



## REGULAR MEETING AGENDA

February 21, 2019 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

247 Electric Street  
Auburn, CA 95603

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

709 Portwalk Place  
Redwood City, CA 94061

County of Kern  
1115 Truxtun Avenue, Bakersfield, CA 93301

3252 Southern Hills Drive  
Fairfield, CA 94534

City of Lafayette  
3675 Mt. Diablo Blvd., Suite 210  
Lafayette, CA 94549

77 De Silva Island Drive  
Mill Valley, CA 94941

### A. OPENING AND PROCEDURAL ITEMS

1. Roll Call.

<input type="checkbox"/> Larry Combs, Chair	<input type="checkbox"/> Jordan Kaufman, Member
<input type="checkbox"/> Kevin O'Rourke, Vice Chair	<input type="checkbox"/> Marcia Raines, Member
<input type="checkbox"/> Tim Snellings, Secretary	<input type="checkbox"/> Michael Cooper, Alt. Member
<input type="checkbox"/> Brian Moura, Treasurer	<input type="checkbox"/> Niroop Srivatsa, Alt. Member
<input type="checkbox"/> Dan Mierzwa, Member	
  
2. Consideration of the Minutes of the February 7, 2019 Regular Meeting.
  
3. Consent Calendar.
  
4. Public Comment.

This \_\_\_ page agenda was posted at 1100 K Street, Sacramento, California on \_\_\_\_\_, 2019 at \_\_\_: \_\_ m, Signed \_\_\_\_\_. Please email signed page to [info@cscda.org](mailto:info@cscda.org)

**B. ITEMS FOR CONSIDERATION**

5. Consideration of the issuance of revenue bonds or other obligations to finance or refinance the following projects, the execution and delivery of related documents, and other related actions:
  - a. Lancer Educational Housing, LLC, City of Riverside, County of Riverside, up to \$90,000,000 in nonprofit revenue bonds.
  - b. Day Creek Senior Housing Partners 2, L.P. (Day Creek Villas Apartments), City of Rancho Cucamonga, County of San Bernardino, up to \$13,000,000 in multi-family housing revenue bonds.
6. Review of Second Quarter FY 2018-19 Financials and Bank Account Activity

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

7. Executive Director Update.
8. Staff Updates.
9. Adjourn.

**NEXT MEETING:** Thursday, March 7, 2019 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. Inducement of Penn Valley 2, LP (Courtyards at Penn Valley Apartments), unincorporated County of Nevada; issue up to \$10 million in multi-family housing revenue bonds.

February 21, 2019



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## MINUTES

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

February 7, 2019 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 2:04 pm.

1. Roll Call.

Commission members present:

Commission members participating via teleconference: Larry Combs, Kevin O'Rourke, Tim Snellings, Dan Mierzwa, Jordan Kaufman, Michael Cooper (non-voting), and Niroop Srivatsa.

Others present: Jon Penkower, Bridge Strategic Partners; Norman Coppinger, League of California Cities; and Sendy Young, CSAC Finance Corporation.

Others participating via teleconference: Cathy Bando, CSCDA Executive Director; James Hamill, Bridge Strategic Partners; Patricia Eichar, Orrick, Herrington & Sutcliffe; and Tricia Ortiz, Richards Watson & Gershon.

2. Consideration of the Minutes of January 24, 2019 Regular Meeting.

The Commission approved the January 24, 2019 Regular Meeting minutes.

***Motion to approve by D. Mierzwa. Second by N. Srivatsa. Unanimously approved by roll-call vote.***

3. Consideration of the Consent Calendar.

The Commission approved the Consent Calendar.

1. Consider various amendments to the bond indentures for the CaliforniaFirst PACE program.
2. Consider increase in quarterly payment for Orrick, Herrington & Sutcliffe acting as issuer counsel.

3. Consider renewal of membership with the California Society of Municipal Finance Officers (CSMFO).

***Motion to approve with by J. Kaufman. Second by T. Snellings. Unanimously approved with the by roll-call vote.***

4. Public Comment.

There was no public comment.

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

- a. Kimball Tower Housing Associates, L.P. (Kimball Tower), City of National City, County of San Diego, up to \$43,000,000 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. The Project is an acquisition and rehabilitation of 152 units of rental affordable housing. 100% of the units will remain rent restricted for low-income senior tenants. Commissioner O'Rourke asked why the delay in the financing from the August 2018 TEFRA date. Jon Penkower explained that the delay in the Project is not an uncommon timeline for a project. The TEFRA hearing is good for 12 months. Executive Director Bando recommended approval of the financing.

***Motion to approve by K. O'Rourke. Second by D. Mierzwa. Unanimously approved with the by roll-call vote.***

- b. Morgan Tower Housing Associates, L.P. (Morgan Tower), City of National City, County of San Diego, up to \$56,000,000 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 Project is an acquisition and rehabilitation of 152 units of rental affordable housing. 100% of the units will remain rent restricted for low-income senior tenants. CHW has financed more than 10 prior projects with CSCDA. Executive Director Bando recommended approval of the financing.

