



CSCDA
 CALIFORNIA STATEWIDE COMMUNITIES
 DEVELOPMENT AUTHORITY



REGULAR MEETING AGENDA

November 15, 2018 at 2:00 p.m.

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

Telephonic Locations:

County of Solano
 675 Texas Street, Fairfield, CA 94533

City of Sausalito
 420 Litho Street, Sausalito, CA 94965

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

County of Butte
 7 County Drive, Oroville, CA 95965

County of Kern
 1115 Truxtun Avenue, Bakersfield, CA 93301

A. OPENING AND PROCEDURAL ITEMS

1. Roll Call.

<input type="checkbox"/> Larry Combs, Chair <input type="checkbox"/> Kevin O'Rourke, Vice Chair <input type="checkbox"/> Tim Snellings, Secretary <input type="checkbox"/> Brian Moura, Treasurer	<input type="checkbox"/> Jordan Kaufman, Member <input type="checkbox"/> Dan Mierzwa, Member <input type="checkbox"/> Marcia Raines, Member <input type="checkbox"/> Michael Cooper, Alt. Member
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2. Consideration of the Minutes of the November 1, 2018 Regular Meeting.
3. Consent Calendar.
4. Public Comment.

B. ITEMS FOR CONSIDERATION

5. Statewide Community Infrastructure Program – SCIP 2018C
 - a. Conduct proceedings with respect to the Statewide Community Infrastructure Program (SCIP) (hearing to be held at 2 p.m. or shortly thereafter):

This ___ page agenda was posted at 1100 K Street, Sacramento, California on _____, 2018 at ___: __ __m, Signed _____. Please email signed page to info@cscda.org

1. Open Consolidated Assessment Districts Public Hearing.
 2. Close Consolidated Assessment Districts Public Hearing.
 3. Open assessment ballots and announce results.
- b. Consideration of the following resolutions with respect to SCIP 2018C:
1. Resolution approving final engineer's reports, levying assessments, ordering the financing of specified development impact fees and capital improvements, and confirming unpaid assessment amounts.
 2. Resolution providing for the issuance of separate series of SCIP limited obligation for improvement bonds each in one or more series and approving the form and substance of a trust agreement.
 3. Resolution authorizing the issuance, sale and delivery of not to exceed \$27,780,579.36 of SCIP Revenue Bonds, Series 2018C and approving the forms of a trust agreement, a bond purchase agreement, a continuing disclosure agreement, and a preliminary official statement.
 4. Resolution abandoning proceedings for proposed Assessment District No. 18-01 (El Dorado Irrigation District, County of El Dorado, California).
 5. Resolution abandoning proceedings for proposed Assessment District No. 18-18 (City of Sacramento, County of Sacramento, California).
6. Consider the following resolutions to initiate proceedings to form Community Facilities District No. 2018-03 (Uptown Newport), City of Newport Beach, County of Orange:
- a. Resolution approving joint community facilities agreement and declaring intention to establish Community Facilities District No. 2018-03 (Uptown Newport), and to levy a special tax therein to finance the acquisition and construction of certain public capital improvements and certain utility undergrounding.
 - b. Resolution to incur bonded indebtedness to finance certain utility undergrounding for Community Facilities District No. 2018-03 (Uptown Newport), and calling for a public hearing.
7. Consideration of Greenworks Lending as a commercial PACE administrator under Open PACE.
8. Consideration of the sale of delinquent assessments and repayment plans associated with PACE.

9. Consideration of a Notice of Intent to amend the CSCDA Conflict of Interest Code and the initiation of a 45-day public comment period.
10. Closed Session: Conference with Legal Counsel – Initiation of Litigation, Government Code Section 54956.9(d)(4), One Case
11. Report, if any, from Closed Session.

C. STAFF ANNOUNCEMENTS, REPORTS ON ACTIVITIES OR REQUESTS

12. Executive Director Update.
13. Staff Updates.
14. Adjourn.

NEXT MEETING: Thursday, December 6, 2018 at 2:00 p.m.
League of California Cities
1400 K Street, 3rd Floor, Sacramento, CA 95814

CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY

CONSENT CALENDAR

1. Consideration of agreement with 30/360 for assessment administration services associated with Clean Fund C-PACE.

November 15, 2018



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MINUTES

REGULAR MEETING OF THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY

November 1, 2018 at 2:00 p.m.

