REGULAR MEETING AGENDA

August 20, 2015 at 10:00 a.m.

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

Telephonic Locations:

27788 Hidden Trail Road, Laguna Hills, CA 92653 420 Litho Street, Sausalito, CA 94965
County of Monterey County of Butte
168 Alisal Street, Salinas, CA 93901 7 County Center Drive, Oroville, CA 95965
3252 Southern Hills Drive, Fairfield, CA 94534

A. OPENING AND PROCEDURAL ITEMS

1. Roll Call.
   ____ Larry Combs, Chair
   ____ Kevin O’Rourke, Vice Chair
   ____ Terry Schutten, Treasurer
   ____ Dan Harrison, Secretary
   ____ Irwin Bornstein, Member
   ____ Tim Snellings, Member
   ____ Dan Mierzwa, Member
   ____ Ron Holly, Alt. Member
   ____ Brian Moura, Alt. Member

2. Consideration of the minutes of the August 6, 2015 Regular Meeting.

3. Public Comment.

B. ITEMS FOR CONSIDERATION

4. 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. Cypress Cove Housing Associates, L.P. (Cypress Cove Apartments), City of Escondido, County of San Diego, up to $35,300,000 in multi-family housing revenue bonds.

   b. Park Village Family Apartments, L.P. (Jasmine Gardens Apartments), City of Compton, County of Los Angeles, up to $26,000,000 in multi-family housing revenue bonds.
c. Creative Education Support Organization LLC (Team Charter School), City of Stockton, County of San Joaquin; up to $10,000,000 in nonprofit revenue bonds.

5. Consideration of Request by the City of Folsom for a 75% Share of Carbon Credits Attributed to Financings under Open PACE.

6. Consideration of Consent and Acknowledgment Agreement in connection with Services Agreement between CSCDA and Renewable Funding LLC.

7. Consideration of Resolution Authorizing Increased Bond Issuance Capacity in connection with CaliforniaFIRST PACE Program.

8. Consideration of Indemnification Agreements for County Tax Roll Collections.

9. Consideration of First Amendment to Bridge Strategic Partners Services Agreement.

C. STAFF ANNOUNCEMENTS, REPORTS ON ACTIVITIES OR REQUESTS

10. Executive Director Update.

11. Staff Updates.

12. Adjourn.

NEXT MEETING: Thursday, September 10, 2015 at 10:00 a.m.
League of California Cities
1400 K Street, 3rd Floor, Sacramento, CA 95814
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REGULAR MEETING OF THE
CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY
(CSCDA)

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

August 6, 2015

MINUTES

Commission chair Larry Combs called the adjourned meeting to order at 10:05 am.

1 Roll Call.

Commission members present: Larry Combs and Dan Harrison. Kevin O’Rourke, Tim Snellings and Alternate commissioner Brian Moura (representing Irwin Bornstein) participated by conference telephone.

CSCDA Executive Director, Catherine Bando was also present.

Others present included: Jon Penkower, Bridge Strategic Partners; Perry Stottlemeyer, League of California Cities; Brandon Diaz, Orrick Herrington & Sutcliffe; and Mark Paxson, State Treasurer’s Office. James Hamill, Bridge Strategic Partners; Bob Giles, PACE Funding Group; Greg Stepanicich, Richards Watson & Gershon; and Roger Davis and Erin Pham, Orrick Herrington & Sutcliffe participated by conference telephone.

2 Approval of the minutes of the July 23, 2015 Regular and Adjourned Meeting and July 29, 2015 Special Meeting.

Motion to approve by Harrison; second by Snellings; unanimously approved by roll-call vote.

3 Consideration of Consent calendar.

a Induce the following projects:

- Vintage Housing Development, Inc. (Bouquet Canyon Senior Apartments), City of Santa Clarita, County of Los Angeles; issue up to $39 million in multi-family housing revenue bonds.

- Huntington Villa Yorba Preservation, LP (Huntington Villa Yorba Apartments), City of Huntington Beach, County of Orange; issue up to $46 million in multi-family housing revenue bonds.

b Approve the following invoices for David Taussig & Associates:

- Orinda Wilder Project – invoice 1506214 - $2,810.61 and outstanding invoices for 02/15-05/15 totaling $3,357.50.
Placer and San Joaquin SCIP 2014A – invoice 2014A consolidated - $10,365

CSCDA CFD 2012-01 – invoice 1506055 - $2,022.35 and outstanding invoice for 03/31/15 totaling $897.15

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

4 Public comment.

None.

