the respective publication dates not counting such publication dates, are sufficient. The period of notice will commence upon the first day of publication and terminate at the end of the fourteenth day. The first publication shall occur not later than 20 days before the date of the public hearing.
Section 7. The Commission hereby directs the Executive Director of the Authority or the designee thereof (the “Executive Director”) to prepare or cause to be prepared and to file with the Commission a report (the “Report”) at or before the time of the public hearing described in Section 6 above containing all of the following:

(a) A map showing the boundaries of the territory within which contractual assessments are proposed to be offered, as set forth in Section 4 above.

(b) A draft contract (the “Contract”) specifying the terms and conditions that would be agreed to by the Authority and a property owner within each Covered Jurisdiction. The Contract may allow property owners to purchase directly the related equipment and materials for the installation of the Authorized Improvements and to contract directly for the installation of such Authorized Improvements.

(c) A statement of the Authority’s policies concerning contractual assessments including all of the following:

(1) Identification of types of Authorized Improvements that may be financed through the use of contractual assessments.

(2) Identification of the Authority officials authorized to enter into contractual assessments on behalf of the Authority.

(3) A maximum aggregate dollar amount of contractual assessments for the Program.

(4) A method for setting requests from property owners for financing through contractual assessments in priority order in the event that requests appear likely to exceed the authorization amount.

(5) A brief description of criteria for determining the underwriting requirements, and safeguards that will be used to ensure that the total annual property tax and assessments on the property will not exceed 5% of the property’s market value, as determined at the time of approval for the owner’s contractual assessment.

(d) A plan for raising a capital amount required to pay for work performed pursuant to contractual assessments. The plan may include amounts to be advanced by the Authority through funds available to it from any source. The plan may include the sale of a bond or bonds or other financing relationship pursuant to Section 5898.28 of Chapter 29. The plan shall include a statement of or method for determining the interest rate and time period during which contracting property owners would pay any assessment. The plan shall provide for any reserve fund or funds. The plan shall provide for the apportionment of all or any portion of the costs incidental to financing, administration, and collection of the contractual assessment program among the consenting property owners and the Authority.

(e) A report on the results of the consultations with each county auditor-controller described in Section 9 below concerning the additional fees, if any, that will be charged to the Authority for incorporating the proposed contractual assessments into the assessments of the
general taxes of the related county on real property, and a plan for financing the payment of those fees.

Section 8. Assessments levied pursuant to Chapter 29, and the interest and any penalties thereon, will constitute a lien against the lots and parcels of land on which they are made, until they are paid. Unless otherwise directed by the Authority, the assessments shall be collected in the same manner and at the same time as the general taxes of each county on real property are payable, and subject to the same penalties and remedies and lien priorities in the event of delinquency and default.

Section 9. The Authority hereby directs the Executive Director to enter into consultations with the auditor-controller for each County and Los Angeles County in order to reach agreement on what additional fees, if any, will be charged to the Authority for incorporating the proposed contractual assessments into the assessments of the general taxes of the related county on real property.

Section 10. Pursuant to Section 5898.24(c), the Authority hereby designates the Executive Director as the responsible official for annually preparing or causing to be prepared the current roll of assessment obligations by assessor’s parcel number on property subject to a voluntary contractual assessment.

Section 11. The Executive Director shall establish or cause to be established procedures to promptly respond to inquiries concerning current and future estimated liability for a voluntary contractual assessment.

Section 12. The Commission hereby finds that adoption of this Resolution is not a “project” under the California Environmental Quality Act, because the Resolution does not involve any commitment to a specific project which may result in a potentially significant physical impact on the environment, as contemplated by Title 14, California Code of Regulations, Section 15378(b)(4)).

Section 13. This resolution shall take effect from and after its adoption.

PASSED AND ADOPTED by the California Statewide Communities Development Authority this 6th day of November, 2014.

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 November 6, 2014.