League of California Cities
1400 K Street, 3rd Floor, Sacramento, CA 95814

Commission Chair Larry Combs called the meeting to order at 2:01 pm.

1. Roll Call.

Commission members present: Larry Combs, Tim Snellings, and Marcia Raines.

Commission members participating via teleconference: Brian Moura, Jordan Kaufman, Dan Mierzwa, and Michael Cooper (non-voting alternate).

Others present: Cathy Bando, CSCDA Executive Director; James Hamill, Bridge Strategic Partners; Norman Coppinger, League of California Cities; Peter Pierce, Richards Watson & Gershon; Laura Labanieh, CSAC Finance Corporation and Sendy Young, CSAC Finance Corporation.

Others participating via teleconference: Tricia Ortiz, Richards Watson & Gershon; Patricia Eichar, Orrick, Herrington & Sutcliffe; Greg Stepanicich, Richards Watson & Gershon;

2. Election of Officers.

Dan Mierzwa nominated the following slate of officers:

Larry Combs as Chair
Kevin O'Rourke as Vice Chair
Brian Moura as Treasurer
Tim Snellings as Secretary

Motion to approve slate of CSCDA officers by D. Mierzwa. Second by J. Kaufman. B. Moura was not present for the roll call and did not vote.

3. Consideration of the Minutes of the October 18, 2018 Regular Meeting.

The Commission approved the October 18, 2018 regular Meeting minutes.

Motion to approve by D. Mierzwa. Second by K. O'Rourke. Unanimously approved by roll-call vote. M. Raines abstained from voting. B. Moura was not present for the roll call and did not vote.

4. Consideration of the Consent Calendar.

The Commission approved the Consent Calendar.

1. Inducement of Hallmark 2017, LP (Hallmark House Apartments), City of Redwood City, County of San Mateo; issue up to \$25 million in multi-family housing revenue bonds.
2. Approve Agreement with David Taussig & Associates for San Juan Soccer Club PACE Financing.

Motion to approve by T. Snellings. Second by L. Combs. Unanimously approved with the by roll-call vote. B. Moura was not present for the roll call and did not vote.

5. Public Comment.

There was no public comment.

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

- a. Maple & Maple Apartments, LP (Maple & Main Apartments), City of Harvard, County of Alameda; issue up to \$110,000,000 in multi-family housing revenue bonds.

Executive Director Bando gave an overview of the project, and the financing complies with CSCDA's general and issuance policies. This is a new construction of a mixed income 240-unit rental affordable housing project located in the City of Hayward. Twenty-percent of the units will be rent restricted for low-income tenants. Executive Director Bando recommended approval of the financing.

Motion to approve by J. Kaufman. Second by K. O'Rourke. Unanimously approved with the by roll-call vote. B. Moura was not present for the roll call and did not vote.

7. Community Facilities District No. 2018-02 (McSweeny) ("CFD No. 2018-02"):

- i. Conduct public hearing (hearing to be held at 2 p.m. or shortly thereafter):
 1. Open CFD No. 2018-02 Public Hearing.
 2. Close CFD No. 2018-02 Public Hearing.

Motion to close the public hearing by T. Snellings. Second by M. Raines. Unanimously approved by roll-call vote. B. Moura was not present for the roll call and did not vote.

- ii. Consideration of the following resolutions with respect to formation of CFD No. 2018-02:

1. Resolution of formation establishing CFD No. 2018-02, designating Improvement Area No. 1 and Improvement Area No. 2 therein and providing for

- the levy of a special tax to finance the construction and acquisition of certain public capital improvements.
2. Resolutions deeming it necessary to incur bonded indebtedness to finance the construction and acquisition of certain public capital improvements to mitigate the impacts of development within each Improvement Area.
 3. Resolutions calling special mailed-ballot election within each Improvement Area of CFD No. 2018-02.

Motion to approve and adopt the 5 resolutions by K. O'Rourke. Second by T. Snellings. Unanimously approved by roll-call vote. B. Moura was not present for the roll call and did not vote.