***Motion to approve by T. Snellings. Second by J. Kaufman. Unanimously approved with the by roll-call vote.***

6. Consider the following resolutions for Statewide Community Infrastructure Program (SCIP) Assessment Districts:
  - a. Resolutions of intention to finance the payment of capital improvements and/or development impact fees for public capital improvements, including approval of proposed boundary maps.
  - b. Resolutions preliminarily approving the engineer's reports, setting date for the public hearing of protests and providing property owner ballots.

***Motion to approve items a and b by T. Snellings. Second by K. O'Rourke. Unanimously approved with the by roll-call vote.***

7. Community Facilities District No. 2018-03 (Uptown Newport).
  - a. Consider the following resolution with respect to Community Facilities District No. 2018-03 (Uptown Newport):
    - i. Resolution approving the issuance of the California Statewide Communities Development Authority Community Facilities District No. 2018-03 (Uptown Newport) Special Tax Bonds, Series 2019; authorizing the execution and delivery of an indenture providing for the issuance of such bonds; approving a bond purchase contract providing for the sale of such bonds; approving an official statement; approving a continuing disclosure certificate; authorizing the sale of such bonds; and authorizing related actions and the execution of related documents in connection with the issuance, sale and delivery of such bonds.

***Motion to approve by D. Mierzwa. Second by N. Srivatsa. Unanimously approved with the by roll-call vote.***

8. Consideration of Resolution Approving Local Goals and Policies Concerning Use of the Mello-Roos Community Facilities Act Of 1982.

***Motion to approve by T. Snellings. Second by K. O'Rourke. Unanimously approved with the by roll-call vote.***

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

The CSCDA Commission went into Closed Session at 2:25 pm and reconvened to its Regular Meeting at 2:41 p.m.

10. Report, if any, from Closed Session.

Commission Chair Combs reported that staff has received direction.

11. Executive Director Update.

Executive Director Bando informed the Commission that the CSAC Forum, in La Jolla last week, was very successful. CSCDA will be sending out a survey to understand how they can help cities and counties with the rebuilding and repairs after disasters.

She also told the Commission to expect to receive a monthly dashboard for review via email. The dashboard will consist of new contacts, TEFRA hearings, and other CSCDA updates.

12. Staff Update.

Staff had no updates.

13. Adjourn.

The meeting was adjourned at 2:45 pm.

Submitted by: Sendy Young, CSAC Finance Corporation

**NEXT MEETING:** Thursday, February 21, 2019 at 2:00 p.m.  
California State Association of Counties  
1100 K Street, 1st Floor, Sacramento, CA 95814



**RESOLUTION NO. 19H-\_\_**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**PASSED AND ADOPTED** by the California Statewide Communities Development Authority this February 21, 2019.

The undersigned, an Authorized Signatory of the California Statewide Communities Development Authority, DOES HEREBY CERTIFY that the foregoing resolution was duly adopted by the Commission of said Authority at a duly called meeting of the Commission of said Authority held in accordance with law on February 21, 2019.

By: \_\_\_\_\_  
Authorized Signatory

**EXHIBIT A**

<b>Project Name</b>	<b>Project Location</b>	<b>Project Description (units)</b>	<b>New Construction/ Acquisition and Rehabilitation</b>	<b>Legal Name of initial owner/operator</b>	<b>Bond Amount</b>
Courtyards at Penn Valley Apartments	Unincorporated County of Nevada	42	Acquisition and Rehabilitation	Penn Valley 2, LP	\$10,000,000



## Agenda Item No. 5a

### Agenda Report

**DATE:** February 21, 2019

**TO:** CSCDA COMMISSIONERS

**FROM:** Cathy Bando, Executive Director

**PROJECT:** California Baptist University Student Housing

**PURPOSE:** Consideration of the financing and refinancing for Lancer Educational Housing, LLC, student housing revenue bonds

**AMOUNT:** Not to Exceed \$90,000,000

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#### **EXECUTIVE SUMMARY:**

Lancer Educational Housing, LLC, (“Lancer”), has requested that CSCDA issue student housing revenue bonds in an amount not to exceed \$90,000,000 (the “Bonds”) to finance and refinance existing CSCDA bonds originally issued for the acquisition, construction, improvement and equipping of student housing facilities located at California Baptist University, and finance the acquisition of new facilities (the “Project”).

#### **PROJECT ANALYSIS:**

##### **About Lancer:**

Lancer was formed in 2007 for the purpose of receiving, holding, and administering housing related property for the direct benefit of California Baptist University (the “University”), which addresses a critical component of the University’s mission.

##### **About the Project:**

The Series 2019A Bonds are proposed to be issued to finance and refinance the acquisition, construction, improvement, renovation, furnishing and equipping of certain housing facilities for faculty, staff, and students of California Baptist University, including an approximately 165,000 square feet, four-story student housing complex comprising approximately 93 furnished apartment units with approximately 538 beds and related administrative and support facilities, site improvements, and parking.

**Public Agency Approval:**

**TEFRA Hearing:** The TEFRA hearing is scheduled for March 5, 2019 at the City of Riverside. CSCDA Commission approval shall be subject to TEFRA approval by the City of Riverside.

**Public Benefit:**

Lancer was formed for the sole benefit of the University. All excess funds, generated by Lancer, are used for either the direct benefit of the University via charitable gifts or indirectly through financial assistance for students (housing assistance) or improvements to the student housing.