5 Statewide Community Infrastructure Program (SCIP) 2015A:

a Conducted proceedings with respect to SCIP 2015A:

i. Executive Director Bando Commission explained that these are projects that were originally induced via a resolution of intention on June 18. There are four projects: City of Brentwood, City of Palm Springs, City of Manteca, and City of Cathedral City. The total is a little under $5 million.

Chair Larry Combs opened the public hearing for the assessment district at 10:09 pm.

Bando explained there are three resolutions: (i) resolution approving final engineer’s reports, levying assessments, ordering financing of specified development impact fees and capital improvements, and confirming amounts of unpaid assessments; (ii) resolution providing for the issuance of four separate series of SCIP limited obligation for improvement bonds and approving the form and substance of a trust agreement; (iii) resolution authorizing the issuance, sale and delivery of SCIP revenue bonds, series 2015A and approving the forms of a trust agreement, a bond purchase agreement, a continuing disclosure agreement, and a preliminary official statement and authorizing certain other actions.

Any member of the public wishing to comment was asked to speak.

ii. Due to no public comments, Commission chair Larry Combs closed the public hearing for the assessment district at 10:11 pm.

iii. Erin Pham, Orrick Herrington & Sutcliffe, explained that waivers and ballots have been received for each of the districts (Brentwood, Palm Springs, Manteca, and Cathedral City). The results favor establishing the assessment districts, levying assessments, and issuing the bonds.

b Approval of the following resolutions for SCIP 2015A:

i. Resolution approving final engineer’s reports, levying assessments, ordering financing of specified development impact fees and capital improvements, and confirming amounts of unpaid assessments.
Motion to approve by Snellings; second by Harrison; unanimously approved by roll-call vote.

ii. Resolution providing for the issuance of four separate series of SCIP limited obligation for improvement bonds and approving the form and substance of a trust agreement.

Motion to approve by Snellings; second by O’Rourke; unanimously approved by roll-call vote.

iii. Resolution authorizing the issuance, sale and delivery of SCIP revenue bonds, series 2015A and approving the forms of a trust agreement, a bond purchase agreement, a continuing disclosure agreement, and a preliminary official statement and authorizing certain other actions.

Motion to approve by Snellings; second by Harrison; unanimously approved by roll-call vote.

6 Conduct second reading and adoption of ordinance levying a special tax for fiscal year 2015-16 and following fiscal years solely within and relating to California Statewide Communities Development Authority Community Facilities District No. 2015-02 (Rio Bravo), City of Bakersfield, County of Kern, State of California.

Executive Director Bando explained that this is a multi-phase medical/retail project not to exceed $20 million.

Motion to waive second reading and adopt the ordinance by Harrison; second by O’Rourke; unanimously approved by roll-call vote.

7 Approval of PACE ad hoc committee recommendation to add PACE Funding to CSCDA Open PACE program.

Executive Director Bando explained that last year the Authority established Open PACE, which includes Renewable Funding and AllianceNRG. A proposal was received from PACE Funding. An ad hoc committee was formed (Brian Moura, Tim Snellings and Ron Holly) to review PACE Funding’s capabilities. It was determined that their program includes a team that specializes in home improvement and contractor financing, with a strong technology platform. After reviewing their credentials, it was decided the committee would recommend they be added to Open PACE, subject to a contract to be worked out.

Commissioner Snellings added that the committee asked a lot of questions and was satisfied with PACE Funding’s responses, which left the committee feeling confident that they would be a good fit and a great partner. He added that their rates are competitive, which will put pressure on other PACE partners. Commissioner Moura expressed similar feedback.

Chair Larry Combs asked whether federal tax benefits, which will expire soon, will be extended. Bob Giles, PACE Funding, explained that it appears that there is support for an extension on both sides of the political aisle. However, third-party leasing companies will likely be impacted most. PACE Funding has loan products available to homeowners, who have many reasons to proceed in addition to the tax benefits, so his company is prepared either way.

Motion to approve by Snellings; second by Moura; unanimously approved by roll-call vote.
8 Approval of bond counsel services agreement with Orrick, Herrington & Sutcliffe for AllianceNRG Open PACE program.

Executive Director Bando explained that Commissioners should consider the agreement for Orrick, Herrington & Sutcliffe (Orrick) to act as bond counsel for AllianceNRG, because Orrick already acts as bond counsel for CSCDA. CSCDA’s General Counsel has reviewed and approved the form and content of this new agreement between Orrick and AllianceNRG. Therefore, Bando recommends approval of the agreement.