By: ________________________________
Authorized Signatory
California Statewide Communities Development Authority
## SCHEDULE I

### LIST OF COUNTIES

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## SCHEDULE II

### LIST OF CITIES WITHIN LOS ANGELES COUNTY

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<th>Agoura Hills</th>
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</table>
EXHIBIT A

FORM OF RESOLUTION AUTHORIZING THE AUTHORITY TO CONDUCT CONTRACTUAL ASSESSMENT PROCEEDINGS AND LEVY CONTRACTUAL ASSESSMENTS

RESOLUTION NO. ______


WHEREAS, the California Statewide Communities Development Authority (the “Authority”) is a joint exercise of powers authority, the members of which include numerous cities and counties in the State of California, including the [County/City] of [_____] (the [“County”/“City”]); and

WHEREAS, the Authority has established its CSCDA Open PACE Program (the “Program”) to allow the financing or refinancing of renewable energy, energy efficiency, water efficiency and seismic strengthening improvements, electric vehicle charging infrastructure and such other improvements, infrastructure or other work as may be authorized by law from time to time (collectively, the “Improvements”) through the levy of contractual assessments pursuant to Chapter 29 of Division 7 of the Streets & Highways Code (“Chapter 29”) within counties and cities throughout the State of California that consent to the inclusion of properties within their respective territories in the Program and the issuance of bonds from time to time; and

WHEREAS, Chapter 29 provides that assessments may be levied under its provisions only with the free and willing consent of the owner or owners of each lot or parcel on which an assessment is levied at the time the assessment is levied; and

WHEREAS, the [County/City] desires to allow the owners of property (“Participating Property Owners”) within its territory to participate in the Program and to allow the Authority to conduct assessment proceedings under Chapter 29 within its territory and to issue bonds to finance or refinance Improvements; and

WHEREAS, the territory within which assessments may be levied for the Program shall include all of the territory within the [County’s/City’s] official boundaries; and

WHEREAS, the Authority will conduct all assessment proceedings under Chapter 29 for the Program and issue any bonds issued in connection with the Program; and
WHEREAS, the [County/City] will not be responsible for the conduct of any assessment proceedings; the levy of assessments; any required remedial action in the case of delinquencies in such assessment payments; or the issuance, sale or administration of any bonds issued in connection with the Program;

NOW, THEREFORE, BE IT RESOLVED by the [Board of Supervisors/City Council] of the [County/City] of [_____] as follows:

Section 1. This [Board of Supervisors/City Council] hereby finds and declares that properties in the territory of the [County/City] will benefit from the availability of the Program within the territory of the [County/City] and, pursuant thereto, the conduct of special assessment proceedings by the Authority pursuant to Chapter 29 and the issuance of bonds to finance or refinance Improvements.

Section 2. In connection with the Program, the [County/City] hereby consents to the conduct of special assessment proceedings by the Authority pursuant to Chapter 29 on any property within the territory of the [County/City] and the issuance of bonds to finance or refinance Improvements; provided, that

(1) The Participating Property Owners, who shall be the legal owners of such property, execute a contract pursuant to Chapter 29 and comply with other applicable provisions of California law in order to accomplish the valid levy of assessments; and

(2) The [County/City] will not be responsible for the conduct of any assessment proceedings; the levy of assessments; any required remedial action in the case of delinquencies in such assessment payments; or the issuance, sale or administration of any bonds issued in connection with the Program.

Section 3. The appropriate officials and staff of the [County/City] are hereby authorized and directed to make applications for the Program available to all property owners who wish to finance or refinance Improvements; provided, that the Authority shall be responsible for providing such applications and related materials at its own expense. The following staff persons, together with any other staff persons chosen by the [_____] of the [County/City] from time to time, are hereby designated as the contact persons for the Authority in connection with the Program: ______________ [specify name of position].

Section 4. The appropriate officials and staff of the [County/City] are hereby authorized and directed to execute and deliver such certificates, requisitions, agreements and related documents as are reasonably required by the Authority to implement the Program.

Section 5. The [Board of Supervisors/City Council] hereby finds that adoption of this Resolution is not a “project” under the California Environmental Quality Act, because the Resolution does not involve any commitment to a specific project which may result in a potentially significant physical impact on the environment, as contemplated by Title 14, California Code of Regulations, Section 15378(b)(4)).
Section 6. This Resolution shall take effect immediately upon its adoption. The [Clerk of the Board of Supervisors/City Clerk] is hereby authorized and directed to transmit a certified copy of this resolution to the Secretary of the Authority at: Secretary of the Board, California Statewide Communities Development Authority, 1400 K Street, Sacramento, CA 95814.