The University provides financial assistance to approximately 92 percent of its enrolled undergraduate students. Approximately 75 percent of traditional undergraduate students receive more than \$9,500 in institutional financial aid. Approximately 50 percent of University students also receive Pell Grants, which further demonstrates the University's support of an underserved (i.e., low-income) population.

The University is known for its commitment to community outreach. The University strives to provide students, faculty, and staff with opportunities to expand their global vision and gain hands-on ministry experience in a cross-cultural setting. Students, faculty, and staff are involved in University sponsored programs and events, church ministries, and community service organizations in the Riverside area, the Inland Empire (mainly located in the Riverside and San Bernardino Counties), across the State of California, and around the world.

**Sources and Uses:**

Sources of Funds:

Bond Proceeds:	\$ 63,985,000
Bond Premium:	\$ 2,924,545
Total Sources:	\$ 66,909,545

Uses of Funds:

Project Fund Deposits:	\$ 61,000,000
Underwriter's Discount:	\$ 1,119,737
Debt Service Reserve Fund:	\$ 4,286,250
Costs of Issuance:	\$ 500,000
Rounding Amount:	\$ 3,558
Total Uses:	\$ 66,909,545

**Finance Partners:**

Bond Counsel: Squire Patton Boggs, Los Angeles

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

Underwriter: D.A. Davidson, Denver

**Finance Terms:**

**Anticipated Rating:** Unrated  
**Term:** 30 years at a fixed interest rate  
**Structure:** Limited public offering. Bonds to be sold to accredited investors and/or qualified institutional buyers.  
**Estimated Closing:** May 1, 2019

**CSCDA Policy Compliance:**

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

**DOCUMENTS:** (as attachments)

1. CSCDA Resolution (Attachment A)

**COMMISSION ACTION RECOMMENDED BY THE EXECUTIVE DIRECTOR:**

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

**ATTACHMENT A**



**RESOLUTION NO. \_\_NP-\_\_**

**CALIFORNIA STATEWIDE COMMUNITIES  
DEVELOPMENT AUTHORITY**

**A RESOLUTION AUTHORIZING THE ISSUANCE OF ONE OR MORE  
SERIES OF REVENUE BONDS IN A PRINCIPAL AMOUNT NOT TO  
EXCEED \$90,000,000 TO FINANCE AND REFINANCE THE  
ACQUISITION, CONSTRUCTION, IMPROVEMENT AND EQUIPPING  
OF CERTAIN STUDENT HOUSING FACILITIES FOR LANCER  
EDUCATIONAL HOUSING, LLC 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, as amended (the "Code"), 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 Riverside (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, Lancer Educational Housing, LLC, a California limited liability company (the “Borrower”), the sole member of which is Lancer Educational Housing Corporation, a California nonprofit public benefit corporation (“Lancer Corporation”), wishes to: (1) finance and refinance the Series 2019 Project, defined below; (2) pay capitalized interest on the Bonds, defined below; (3) finance a debt service reserve fund for the Bonds; and (4) pay certain expenses incurred in connection with the issuance of the Bonds;

WHEREAS, the term “Series 2019 Project” means financing and refinancing the acquisition, construction, improvement, renovation, furnishing and equipping of certain housing facilities for faculty, staff and students of California Baptist University (the “University”) by the Borrower, including related administrative and support facilities, site improvements, and parking, including but not limited to (1) a student residential complex comprising approximately 600 beds and related administrative and support facilities, site improvements, and parking to be constructed, improved and equipped on, or adjacent to, the main campus of the University, the primary address of which is 8432 Magnolia Avenue, Riverside California 92504, and which includes properties located at 3823, 3833 and 3853 Bel Air Street and property with the address 8775 Magnolia Avenue, Riverside, California 92503 (the “Campus”), and (2) other improvements to and equipment of existing housing facilities and related facilities located on or adjacent to the Campus;

WHEREAS, the Series 2019 Project is or will be owned and operated by the Borrower and located in the City;

WHEREAS, the Borrower is requesting the assistance of the Authority in financing and refinancing the Project;

WHEREAS, pursuant to an Indenture of Trust, dated as of June 1, 2007 (the “Original Indenture” and as amended, the “Indenture”), as amended by a First Supplemental Indenture of Trust, dated as of February 1, 2010, a Second Supplemental Indenture of Trust, dated as of November 1, 2016, a Third Supplemental Indenture of Trust (the “Third Supplemental Indenture”), and such additional supplemental indentures as may be necessary in connection with any additional series of Bonds, each between the Authority and U.S. Bank National Association (the “Trustee”), the Authority will issue the California Statewide Communities Development Authority Revenue Bonds (Lancer Educational Student Housing Project) Series 2019A on one or more series (the “Bonds”) for the purpose, among others, of financing and refinancing the Project;

WHEREAS, pursuant to a Loan Agreement, dated as of June 1, 2007 (the “Original Loan Agreement” and as amended, the “Loan Agreement”), as amended by a First Supplemental Loan Agreement, dated as of February 1, 2010, a Second Supplemental Loan Agreement, dated as of November 1, 2016, a Third Supplemental Loan Agreement (the “Third Supplemental Loan Agreement”), and such additional supplemental loan agreements as may be necessary in connection with any additional series of Bonds, each between the Authority and the Borrower, the