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

9 Approval of issuance fee proposal for Jasmine Gardens Apartments.

Executive Director Bando explained that the borrower for Jasmine Gardens Apartments is a very active borrower with CSCDA, having financed nine prior development projects. The Jasmine Gardens Apartments project was financed not quite two years ago ($19 million). The borrower now has access to a new financing tool through FreddieMac that permits them to finance more capital for the project at a lower rate, including an additional $6 million allocation from CDLAC for supplemental financing. However, the borrower must reissue the existing $19 million of existing bonds. Accordingly, the borrower requested a reduction in CSCDA fees relating to the $19 million, from 20 basis points to 10. The remainder of the new issuance ($6 million) will be at the full fee.

Bando believes the request is reasonable and recommends approval.

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

10 Approval of San Diego Housing Federation Sponsorship.

Executive Director Bando explained that San Diego Housing Federation (SDHF) is an advocacy group for low income housing. SDHF hosts an annual conference that attracts influential and innovative multi-family development professionals from throughout the state. Sponsorship of SDHF’s annual conference will provide exposure and recognition of CSCDA to this group.

Bando recommends the bronze level sponsorship ($1,500).

There was discussion among the commissioners as to how many sponsorship requests CSCDA receives and where the line will be drawn as to which to support. James Hamill explained that several such requests are received every week, which staff evaluates. Only those deemed valuable to CSCDA are brought to the board for approval and will be within budget.

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

11 Approval of County Administrative Officers Association of California sponsorship.

Executive Director Bando explained that a $2,000 sponsorship of the County Administrative Officers Association of California (CAOAC) provides an opportunity to make a five-minute oral presentation at
their annual conference, as well as receive recognition in all conference materials. Bando explained that sponsorship this year is especially important because of the new environment with competing JPAs, so the opportunity to make an oral presentation is important.

Motion to approve by O’Rourke; second by Moura; unanimously approved by roll-call vote.

12 Approval of first amendment to Bridge Strategic Partners services agreement.

Item pulled from the current agenda; deferred until a later meeting.

13 Executive Director update.

Executive Director Bando shared that it’s been a pleasure to work with Bridge Strategic Partners because the lines of communication are open.

14 Staff updates.

Jon Penkower stated that the first month has very well. Things are operating smoothly and the transition was seamless for CSCDA’s borrowers, finance professionals and attorneys.

15 Chair Larry Combs adjourned the meeting at 10:38 am.

Submitted by: Perry Stottlemyer, League of California Cities staff

The next regular meeting of the commission is scheduled for Thursday, August 20, at 10:00 am in California Association of Counties’ office at 1100 K Street, 1st Floor, Sacramento, California.
DATE: August 20, 2015
TO: CSCDA COMMISSIONERS
FROM: Cathy Bando, Executive Director
PROJECT: Cypress Cove Apartments
PURPOSE: Approve the Financing of Rental Affordable Housing Project Located in the City of Escondido, County of San Diego
AMOUNT: Not to Exceed $35,300,000

EXECUTIVE SUMMARY:

Cypress Cove Apartments (the “Project”) is an acquisition and rehabilitation of a 200-unit rental affordable housing project located in the City of Escondido. 100% of the units will remain rent restricted for low-income tenants.

PROJECT DESCRIPTION:

- Acquisition and rehabilitation of 200-unit affordable rental housing facility located at 260 North Midway Drive in the City of Escondido.
- 11.63 acre site.
- 27 two-story residential buildings.
- Consists of fifty (50) one bedroom, ninety-eight (98) two bedroom, and fifty (50) three bedroom units.

PROJECT ANALYSIS:

Background on Applicant:

Community Housing Works (CHW) is a California 501(c)(3) non-profit organization that has been helping people and communities move up in the world since 1982. CHW specializes in developing and operating affordable rental apartments in urban, suburban, and rural residential communities throughout San Diego County and has completed more than 1,700 units within 35 projects.
Public Agency Approval:

TEFRA Hearing: February 4, 2015 – City of Escondido – unanimous approval

CDLAC Approval: May 20, 2015

Public Benefits:

- 100% of the units will be rent restricted for 55 years.
  - 90% (178 units) restricted to 60% or less of area median income households.
  - 10% (20 units) restricted to 50% or less of area median income households.
- The Project is in walking distance to recreational facilities, grocery stores, and public K-12 schools.
- CHW will provide its resident services program including school age literacy, after school programs, family financial fitness and first time homeowner classes.