- iii. Conduct special election within each Improvement Area of CFD No. 2018-02.
- iv. Consider resolutions declaring result of special mailed-ballot election for each Improvement Area of CFD No. 2018-02.

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

- v. Conduct first reading of "Ordinance Levying a Special Tax for Fiscal Year 2018-2019 and Following Fiscal Years Solely Within and Relating to Improvement Area No. 1 of the California Statewide Communities Development Authority Community Facilities District No. 2018-02 (McSweeny), City of Hemet, County of Riverside, State of California.

Motion to waive the reading of the full ordinance and read by title only by D. Mierzwa. Second by K. O'Rourke. Unanimously approved by roll-call vote.

- vi. Conduct first reading of "Ordinance Levying a Special Tax for Fiscal Year 2018-2019 and Following Fiscal Years Solely Within and Relating to Improvement Area No. 2 of the California Statewide Communities Development Authority Community Facilities District No. 2018-02 (McSweeny), City of Hemet, County of Riverside, State of California.

Motion to waive the reading of the full ordinance and read by title only by T. Snellings. Second by D. Mierzwa. Unanimously approved by roll-call vote.

8. Review 2018-2019 Q1 Financial Results and Bank Account Activity.

Informational item. Executive Director Bando gave an update on CSCDA's 2018-2019 Q1 Financial Results and Bank Account Activity.

9. Consideration of Modification to Policy for Professional Services Contracts.

Item 9 was pulled from the agenda.

10. Closed Session: Conference with Legal Counsel-Initiation of Litigation, Government Code Section 54956.9(d)(4), One Case

The CSCDA Special Meeting reconvened at 2:42 pm.

11. Report, if any, from Closed Session.

Chair L. Combs stated nothing to report out of Closed Session.

12. Executive Director Update.

Executive Director Bando informed the Commission that room block link to the CSCDA Annual Meeting would be emailed out soon, and not to forget to reserve your lodging.

13. Staff Update.

There was no staff update.

14. Adjourn.

The meeting was adjourned at 2:45 pm.

Submitted by: Sendy Young, CSAC Finance Corporation

NEXT MEETING: Thursday, November 15, 2018 at 2:00 p.m.
California State Association of Counties
1100 K Street, 1st Floor, Sacramento, CA 95814



Agenda Item No. 3

Agenda Report

DATE: November 15, 2018
TO: CSCDA COMMISSIONERS
FROM: Cathy Bando, Executive Director
PURPOSE: Consent Calendar

SUMMARY:

1. Consideration of agreement with 30/360 for assessment administration services associated with Clean Fund C-PACE.

Clean Fund Commercial PACE Capital has engaged 30/360 for assessment engineering services associated with its commercial PACE projects. CSCDA is not responsible for the payment of fees, however since 30/360 is placing CSCDA property tax assessments, the Authority needs to be a party to the agreement. The attached agreement has been reviewed by CSCDA General Counsel.

Agreement: <https://www.dropbox.com/sh/98daj99uxfmbdsf/AABZSb3L9oXZwa2Wrejcsk63a?dl=0>



Agenda Item No. 5

Agenda Report

DATE: November 15, 2018

TO: CSCDA COMMISSIONERS

FROM: Cathy Bando, Executive Director

PURPOSE:

1. Conduct proceedings with respect to SCIP 2018C (hearing to be held at 2:00 p.m. or shortly thereafter)
2. Consideration of resolutions with respect to SCIP 2018C

BACKGROUND AND SUMMARY:

On September 20, 2018 the Commission approved the resolutions of intention for certain SCIP assessment districts and set the public hearing for today for the formation of the assessment districts outlined below.

The Commission is being asked today to:

1. Open Consolidated Assessment Districts Public Hearing.
2. Close Consolidated Assessment Districts Public Hearing.
3. Open assessment ballots and announce results.