Authority will loan the proceeds of the Bonds to the Borrower for the purpose, among others, of financing and refinancing the Project;

WHEREAS, pursuant to one or more Bond Purchase Contracts, to be dated the date of sale of the Bonds (the “Purchase Contract”), among D.A. Davidson & Co., as underwriter (the “Underwriter”), the Authority and the Borrower, the Bonds will be sold to the Underwriter, and the proceeds of such sale will be used as set forth in the Indenture to finance and refinance the Series 2019 Project, to pay capitalized interest on the Bonds, to fund a debt service reserve account for the Bonds and to pay costs incurred in connection with the issuance of the Bonds;

WHEREAS, the Bonds will be offered for sale to Approved Buyers (as defined in the Third Supplemental Indenture) through one or more limited offering memoranda;

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

- (1) A proposed form of the Third Supplemental Indenture;
- (2) A proposed form of the Third Supplemental Loan Agreement;
- (3) A proposed form of the Purchase Contract;
- (4) A proposed form of limited offering memorandum (the “Limited Offering Memorandum”) to be used by the Underwriter in connection with the offering and sale of the Bonds; and

WHEREAS, pursuant to Section 5852.1 of the California Government Code, the Authority, as a conduit financing provider, has received certain representations and good faith estimates from the Borrower and has disclosed such good faith estimates as set forth on Exhibit A attached hereto;

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 Indenture, the Authority is hereby authorized to issue its revenue bonds designated as the “California Statewide Communities Development Authority Revenue Bonds (Lancer Educational Student Housing Project) Series 2019A” in an aggregate principal amount not to exceed ninety million dollars (\$90,000,000) from time to time, in one or more series, with such other name or names of the Bonds or series thereof as designated in the Indenture pursuant to which the Bonds will be issued. 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 Indenture. 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. 18R-2 of the Authority, adopted on April 19, 2018, or any other resolution of the Authority (each, an “Authorized Signatory”), and, if indicated for attestation, 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 Third Supplemental Indenture, as made available to the Commissioners, is hereby approved. Any Authorized Signatory is hereby authorized and directed, for and on behalf of the Authority, to execute and deliver the Third Supplemental Indenture in substantially said form, with such changes and insertions therein as any member of the Commission, with the advice of counsel to the Authority, may approve, such approval to be conclusively evidenced by the execution and delivery thereof. The trustee, dated date, maturity date or dates, interest rate or rates, interest payment dates, denominations, forms, registration privileges, manner of execution, place or places of payment, terms of redemption and other terms of the Bonds shall be as provided in the Third Supplemental Indenture, as finally executed.

**Section 3.** The proposed form of Third Supplemental Loan 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 Third Supplemental Loan 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 4.** The proposed form of the Purchase Contract, 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 Contract, in substantially said form, with such changes and insertions therein as any member of the Commission, with the advice of counsel to the Authority, may approve, such approval to be conclusively evidenced by the execution and delivery thereof.

**Section 5.** The proposed preliminary form of Limited Offering Memorandum, as made available to the Commissioners, is hereby approved. The Underwriter is hereby authorized to distribute the Limited Offering Memorandum in preliminary form, to persons who may be interested in the purchase of the Bonds and to deliver the Limited Offering Memorandum in final form, in substantially the form of the preliminary Limited Offering Memorandum, to the purchasers of the Bonds.

**Section 6.** 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 7.** 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 8.** 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 9.** 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 financing and refinancing for the Project.

**Section 10.** This Resolution shall take effect from and after its adoption.

PASSED AND ADOPTED by the California Statewide Communities Development Authority this 21st day of February, 2019.

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 February 21, 2019.

By: \_\_\_\_\_  
Authorized Signatory  
California Statewide Communities  
Development Authority

## EXHIBIT A

### PUBLIC DISCLOSURES RELATING TO CONDUIT REVENUE OBLIGATIONS

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

1. Name of Borrower: Lancer Educational Housing, LLC.
2. Authority Meeting Date: February 21, 2019.
3. Name of Obligations: California Statewide Communities Development Authority Revenue Bonds (Lancer Educational Student Housing Project) Series 2019A.
4.  Private Placement Lender or Bond Purchaser,  Underwriter or  Financial Advisor (mark one) engaged by the Borrower provided the Borrower with the required good faith estimates relating to the Obligations as follows:
  - (A) The true interest cost of the Obligations, which means the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for Obligations (to the nearest ten-thousandth of one percent): 4.7167%.
  - (B) The finance charge of the Obligations, which means the sum of all fees and charges paid to third parties: \$1,625,000.
  - (C) The amount of proceeds received by the public body for sale of the Obligations less the finance charge of the Obligations described in subparagraph (B) and any reserves or capitalized interest paid or funded with proceeds of the Obligations: \$61,000,000.
  - (D) The total payment amount, which means the sum total of all payments the Borrower will make to pay debt service on the Obligations plus the finance charge of the Obligations described in subparagraph (B) not paid with the proceeds of the Obligations (which total payment amount shall be calculated to the final maturity of the Obligations): \$132,565,281.
5. The good faith estimates provided above were  presented to the governing board of the Borrower, or  presented to the official or officials or committee designated by the governing board of the Borrower to obligate the Borrower in connection with the Obligations or, in the absence of a governing board,  presented to the official or officials

of the Borrower having authority to obligate the Borrower in connection with the Obligations (mark one).