Sources and Uses:

Sources of Funds:
- Tax-Exempt Bond-Series A: $33,700,000
- Tax Credits: $750,000
- City Loan: $1,000,000
- PVCHA Loan/Operations Income: $5,565,677
- Total Sources: $41,015,677

Uses of Funds:
- Acquisition: $26,178,405
- Construction Costs: $5,835,828
- Architecture & Engineering: $315,000
- Contractor Overhead: $799,482
- Relocation: $149,060
- Capitalized Interest: $2,389,000
- Developer Fee: $2,500,000
- Reserves: $755,313
- Costs of Issuance: $276,787
- Soft Cost Contingency: $1,816,802
- Total Uses: $41,015,677

Finance Partners:

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

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

Private Placement Purchaser: Union Bank
Finance Terms:

Rating: Unrated
Term: 35 years
Structure: Private Placement
Closing: August 31, 2015

CSCDA Policy Compliance:

The financing for Cypress Cove Apartments complies with CSCDA’s general and issuance policies for unrated debt.

DOCUMENTS: (as attachments)
1. Photograph of Cypress Cove Apartments (Attachment A)
2. CSCDA Resolution (Attachment B)

COMMISSION ACTION RECOMMENDED BY THE EXECUTIVE DIRECTOR:

1. Approves the issuance of the Bonds and the financing of Cypress Cove Apartments;

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

Cypress Cove Apartments
ATTACHMENT B

RESOLUTION NO. 15H—__

A RESOLUTION OF THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY AUTHORIZING THE EXECUTION AND DELIVERY OF MULTIFAMILY HOUSING REVENUE NOTES IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED $35,300,000 FOR THE FINANCING OF A MULTIFAMILY RENTAL HOUSING PROJECT GENERALLY KNOWN AS CYPRESS COVE APARTMENTS; DETERMINING AND PRESCRIBING CERTAIN MATTERS AND APPROVING AND AUTHORIZING THE EXECUTION OF AND DELIVERY OF VARIOUS DOCUMENTS RELATED THERETO; RATIFYING ANY ACTION HERETOFORE TAKEN AND APPROVING RELATED MATTERS IN CONNECTION WITH THE NOTES.

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

WHEREAS, Cypress Cove Housing Associates, L.P., a California limited partnership, and entities related thereto (collectively, the “Borrower”), has requested that the Authority execute and deliver its California Statewide Communities Development Authority Multifamily Housing Revenue Construction/Permanent Note (Cypress Cove Apartments Project) 2015 Series R-1 and its California Statewide Communities Development Authority Taxable Multifamily Housing Revenue Construction Note (Cypress Cove Apartments Project) 2015 Series R-2 (collectively, the “Notes”) to assist in the financing of the acquisition, rehabilitation and development of a 200-unit multifamily housing rental development located in the City of Escondido, California, and known as Cypress Cove Apartments (the “Project”);

WHEREAS, on May 20, 2015, the Authority received an allocation in the amount of $33,700,000 (the “Allocation Amount”) from the California Debt Limit Allocation Committee in connection with the Project;

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

WHEREAS, the Authority is willing to execute and deliver the Notes in an aggregate principal amount not to exceed $35,300,000, provided that the portion of such Notes executed and delivered as federally tax-exempt obligations shall not exceed the Allocation Amount, and to loan the proceeds thereof to the Borrower to assist in providing financing for the
Project, which will allow the Borrower to reduce the cost of the Project and to assist in providing housing for low income persons;