Consideration of the following resolutions with respect to SCIP 2018C:

1. Resolution approving final engineer's reports, levying assessments, ordering the financing of specified development impact fees and capital improvements, and confirming unpaid assessment amounts.
2. Resolution providing for the issuance of separate series of SCIP limited obligation for improvement bonds each in one or more series and approving the form and substance of a trust agreement.
3. Resolution authorizing the issuance, sale and delivery of not to exceed \$27,780,579.36 of SCIP Revenue Bonds, Series 2018C and approving the forms of a trust agreement, a bond purchase agreement, a continuing disclosure agreement, and a preliminary official statement.

4. Resolution abandoning proceedings for proposed Assessment District No. 18-01 (El Dorado Irrigation District, County of El Dorado, California).
5. Resolution abandoning proceedings for proposed Assessment District No. 18-18 (City of Sacramento, County of Sacramento, California).

FORMATION OF DISTRICTS:

The assessment districts are being formed for the purpose of financing certain improvements and/or development impact fees as further described in the related engineer's reports for such projects. Depending on market conditions and development status of each of the projects, such assessment districts will be included in one or more pooled or standalone bond issuances for SCIP.

Abandonment of Proceedings:

A resolution of intentions were adopted for Assessment District No. 18-01 (El Dorado Irrigation District, County of El Dorado, California) and Assessment District No. 18-18 (City of Sacramento, County of Sacramento, California), with a public hearing originally scheduled for today. The assessment district is no longer scheduled for formation, and instead the Commission will be asked to adopt a resolution authorizing the abandonment of proceedings for the proposed assessment district.

THE FINANCING:

The Series 2018C pooled SCIP revenue bonds will be issued to acquire certain limited obligation bonds issued for certain assessment districts, as described in the table below. The total anticipated financing for SCIP 2018C is expected to not exceed \$27,780,579.36 for the following projects:

AD No.	County / Local Agency	Project Name	Developer	Acreage	Zoning	Project Description	Total Units	Assessment Amount ⁽¹⁾	Assessment per Unit	Percent of Assessment
18-06	County of Contra Costa, City of Brentwood	2700 Empire	K. Hovnanian Homes	8.00	PD-38 Subarea G	Single-Family Residential	48	\$1,164,389	\$24,258	4.19%
18-07	County of Contra Costa, City of Brentwood	Catchings Ranch	Catchings Ranch, LLC	8.03	R1-6	Single-Family Residential	24	624,000	26,000	2.25%
18-01	County of Placer, City of Rocklin	Granite Terrace	Rocklin 41, LLC	7.58	PD-8.4	Single-Family Residential	41	1,500,000	36,585	5.40%
18-02	County of Placer, City of Roseville	Westpark D	KB Home Sacramento, Inc.	13.84	RS/DS	Single-Family Residential	88	2,586,276	29,389	9.31%
18-11	County of Sacramento, City of Elk Grove	Calvine Meadows	Meritage Homes of California, Inc.	22.78	SPA	Single-Family Residential	56	1,811,794	32,353	6.52%
18-12	County of Sacramento, City of Elk Grove	Fieldstone North (Villages 4 & 6)	Lennar Corporation	16.06	RD-5	Single-Family Residential	116	4,227,261	36,442	15.22%
18-19	County of Sacramento, City of Rancho Cordova	Douglas 98	Woodside Homes	98.69	RD-7 & 10 (SDSP)	Single-Family Residential	230	4,143,947	18,017	14.92%
17-03	County of San Joaquin, City of Manteca	Shadowbrook	Trumark Homes LLC	121.91	PD	Single Family Residential	492	10,000,000	20,325	36.00%
18-05	County of San Joaquin, City of Manteca	Oleander Estates, Unit 4	Oleander, L.P.	29.28	PD	Single Family Residential	135	1,722,913	12,762	6.20%
Total				326.17			1,230	\$27,780,579		100.00%

⁽¹⁾ Pursuant to final Engineer's Reports.

Inclusion of the foregoing assessment districts in the SCIP 2018C pool is dependent upon market and development conditions for each assessment district, and certain of such assessment districts may be removed from the pool with the advice of the underwriter and bond counsel.