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

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



## Agenda Item No. 5b

### Agenda Report

**DATE:** February 21, 2019

**TO:** CSCDA COMMISSIONERS

**FROM:** Cathy Bando, Executive Director

**PROJECT:** Day Creek Villas Apartments

**PURPOSE:** Approve the Financing of Rental Affordable Housing Project Located in the City of Rancho Cucamonga, County of San Bernardino

**AMOUNT:** Not to Exceed \$13,000,000

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#### **EXECUTIVE SUMMARY:**

Day Creek Villas Apartments (the “Project”) is the new construction of a 49-unit rental housing project located in the City of Rancho Cucamonga. 100% of the units will be rent restricted for low-income tenants.

#### **PROJECT DESCRIPTION:**

- Construction of a 49-unit affordable rental housing facility located in the City of Rancho Cucamonga.
- Consists of 46 one-bedroom and 3 two-bedroom units.

#### **PROJECT ANALYSIS:**

##### **Background on Applicant:**

National Community Renaissance (National CORE) is comprised of National Community Renaissance of California (NCRC), and Hope through Housing Foundation (HOPE), which provides on-site social services to all of National CORE’s communities. National CORE was established in 1992 as a 501(c) (3) not-for-profit public benefit corporation and currently has over 8,000 rental units under ownership in four states, including more than 6,900 throughout the Southern California region. National CORE is the developer, owner, operator and services provider of all of its properties. National CORE currently employs in excess of 400 people. National CORE is a vertically integrated company with in-house construction, property management, asset management, compliance, accounting and social programs/services departments. National CORE has experienced staff capacity in development, construction management, property management, social services, and is a licensed general contractor. This “in-house” structure allows for strict



quality control and cost-savings in all facets of its business. National CORE's philosophy is to not only develop and maintain high-quality affordable housing, but to go well beyond the bricks and mortar and create vibrant communities that are safe and nurturing environments for its residents. National CORE continues to own and manage all of its properties, thus ensuring long-term affordability as well as the maintenance of high-quality affordable communities. National CORE has financed more than 12 prior projects with CSCDA.

**Public Agency Approval:**

**TEFRA Hearing:** August 15, 2018 – City of Rancho Cucamonga – Unanimous Approval

**CDLAC Approval:** September 19, 2018

**Public Benefits:**

- 100% of the units will be rent restricted for 55 years.
  - 39% (19 units) restricted to 50% or less of area median income households.
  - 61% (30 units) restricted to 60% or less of area median income households.

**Sources and Uses:**

Sources of Funds:

Tax-Exempt Bonds:	\$ 9,700,000
City Loans:	\$ 7,388,171
Deferred Developer Fee:	\$ 203,808
Tax Credits:	<u>\$ 540,355</u>
Total Sources:	\$ 17,832,334

Uses of Funds:

Acquisition:	\$ 3,167,813
Construction Costs:	\$ 9,892,696
Architecture/Engineering/Permits:	\$ 1,589,807
Reserves:	\$ 182,602
Costs of Issuance:	\$ 301,645
Developer Fee:	\$ 1,650,000
Other Soft Costs:	<u>\$ 1,047,771</u>
Total Uses:	\$ 17,832,334

**Finance Partners:**

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

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

Bond Purchaser: J.P. Morgan Chase

**Finance Terms:**

**Rating:** Unrated  
**Term:** 35 years  
**Structure:** Private Placement  
**Estimated Closing:** March 31, 2019

**CSCDA Policy Compliance:**

The financing of the Project complies with CSCDA's general and issuance policies for unrated debt.

**DOCUMENTS:** (as attachments)

1. CSCDA Resolution (Attachment A)

**COMMISSION ACTION RECOMMENDED BY THE EXECUTIVE DIRECTOR:**

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

**ATTACHMENT A**

**RESOLUTION NO. 19H-\_\_**

**A RESOLUTION OF THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY AUTHORIZING THE ISSUANCE AND DELIVERY OF MULTIFAMILY HOUSING REVENUE BONDS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$13,000,000 FOR THE FINANCING OF A MULTIFAMILY RENTAL HOUSING DEVELOPMENT TO BE GENERALLY KNOWN AS DAY CREEK VILLAS APARTMENTS; DETERMINING AND PRESCRIBING CERTAIN MATTERS AND APPROVING AND AUTHORIZING THE EXECUTION OF AND DELIVERY OF VARIOUS DOCUMENTS RELATED THERETO; RATIFYING ANY ACTION HERETOFORE TAKEN AND APPROVING RELATED MATTERS IN CONNECTION WITH THE BONDS.**