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

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

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

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

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

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

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

Section 2. Pursuant to the JPA Law and the Funding Loan Agreement, and in accordance with the Housing Law, the Authority is hereby authorized to execute and deliver the Notes in one or more series. The Notes shall be designated as “California Statewide Communities Development Authority Multifamily Housing Revenue Construction/Permanent Note (Cypress Cove Apartments Project) 2015 Series R-1,” and “California Statewide Communities Development Authority Taxable Multifamily Housing Revenue Construction Note (Cypress Cove Apartments Project) 2015 Series R-2” including, if and to the extent necessary, one or more sub-series, with appropriate modifications and series and sub-series designations as necessary, in an aggregate principal amount not to exceed $35,300,000; provided that the aggregate principal amount of any tax-exempt Notes executed and delivered shall not exceed the Allocation Amount. The Notes shall be executed and delivered in the form set forth in and otherwise in accordance with the Funding Loan Agreement, and shall be executed on behalf of the Authority by the manual signature of any Authorized Signatory. The Notes shall be secured in accordance with the terms of the Funding Loan Agreement presented to this meeting, as hereinafter approved. Payment of the principal and purchase price of, and prepayment premium, if any, and interest on, the Notes shall be made solely from amounts pledged thereto under the Funding Loan Agreement, and the Notes shall not be deemed to constitute a debt or liability of the Authority or any Program Participant or Member of the Commission of the Authority (each, a “Member”).
Section 3. The Funding Loan Agreement in the form presented at this meeting is hereby approved. Any Member, or any other person as may be designated and authorized to sign for the Authority pursuant to a resolution adopted thereby (including, without limitation, the administrative delegates duly authorized pursuant to Resolution No. 15R-11 of the Authority, adopted on April 9, 2015) (together with the Members, each such person is referred to herein individually as an “Authorized Signatory”), acting alone, is authorized to execute by manual signature and deliver the Funding Loan Agreement, with such changes and insertions therein as may be necessary to cause the same to carry out the intent of this Resolution and as are approved by counsel to the Authority, such approval to be conclusively evidenced by the delivery thereof. The date, maturity date or dates (which shall not extend beyond August 1, 2060), interest rate or rates (which shall not exceed 12%), interest payment dates, denominations, form, registration privileges, manner of execution, place of payment, terms of prepayment and other terms of the Notes shall be as provided in the Funding Loan Agreement as finally executed.

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

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

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

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

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

This Resolution shall take effect upon its adoption.

**PASSED AND ADOPTED** by the California Statewide Communities Development Authority this August 20, 2015.

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 August 20, 2015.

By __________________________

Authorized Signatory
Agenda Item No. 4b

Agenda Report

DATE: August 20, 2015

TO: CSCDA COMMISSIONERS

FROM: Cathy Bando, Executive Director

PROJECT: Jasmine Gardens Apartments

PURPOSE: Approve the Financing of Rental Affordable Housing Project Located in the City of Compton, County of Los Angeles

AMOUNT: Not to Exceed $26,000,000

EXECUTIVE SUMMARY:

On September 23, 2013, CSCDA issued $19 million in multi-family housing revenue bonds on behalf of Park Village Family Apartments, L.P. (the “Borrower”) to finance the acquisition and rehabilitation of an affordable housing project previously known as Park Village Apartments, and now known as Jasmine Gardens Apartments, located in the City of Compton (the “Project”). 100% of the units are rent restricted for low-income tenants. The Borrower is now able to access a new financing tool from Freddie Mac that permits the Borrower to finance more capital for the Project at a lower interest rate. The Project has received an additional $6.1 million in supplemental allocation from CDLAC for the supplemental financing, however, the Borrower must also reissue the $19 million of existing 2013 bonds.

PROJECT DESCRIPTION:

- Acquisition and rehabilitation of 164-unit affordable rental housing facility located at 708 West Corregidor Street in the City of Compton.
- 13.12 acre site.
- 62 one and two story separate garden style townhouses.
- Consists of seventeen (17) one bedroom, thirty-two (32) two bedroom, sixty-two (62) three bedroom and fifty-one (51) four bedroom units.

PROJECT ANALYSIS:

Background on Applicant:

ROEM Development Corporation is a full-service development and construction organization that specializes in the acquisition, planning, financing, new construction, renovation, and asset
management of affordable housing for families and seniors. As a longstanding developer of multifamily housing, ROEM maintains its commitment to working locally and collaboratively to successfully complete developments with quality control and efficiency. ROEM has previously constructed or rehabilitated 25 multifamily and senior housing properties.

**Public Agency Approval:**

**TEFRA Hearing:** October 23, 2012 – City of Compton – unanimous approval

**CDLAC Approval:** The Project received $6,100,000 in supplemental allocation from CDLAC on May 20, 2015.

**Public Benefits:**

- 100% of the units will be rent restricted for 55 years.
  - 90% (145 units) restricted to 60% or less of area median income households.
  - 10% (17 units) restricted to 50% or less of area median income households.
- The Project is in close proximity to recreational facilities, grocery stores, public K-12 schools and a medical clinic.