ESTIMATED SOURCES & USES:

Sources:

Bond Proceeds	\$22,665,000.00
Premium:	<u>\$ 944,532.45</u>
	\$23,609,532.45

Uses:

Project Fund	\$19,621,342.11
Capitalized Interest	\$ 793,275.00
Debt Service Reserve Fund	\$ 1,501,000.00
Cost of Issuance	\$ 1,122,800.00
Underwriter Discount	\$ 566,625.00
Contingency	<u>\$ 4,490.34</u>
	\$23,609,532.45

Pursuant to Section 5852.1 of the California Government Code, the Authority has received certain representations and good faith estimates from RBC Capital Markets, as the underwriter of the California Statewide Communities Development Authority Statewide Community Infrastructure Program Revenue Bonds, Series 2018B and has disclosed such good faith estimates as follows:

- a) TIC: 4.858%
- b) Sum of all fees and charges paid to third parties (includes Agency Admin): \$1,693,915
- c) Net Proceeds: \$19,621,342
- d) Total Net Debt Service (+ Assumed Annual Fees of 10%):\$46,103,475

RECOMMENDED ACTION:

CSCDA’s Executive Director recommends that the Commission approve the following:

- 1. Open Consolidated Assessment Districts public hearing.
- 2. Close Assessment Districts public hearing.
- 3. Open Assessment Districts ballots and announce results.
- 4. Consideration of the following resolutions with respect to SCIP: (Resolutions at following link: https://www.dropbox.com/sh/jazj0ee05m0h8r4/AAB1TBW-h6VmF2Rq-R_K5l1aya?dl=0)
 - a. Resolution approving final engineer’s reports, levying assessments, ordering the financing of specified development impact fees and capital improvements, and confirming unpaid assessment amounts.
 - b. Resolution providing for the issuance of separate series of SCIP limited obligation for improvement bonds each in one or more series and approving the form and substance of a trust agreement.

- c. Resolution authorizing the issuance, sale and delivery of not to exceed \$27,780,579.36 of SCIP Revenue Bonds, Series 2018C and approving the forms of a trust agreement, a bond purchase agreement, a continuing disclosure agreement, and a preliminary official statement.
- d. Resolution abandoning proceedings for proposed Assessment District No. 18-01 (El Dorado Irrigation District, County of El Dorado, California).
- e. Resolution abandoning proceedings for proposed Assessment District No. 18-18 (City of Sacramento, County of Sacramento, California)



Agenda Item No. 6

Agenda Report

DATE: November 15, 2018

TO: CSCDA COMMISSIONERS

FROM: Cathy Bando, Executive Director

PROJECT: Uptown Newport (City of Newport Beach) – Community Facilities District

PURPOSE: Consider the following resolutions to initiate proceedings to form Community Facilities District No. 2018-03 (Uptown Newport).

- a. Resolution approving joint community facilities agreement and declaring intention to establish Community Facilities District No. 2018-03 (Uptown Newport), and to levy a special tax therein to finance the acquisition and construction of certain public capital improvements and certain utility undergrounding.
- b. Resolution to incur bonded indebtedness to finance certain utility undergrounding for Community Facilities District No. 2018-03 (Uptown Newport), and calling for a public hearing.

EXECUTIVE SUMMARY:

The actions requested today are the initial steps in the formation of the Uptown Newport Community Facilities District (CFD) located in Newport Beach, California (the “City”).

BACKGROUND:

Uptown Newport is owned by TSG – Parcel 1, LLC, a Delaware limited liability company and Uptown Newport Jamboree, LLC, a Delaware limited liability company (collectively, the “Developer”).

Uptown Newport is approved for the following type of development:

- 1,244 dwelling units and 11,500 sf of commercial retail with the residential units being 772 apartments and 472 condominiums.
- Phase I of the project consists of the 458 apartments, the 158 condominiums and 9,750 sf of commercial, although only the 158 condo units and the 9,750 sf of commercial will be subject to the CFD tax, as the developer of the apartments will contribute their share in cash.

- Phase II consists of 314 apartments, 314 condominiums and 1,750 sf of commercial, all of which will be subject to the CFD tax.
- There is an Entitled Specific Plan, Certified EIR, a Development Agreement and a recorded Tract Map for the project.
- The project is located on Jamboree Road and bounded by Birch Street and MacArthur Boulevard in downtown Newport Beach. The Uptown Newport development project will promote economic development, the stimulation of economic activity, and increase the tax base within the City.