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

**WHEREAS**, Day Creek Senior Housing Partners 2, L.P., a California limited partnership, and entities related thereto (the “Borrower”), has requested that the Authority issue and deliver revenue bonds to assist in the financing of the construction, development and equipping of a 49-unit housing development for seniors located in the city of Rancho Cucamonga, California, and to be generally known as Day Creek Villas Apartments (the “Project”);

**WHEREAS**, on September 19, 2018 the Authority received an allocation in the amount of \$9,240,000 (the “Allocation Amount”) from the California Debt Limit Allocation Committee in connection with the Project;

**WHEREAS**, the City of Rancho Cucamonga is a Program Participant (as defined in the Agreement) of the Authority and has authorized the issuance of the Bonds;

**WHEREAS**, the Authority is willing to issue not to exceed \$13,000,000 aggregate principal amount of its California Statewide Communities Development Authority Multifamily Housing Revenue Bonds (Day Creek Villas Apartments Project) 2019 Series D (the “Bonds”), in one or more series or subseries, provided that the portion of such Bonds issued as federally tax-exempt obligations shall not exceed the Allocation Amount, and to loan the proceeds thereof to the Borrower to assist in providing financing for the Project, which will allow the Borrower to reduce the cost of the Project and to assist in providing housing for low income persons;

**WHEREAS**, the Bonds will be privately placed with JPMorgan Chase Bank, N.A. (the “Bank”), as the initial purchaser of the Bonds, in accordance with the Authority’s private placement policy;

**WHEREAS**, pursuant to Section 5852.1 of the California Government Code, the Authority, as a conduit financing provider, has received certain representations and good faith estimates from the Borrower and has disclosed such good faith estimates as set forth in Exhibit A hereto;

**WHEREAS**, there have been prepared and made available to the members of the Commission of the Authority (the “Commission”) the following documents required for the issuance of the Bonds, and such documents are now in substantial form and appropriate instruments to be executed and delivered for the purposes intended:

(1) Master Agency Agreement (the “Agency Agreement”) to be entered into between the Authority and the Bank, as agent (the “Agent”);

(2) Master Pledge and Assignment (the “Pledge Agreement”) to be entered into among the Authority, the Agent and the Bank, as bondholder; and

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

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

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

**SECTION 2.** Pursuant to the JPA Law and the Pledge Agreement, and in accordance with the Housing Law, the Authority is hereby authorized to issue one or more series of Bonds. The Bonds shall be designated as “California Statewide Communities Development Authority Multifamily Housing Revenue Bonds (Day Creek Villas Apartments) 2019 Series D,” with appropriate modifications and series and sub-series designations as necessary, in an aggregate principal amount not to exceed \$13,000,000; provided that the aggregate principal amount of any tax-exempt Bonds issued shall not exceed the Allocation Amount. The Bonds shall be issued in the form set forth in and otherwise in accordance with the Pledge Agreement, and shall be executed on behalf of the Authority by the facsimile signature of the Chair of the Authority or the manual signature of any Authorized Signatory (as defined below), and attested by the 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. The Bonds shall be issued and secured in accordance with the terms of the Pledge Agreement presented to this meeting, as hereinafter approved. Payment of the principal and purchase price of, and redemption premium, if any, and interest on, the Bonds shall be made solely from amounts pledged thereto under the Pledge Agreement, and the Bonds shall not be deemed to constitute a debt or liability of the Authority or any Program Participant or Member of the Commission of the Authority (each, a “Member”).

SECTION 3. The Pledge Agreement in the form presented at this meeting is hereby approved. Any Member, or any other person as may be designated and authorized to sign for the Authority pursuant to a resolution adopted thereby (including, without limitation, the administrative delegates duly authorized pursuant to Resolution No. 19R-1 of the Authority, adopted on January 24, 2019) (together with the Members, each such person is referred to herein individually as an "Authorized Signatory"), acting alone, is authorized to execute by manual signature and deliver the Pledge Agreement, with such changes and insertions therein as may be necessary to cause the same to carry out the intent of this Resolution and as are approved by counsel to the Authority, such approval to be conclusively evidenced by the delivery thereof. The date, maturity date or dates (which shall not extend beyond 45 years from the date of issuance thereof), interest rate or rates (which shall not exceed 12%), interest payment dates, denominations, form, registration privileges, manner of execution, place of payment, terms of redemption and other terms of the Bonds shall be as provided in the Pledge Agreement as finally executed.

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

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

SECTION 6. The Authority is hereby authorized to sell the Bonds to the Bank pursuant to the terms and conditions of the Pledge Agreement.

SECTION 7. The Bonds, when executed, shall be delivered to the Agent for registration. The Agent is hereby requested and directed to register the Bonds by executing the certificate of registration appearing thereon, and to deliver the Bonds, when duly executed and authenticated, to or at the direction of the purchasers thereof in accordance with written instructions executed and delivered on behalf of the Authority by an Authorized Signatory, which any Authorized Signatory, acting alone, is hereby authorized and directed to execute and deliver such instructions to the Agent. Such instructions shall provide for the delivery of the Bonds to the purchasers thereof upon payment of the purchase price thereof.