PASSED AND ADOPTED this ___________day of _________________, 20__ by the following vote, to wit:

AYES: [Board/Council] Members ______________

NOES: [Board/Council] Members ______________

ABSENT: [Board/Council] Members ______________

ABSTAIN: [Board/Council] Members ______________
AGENDA OF THE
SPECIAL MEETING OF THE
CALEASE PUBLIC FUNDING CORPORATION

November 6, 2014
10:00 a.m. or upon adjournment of the Regularly scheduled CSCDA Board Meeting
League of California Cities
1400 K Street, 3rd Floor
Sacramento, California

27788 Hidden Trail Road
Laguna Hills, CA 92653

340 Olive Street
Morro Bay, CA 93442

709 Portwalk Place
Redwood City, CA 94065

3252 Southern Hills Drive
Fairfield, CA 94534

County of Yuba
915 8th Street, Suite 103
Marysville, CA 95901

County of Butte
7 County Center Drive
Oroville, CA 95965

I. Call the roll (alternates designate which member they are representing).

II. Approve the minutes of the May 16, 2013 Special meeting.

III. Approve up to $4,500,000 to pay the costs of the acquisition of 24 vehicles for use by the Santa Clara County Roads and Airports Department.

IV. Public Comment.

V. Adjourn as the Board of Directors of the CaLease Public Funding Corporation.
SPECIAL MEETING OF THE BOARD OF DIRECTORS OF
CALLEASE PUBLIC FUNDING CORPORATION
League of California Cities
1400 K Street, Sacramento, California
May 16, 2013

MINUTES

Board Chair Larry Combs called the meeting to order at 11:00 AM.

I. Roll Call.

Board members present: Larry Combs, Terry Schutten and Dwight Stenbakken. Board members participating by conference telephone: Irwin Bornstein and Dan Mierzwa. Alternate board member Ron Holly participated by conference telephone representing Tim Snellings. Kevin O’Rourke participated by conference telephone, but did not vote due to late posting of the agenda in at his location.

Others present included: James Hamill, Richard Watson, Caitlin Lanctot and Scott Carper, CSCDA staff; Chris McKenzie, Dan Harrison, Norman Coppinger and Perry Stottlemeyer, League of California Cities; and Mark Paxson, State Treasurer’s Office. Others participating by conference telephone: Greg Stepanicich, Richards Watson & Gershon; Laura Labanieh Campbell, CSAC Finance Corp.; and Jon Penkower, CSCDA staff.

II. Approval of Minutes—January 24, 2013

The board approved the minutes for the special meeting held January 24, 2013. Motion by Schutten; second by Stenbakken; unanimously approved by roll-call vote.

III. Financing Approval: Nevada County

The board approved a resolution approving up to $3 million of lease purchase obligations for the County of Nevada for the acquisition of land and building for county offices, approved all necessary actions and documents for the financing, and authorized any board member or authorized signatory to sign all necessary documents.

Motion by Schutten; second by Mierzwa; unanimously approved by roll-call vote.

IV. Public Comments. There were none.

V. Adjournment. Kevin O’Rourke adjourned the meeting at 11:05 AM.

Submitted by Daniel B. Harrison, Assistant to the Secretary
SUMMARY AND APPROVALS

APPLICANT: SANTA CLARA COUNTY
AMOUNT: NOT TO EXCEED $4.5 MILLION
PURPOSE: ACQUISITION OF 24 VEHICLES TO BE USED BY THE ROADS & AIRPORTS DEPARTMENT
PROGRAM: CALEASE
LEGAL STRUCTURE: MUNICIPALITY

Background:

Santa Clara County will use the funds from this financing to acquire 24 new heavy duty vehicles to be used by their roads & airports departments specifically their Road Maintenance staff in maintaining all county roads and expressways. Their existing vehicles are old and need to be replaced.

Here is a list of what they will be purchasing:

<table>
<thead>
<tr>
<th>Quantity</th>
<th>Description</th>
<th>Estimated Unit Price</th>
<th>Estimated total</th>
</tr>
</thead>
<tbody>
<tr>
<td>12</td>
<td>Peterbilt 10 Wheel Dump Trucks</td>
<td>$180,000</td>
<td>$2,160,000</td>
</tr>
<tr>
<td>1</td>
<td>Hydro Vac Sewer Truck</td>
<td>$400,000</td>
<td>$400,000</td>
</tr>
<tr>
<td>2</td>
<td>Aerial Bucket Trucks</td>
<td>$125,000</td>
<td>$250,000</td>
</tr>
<tr>
<td>4</td>
<td>Rosco Sweep Pro Broom Trucks</td>
<td>$80,000</td>
<td>$320,000</td>
</tr>
<tr>
<td>2</td>
<td>Patch Trucks (chassis with body swap)</td>
<td>$150,000</td>
<td>$300,000</td>
</tr>
<tr>
<td>1</td>
<td>Refuse Truck – rear trash compactor</td>
<td>$200,000</td>
<td>$200,000</td>
</tr>
<tr>
<td>1</td>
<td>Ramjetter Trailer</td>
<td>$100,000</td>
<td>$100,000</td>
</tr>
<tr>
<td>1</td>
<td>Mechanical Broom Sweeper</td>
<td>$300,000</td>
<td>$300,000</td>
</tr>
<tr>
<td></td>
<td><strong>Totals</strong></td>
<td></td>
<td><strong>$4,030,000</strong></td>
</tr>
</tbody>
</table>
Public Benefit:

- The vehicles will allow for the expansion and improvement of projects for the Santa Clara County Roads & Airports Departments.
- Provide financing at tax-exempt rates.