THE CFD:

The CFD will be authorized to finance public capital facilities and improvements including:

- Preliminary and Incidental Expenses and Appurtenant Work and Improvements, associated with the undergrounding of overhead utilities by Southern California Edison (SCE), and a City Park.
- The current budget includes \$3,305,000 for the 1 acre City Park, and \$3,250,000 for the 66-kV utility undergrounding project.
- Pursuant to various private letter rulings, bond counsel is of the opinion the utility undergrounding project can be financed on a tax exempt basis as long as the undergrounding does not increase capacity.
- The utility work will be done by SCE pursuant to a Rule 20B SCE Agreement with the City. The park will be constructed by the developer and acquired from bond proceeds pursuant to an acquisition agreement.

The current bond estimate is approximately \$8.8 MM. The City approved the formation of the CFD by CSCDA on June 26, 2018.

The financing will be brought back to the Commission for completion of the formation of the CFD and for final approval of bond issuance.

COMMISSION ACTION RECOMMENDED BY THE EXECUTIVE DIRECTOR:

CSCDA’s Executive Director recommends approving the following resolutions:

- a. Resolution approving joint community facilities agreement and declaring intention to establish Community Facilities District No. 2018-03 (Uptown Newport), and to levy a special tax therein to finance the acquisition and construction of certain public capital improvements and certain utility undergrounding.
- b. Resolution to incur bonded indebtedness to finance certain utility undergrounding for Community Facilities District No. 2018-03 (Uptown Newport), and calling for a public hearing on December 20, 2018 at 2:00 pm at the California State Association of Counties.

Resolutions: https://www.dropbox.com/sh/144aacaau5ax4g4/AACN9qk7C1_KcqjmwYq_heZa?dl=0



Agenda Item No. 7

Agenda Report

DATE: November 15, 2018

TO: CSCDA COMMISSIONERS

FROM: Cathy Bando, Executive Director

PURPOSE: Consideration of Greenworks Lending as a commercial PACE administrator for the CSCDA Open PACE program

EXECUTIVE SUMMARY:

Overview:

CSCDA's Open PACE program currently has five program administrators: Renew Financial, AllianceNRG, PACE Funding, CleanFund Commercial Capital and Petros PACE. The concept of Open PACE is to provide CSCDA member cities and counties with a number of qualified program administrators that have been vetted and approved by the CSCDA Commission.

Proposal:

CSCDA staff received a proposal from Greenworks Lending ("Greenworks") for commercial PACE only under the CSCDA Open PACE program. After a review of the proposal, interviews by staff, and review by Executive Director Bando, Commissioners Snellings and Moura, the recommendation before you today is to approve Greenworks as a program administrator under the CSCDA Open PACE platform for San Bernardino County, Los Angeles County and C-PACE only jurisdictions (currently County of Santa Barbara, City of Long Beach and City of Santa Clarita).

The limited territory is due to the existing agreement Greenworks has with the Western Riverside Council of Governments (WRCOG) which does not have coverage in the above-referenced cities and counties. As with CSCDA's agreement with Renovate America this would allow Greenworks to operate in these jurisdictions, and provide the jurisdictions with another C-PACE option.

About Greenworks:

1. Greenworks is a clean energy finance company focused on commercial PACE lending.
2. Headquartered in Darien, CT with offices in Bethesda, MD, Columbus, OH, Houston, TX and San Francisco, CA.

3. Founded in 2015 by Jessica Bailey and Alexandra Cooley, the architects of the Connecticut Green Bank's C-PACE program which completed 75% of all commercial PACE transactions nationwide in 2013-2014.
4. Greenworks has originated and funded transactions in 12 states.
5. Greenworks leadership team authored Connecticut's PACE legislation – the first state-wide, open market program in nation, and has advised multiple state governments and administrators since emulating this model, including CO, DE, RI, MA, NJ, MD, PE, TX and several others.
6. Greenworks launched 'CollectivePACE' in 2018, a PACE-secured prepaid lease available to all nonprofit solar projects over 50 kW.
7. While at the Connecticut Green Bank, the Greenworks leadership team participated in crafting the PACE-secured PPA, a highly attractive option for nonprofit and unrated commercial credits interested in solar, now widely used in CA and CT. Team managed and capitalized a \$60M solar PPA fund deployed to fund PACE-secured PPAs.
8. Greenworks leadership team has originated and closed over 250 projects.