SECTION 8. All actions heretofore taken by the officers and agents of the Authority with respect to the financing of the Project and the sale and issuance of the Bonds are hereby approved, ratified and confirmed, and any Authorized Signatory, acting alone, is hereby authorized and directed, for and in the name and on behalf of the Authority, to do any and all things and take any and all actions and execute and deliver any and all certificates, agreements and other documents, including but not limited to a tax certificate, loan related documents, an assignment of deed of trust, any endorsements and such other documents as described in the Pledge Agreement and the other documents herein approved, which they, or any of them, may deem necessary or advisable in order to consummate the lawful issuance and delivery of the Bonds and to effectuate

the purposes thereof and of the documents herein approved in accordance with this resolution and resolutions heretofore adopted by the Authority and otherwise in order to carry out the financing of the Project.

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

SECTION 10. This Resolution shall take effect upon its adoption.

**PASSED AND ADOPTED** by the California Statewide Communities Development Authority this February 21, 2019.

The undersigned, an Authorized Signatory of the California Statewide Communities Development Authority, DOES HEREBY CERTIFY that the foregoing resolution was duly adopted by the Commission of the Authority at a duly called meeting of the Commission of the Authority held in accordance with law on February 21, 2019.

By \_\_\_\_\_  
Authorized Signatory

## PUBLIC DISCLOSURES RELATING TO CONDUIT REVENUE OBLIGATIONS

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

1. Name of Borrower: Day Creek Senior Housing Partners 2, L.P.
2. Authority Meeting Date: February 21, 2019
3. Name of Obligations: Multifamily Housing Revenue Bonds (Day Creek Villas Apartments) 2019 Series D-1 and California Statewide Communities Development Authority Multifamily Housing Revenue Bonds (Day Creek Villas Apartments) 2019 Series D-2
4.  Private Placement Lender or Bond Purchaser,  Underwriter or  Financial Advisor (mark one) engaged by the Borrower provided the Borrower with the required good faith estimates relating to the Obligations as follows:
  - [(A) The true interest cost of the Obligations, which means the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for Obligations (to the nearest ten-thousandth of one percent): 4.28%.
  - (B) The finance charge of the Obligations, which means the sum of all fees and charges paid to third parties: \$154,200.
  - (C) The amount of proceeds received by the public body for sale of the Obligations less the finance charge of the Obligations described in subparagraph (B) and any reserves or capitalized interest paid or funded with proceeds of the Obligations: \$9,011,268.
  - (D) The total payment amount, which means the sum total of all payments the Borrower will make to pay debt service on the Obligations plus the finance charge of the Obligations described in subparagraph (B) not paid with the proceeds of the Obligations (which total payment amount shall be calculated to the final maturity of the Obligations): \$0.
5. The good faith estimates provided above were presented to the presented to the official or officials of the Borrower having authority to obligate the Borrower in connection with the Obligations (mark one).

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

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

Dated: February, 17, 2019





## Agenda Item No. 6

### Agenda Report

**DATE:** February 21, 2019  
**TO:** CSCDA COMMISSIONERS  
**FROM:** Cathy Bando, Executive Director  
**PURPOSE:** Review of Second Quarter FY 2018-19 Financials and Bank Account Activity

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CSCDA's second quarter bank account activity and budget to actual figures for FY 2018-19 are provided on the attached financial reports.

#### **FY 2018-2019 Q2 BUDGET REPORT:**

The budget report provides FY 2016-18 actual figures for CSCDA, 2018-19 budget information, and actual figures for the quarter ending December 31, 2018. The variances represent 2018-19 budget figures compared to actual amounts received or disbursed through December 31, 2018. While CSCDA's receipts and disbursements are annual figures and not budgeted on a quarterly basis, a variance of 50% reflects that the amount is on target for the second quarter while variances below 50% are below budget and variances above 50% are above budget.

1. **Issuance Fee Receipts** - Issuance fees received through the first quarter were \$2.77 million which represented 55.4% of the annual budget, or \$271 thousand over the semiannual budget amount.
  - **Qualified 501(c)(3)** issuance fees were at 45% of the amount budgeted for the year and slightly behind the semiannual budget by about \$35 thousand.
  - **Affordable Housing** was below budget at 29% of the amount budgeted for the fiscal year, representing \$209 thousand below the semiannual budget amount. Due to the government shutdown in late December two housing transactions were delayed in closing until February which affected this number. In addition, some larger housing transactions have been delayed due to funding gaps. The deficit should be able to be close to made up by the end of the fiscal year, and better estimates by the end of Q3.
  - **PACE** generated \$1.13 million in fees representing 56.6% of the amount budgeted for the year, or \$132.8 thousand above the semiannual budget amount.
  - **SCIP/CFD** issuance fees were at 78% of the amount budgeted for the year and ahead of the semiannual budget amount by \$359 thousand.
  - **Other Municipal Bond Programs** are above budget at 69% reflecting the cyclical and infrequent nature of other municipal bond programs.
2. **Bond Administrative Fee Receipts** - Bond administrative fee collections were \$5.179 million and slightly ahead of budget for the first half of the year.
3. **Issuance Fee Disbursements** - Issuance fee disbursements were \$2.757 million representing 55% of the amount budgeted for the year.