TEFRA Information:

TEFRA is not required for CaLease transactions. However, the County has reviewed and approved the associated documents.

Finance Team:

- Special Counsel: Gilmore & Bell P.C., Kansas City, MO
- Private Placement Purchaser: Comerica Bank, Costa Mesa, CA

Financing Structure:

The lease will mature after no more than 5 years and bear interest at a fixed 2.03% rate. Comerica Bank will be the purchaser of the lease. The proposed private placement is in accordance with the Corporation’s Issuance Policy.

Executive Director Review and Recommendation:

The Executive Director has reviewed the CaLease transaction and based on the overall Project public benefit and finance related considerations and compliance with the Corporations general and issuance policies, the Executive Director recommends that the Commission approve of the Resolution as submitted to the Commission, which:

1. Approves the funding of the lease;
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.

Estimated Sources and Uses:

Sources:

- Lease Proceeds: $4,030,000.00
- Total Sources: $4,030,000.00

Uses:

- Total Uses: $4,030,000.00
RESOLUTION

A RESOLUTION OF THE CALEASE PUBLIC FUNDING CORPORATION APPROVING A LEASE TRANSACTION WITH THE COUNTY OF SANTA CLARA, CALIFORNIA, AND APPROVING CERTAIN ACTIONS IN CONNECTION THEREWITH

WHEREAS, the County of Santa Clara, California (the “County”) has deemed it essential for its own governmental purpose and in the best interest of the County to obtain funds to pay the cost of acquiring approximately 24 vehicles for use by its Roads and Airports Department (the “Equipment”), by leasing from CaLease Public Funding Corporation (the “Corporation”) the Equipment pursuant to a Master Lease Agreement, including Master Lease Agreement Supplement No. 19 thereto (together, the “Lease Agreement”); for Base Rental Payments in an aggregate principal amount of not to exceed $4,500,000; and

WHEREAS, the County has requested that the Corporation enter into the Lease Agreement and assign without recourse its right, title and interest in and to the Lease Agreement, including its right to receive Base Rental Payments thereunder, and the Equipment to a lender to be named therein (the “Assignee”) pursuant to an Assignment Agreement between the Corporation and the Assignee named therein (the “Assignment Agreement”);

NOW, THEREFORE, be it resolved by the Board of Directors of the Corporation as follows:

Section 1. Authorization and Approval of Documents. The Lease Agreement and the Assignment Agreement, in substantially the forms submitted to this meeting, be and they hereby are approved, with such changes therein as are approved by the officer of the Corporation signing those documents on behalf of the Corporation, the execution of those documents by that officer to be conclusive evidence of that officer’s approval and the Corporation’s approval thereof.

Section 2. Execution of Documents. The CaLease Program Manager or any officer or director of the Corporation is hereby authorized, empowered and directed to execute and deliver the Lease Agreement and the Assignment Agreement, for and in the name and on behalf of the Corporation.

Section 3. Further Authority. The CaLease Program Manager or any officer or director of the Corporation is hereby authorized, empowered and directed to do all other acts and things and to execute, acknowledge and deliver all other documents that may in that officer’s discretion be necessary or desirable to carry out and comply with this resolution, the Lease Agreement and the Assignment Agreement.
Section 4. Effective Date. This resolution shall take effect and be in full force and effect immediately upon its adoption by the Board of Directors of the Corporation.

*    *    *

The undersigned, being the duly elected, qualified and acting officer of the Corporation indicated below, does hereby certify that the foregoing resolution was duly adopted at a meeting of the Board of Directors of the Corporation duly called, convened and held on November 6, 2014, after appropriate notice as required by the bylaws of the Corporation and the laws of the State of California, at which meeting a quorum was present and acting throughout and the foregoing resolution has not been amended, modified or rescinded and is in full force and effect.

Dated: November 6, 2014.

Title: Secretary
CaLease Public Funding Corporation