RECOMMENDED ACTION:

CSCDA's Executive Director recommends the approval of Greenworks Lending as a new commercial program administrator under Open PACE limited to San Bernardino County, Los Angeles County and C-PACE only jurisdictions. A contract for services will be brought back to the Commission for approval at a later date.



Agenda Item No. 8

Agenda Report

DATE: November 15, 2018

TO: CSCDA COMMISSIONERS

FROM: Cathy Bando, Executive Director

PURPOSE: Consideration of the sale of delinquent assessments and repayment plans associated with PACE.

EXECUTIVE SUMMARY:

As CSCDA moves into its fifth year of offering residential PACE, one of the growing issues is how delinquent property tax payments are dealt with, and how to delay or minimize risk of foreclosure due to delinquent PACE payments.

BACKGROUND:

Historically, other PACE programs have permitted PACE administrators to fund delinquent installments. CSCDA has taken the position that this funding mechanism is an inherent conflict wherein the funder of the PACE assessment is also funding delinquent payments.

CSCDA's staff and Executive Director have been looking for alternatives to avoid accelerated foreclosure to facilitate timely payment. Two solutions are being proposed as follows:

Sale of delinquent assessment installments: Rather than accelerating foreclosure on the property, CSCDA would sell the delinquent assessment installment to an independent third-party buyer. Through the sale, CSCDA would receive payments due to bond holders and the third-party buyer would receive a security interest in the delinquent assessment installment. When the delinquent assessment installment is recovered, the third-party buyer would not only receive amounts advanced for the delinquent assessment installment but would also receive delinquent interest. This is equivalent to a Teeter plan, and a program CSCDA used to offer to special districts. CSCDA staff and counsel have identified a third-party buyer and are in the process of determining terms that would work in the PACE context. Finalized terms and documents will be brought back to the Commission for further discussion, but because this is a new area for CSCDA, staff and the Executive Director wanted to make the Commission aware of these initial discussions and receive feedback from Commissioners.

Hardship programs: CSCDA's staff, Executive Director and counsel are reviewing other approaches to delay or minimize the risk of foreclosure due to delinquent PACE payments while ensuring timely payment

to bondholders. These other approaches will be modeled after more traditional hardship programs offered by consumer lenders and will come before the Commission for approval.

RECOMMENDED ACTION:

This is an information item only and no action is required.



Agenda Item No. 9

Agenda Report

DATE: November 15, 2018

TO: CSCDA COMMISSIONERS

FROM: Cathy Bando, Executive Director

PURPOSE: Consideration of a Notice of Intent to Amend the CSCDA Conflict of Interest Code and the Initiation of a 45-day Public Comment Period

EXECUTIVE SUMMARY:

Every two years the Fair Political Practices Committee (FPPC) requires a review of CSCDA's Conflict of Interest Code (the "Code"). Certain amendments to the Code have been proposed including the elimination of the following positions: Controller and Housing Compliance Director. The Controller position has been eliminated and Housing Compliance is outsourced to a third-party service provider.

NEXT STEPS:

The next step is to begin the 45-day comment period and post/distribute the notice of intent to amend the code. The proposed action for the Commission is to approve the Notice of Intent and direct that it be distributed to staff, and to commence the 45-day comment period.

At the end of the 45-day comment period, the Commission must hold a public hearing on the proposed amendments only if a hearing is requested by an interested person at least 15 days prior to the close of the 45-day period. Either way, at the end of the comment period a resolution will be presented to the Commission to formally adopt the revised Code.

Once finally approved by CSCDA, the adopted Code and the declaration, signed by the Chair, will be sent to the FPPC for filing.

RECOMMENDED ACTION:

CSCDA's Executive Director recommends approval of the Notice of Intent and distribution to staff for proper posting. See link for notice:

<https://www.dropbox.com/sh/9s2uqvtnlat7din/AADPthqVU2rsm0VcUrPK6Xl8a?dl=0>