4. **Bond Administration Fee Disbursements** - Bond Administration Fee Disbursements were \$4.873 million at 52% of the amount budgeted for the year.
5. **General Administrative** - General Administrative disbursements equal to \$262 thousand were slightly over the amount budgeted through the second quarter of the year at 53%. The higher amount of disbursements is primarily due to increased general counsel costs.

#### **BANK ACCOUNT ACTIVITY:**

CSCDA's fee collections are disbursed monthly after funding the professional services and operations accounts. Receipts, disbursements and balances as of December 31, 2018 in the two accounts are provided below.

1. **Professional Services Account**

- Deposits of \$243 thousand and disbursements of \$290 thousand have been made through the first half of the fiscal year.
- The balance as of December 31, 2018 was \$123 thousand.

2. **Operations Account**

- The balance as of December 31, 2018 was \$305 thousand and is slightly above the targeted amount of \$300 thousand for the account.

#### **SUMMARY AND QUESTIONS**

CSCDA staff and League accounting personnel are available to respond to any questions the Commissioners may have about the attached FY2018 Q2 financial reports.

CSCDA

Budget-to-Actual Comparison for the Six Months Ended December 31, 2018

	Actual 2017-18	Budget 2018-19	YTD 2018-19	Variance 2018-19
<b>Amounts collected</b>				
Issuance fees				
Qualified 501 (c)(3)	853,793	700,000	315,000	45.00%
Qualified residential rental program	1,016,343	1,000,000	291,149	29.11%
PACE	2,438,292	2,000,000	1,132,819	56.64%
SCIP / Mello Roos	960,225	1,250,000	984,450	78.76%
Other municipal bond programs	53,125	50,000	34,375	68.75%
Investment income	14,931	0	13,773	
Total issuance fees	5,336,709	5,000,000	2,771,566	55.43%
Bond administrative fees				
Qualified 501 (c)(3)	2,084,895	2,100,000	1,104,476	52.59%
Qualified residential rental program	6,890,946	7,000,000	3,478,682	49.70%
SCIP / Mello Roos	330,408	340,000	263,147	77.40%
Other municipal bond programs	352,173	400,000	267,407	66.85%
Investment income	(13,481)	0	65,814	
Total bond administrative fees	9,644,941	9,840,000	5,179,527	52.64%
<b>Total amounts collected</b>	<b>14,981,649</b>	<b>14,840,000</b>	<b>7,951,093</b>	<b>53.58%</b>
<b>Amounts disbursed</b>				
Issuance				
Program management fees - BSP	2,214,882	2,253,332	1,239,705	55.02%
Program governance fees - CSAC	1,262,186	1,373,334	759,044	55.27%
Program governance fees - League	1,262,186	1,373,334	759,044	55.27%
Total issuance	4,739,255	5,000,000	2,757,793	55.16%
Bond administration				
Program management fees - BSP	468,617	525,000	309,335	58.92%
Compliance monitoring fees - BSP	262,776	275,000	175,553	63.84%
Administration fees - HB Capital	5,098,732	5,000,000	2,606,926	52.14%
Program governance fees - CSAC	1,495,539	1,686,500	844,181	50.06%
Program governance fees - League	1,495,539	1,686,500	844,181	50.06%
Compliance fees - Urban Futures	187,950	175,000	92,850	53.06%
Charitable Contribution	0	0	0	
Total bond administration	9,009,153	9,348,000	4,873,026	52.13%
Subtotal Issuance & Bond Administration	13,748,408	14,348,000	7,630,819	53.18%

CSCDA

Budget-to-Actual Comparison for the Six Months Ended December 31, 2018

	Actual 2017-18	Budget 2018-19	YTD 2018-19	Variance 2018-19
General administrative				
Executive Director	66,851	72,000	36,104	50.14%
General Counsel - Richards Watson Gershon	89,614	115,000	87,772	76.32%
Insurance	26,939	30,000	425	1.42%
Board travel reimbursements	1,470	5,000	577	11.54%
Issuer counsel - Orrick	80,000	80,000	40,000	50.00%
Auditor - MUN CPAs	15,900	30,000	15,900	53.00%
Other professional services	21,334	20,000	0	0.00%
BSP municipal advisor fee	24,000	24,000	12,000	50.00%
Bank service fees	2,663	7,000	788	11.25%
Marketing and Sponsorships	48,935	100,000	62,167	62.17%
Other	3,615	9,000	6,126	68.07%
Total general administrative	381,320	492,000	261,858	53.22%
<b>Total amounts disbursed</b>	<b>14,129,728</b>	<b>14,840,000</b>	<b>7,892,678</b>	<b>53.19%</b>
<b>Net surplus (deficit)</b>	<b>851,922</b>	<b>(0)</b>	<b>58,415</b>	

**CSCDA**  
**Bank Account Activity**  
**For the Six Months Ended December 31, 2018**

	<b>Beg Bal</b> <b>06/30/18</b>	<b>Add:</b> <b>Deposits</b>	<b>Less:</b> <b>Disbursements</b>	<b>End Bal</b> <b>12/31/18</b>
<b>Bank account:</b>				
Professional Services	169,800	243,365	(290,027)	123,138
Operations	302,875	2,430	0	305,305
	-----	-----	-----	-----
	472,675	245,795	(290,027)	428,443
	=====	=====	=====	=====