**Sources and Uses:**

Sources of Funds:

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<th>Source</th>
<th>Amount</th>
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<tr>
<td>Tax-Exempt Bonds</td>
<td>$ 25,087,000</td>
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<tr>
<td>Borrower Equity</td>
<td>$ 176,000</td>
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<td><strong>Total Sources:</strong></td>
<td><strong>$ 25,263,465</strong></td>
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Uses of Funds:

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<th>Use</th>
<th>Amount</th>
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<tr>
<td>Refund 2013 Bonds</td>
<td>$ 19,000,000</td>
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<tr>
<td>Refund Taxable Loan</td>
<td>$ 6,087,000</td>
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<tr>
<td>Closing Costs</td>
<td>$ 176,000</td>
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<tr>
<td><strong>Total Uses:</strong></td>
<td><strong>$ 25,263,465</strong></td>
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**Finance Partners:**

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

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

Private Placement Purchasers: Citibank and Freddie Mac

**Finance Terms:**

- **Rating:** Unrated
- **Term:** 35 years at a fixed interest rate
- **Structure:** Private Placement
- **Closing:** September 15, 2015
CSCDA Policy Compliance:

The financing for Jasmine Gardens Apartments complies with CSCDA’s general and issuance policies for unrated debt.

DOCUMENTS: (as attachments)
   1. Photograph of Jasmine Gardens Apartments (Attachment A)
   2. CSCDA Resolution (Attachment B)

COMMISSION ACTION RECOMMENDED BY THE EXECUTIVE DIRECTOR:

1. Approves the issuance of the Bonds and the financing of the Jasmine Gardens Apartments;

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

Jasmine Gardens Apartments
ATTACHMENT B

RESOLUTION NO. _____

A RESOLUTION OF THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY AUTHORIZING THE EXECUTION AND DELIVERY OF A MULTIFAMILY HOUSING REVENUE NOTE IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED $26,000,000 FOR THE FINANCING AND REFINANCING OF A MULTIFAMILY RENTAL HOUSING PROJECT TO BE GENERALLY KNOWN AS THE JASMINE GARDENS APARTMENTS; DETERMINING AND PRESCRIBING CERTAIN MATTERS AND APPROVING AND AUTHORIZING THE EXECUTION OF AND DELIVERY OF VARIOUS DOCUMENTS RELATED THERETO; RATIFYING ANY ACTION HERETOFORE TAKEN AND APPROVING RELATED MATTERS IN CONNECTION WITH THE NOTE.

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

WHEREAS, at the request of Park Village Family Apartments, L.P., a California limited partnership (the “Borrower”), the Authority previously issued $19,000,000 aggregate principal amount of its Multifamily Housing Revenue Bonds (Park Village Apartments Project), 2013 Series Q (the “Original Bonds”), and loaned the proceeds thereof to the Borrower to assist in the financing for the acquisition, rehabilitation and development of the 162-unit multifamily rental housing development (plus two manager’s unit) located in the City of Compton, California known as Jasmine Garden Apartments (formerly known as the Park Village Apartments) (the “Project”);

WHEREAS, the Borrower has requested that the Authority execute and deliver its California Statewide Communities Development Authority Multifamily Housing Revenue Note (Jasmine Gardens Apartments Project) 2015 Series T (the “Note”) to refund the Original Bonds and provide additional financing for the acquisition and rehabilitation of the Project;

WHEREAS, on March 20, 2015, the Authority received from the California Debt Limit Allocation Committee in connection with the Project a carryforward allocation of state volume cap in the amount of $6,100,000 (the “Allocation Amount”);

WHEREAS, the City of Compton (the “City”) is a Program Participant (as defined in the Agreement) of the Authority and has authorized the execution and delivery of the Note to finance and refinance the Project as required by Section 147(f) of the Internal Revenue Code of 1986, as amended (the “Code”) and Section 9 of the Agreement;
WHEREAS, the Authority is willing to execute and deliver the Note in an aggregate principal amount not to exceed $26,000,000, provided that the portion of such Note executed and delivered as federally tax-exempt obligations shall not exceed the sum of (i) the outstanding principal amount of the Original Bonds and (ii) the Allocation Amount, and to loan the proceeds thereof to the Borrower to assist the refinancing and financing of the Project, which will allow the Borrower to reduce the cost of the Project and to assist in providing housing for low income persons;

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

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

(1) Funding Loan Agreement (the “Funding Loan Agreement”) to be entered into among the Funding Lender, the Authority and Wilmington Trust, N.A., as fiscal agent (the “Fiscal Agent”);

(2) Project Loan Agreement (the “Project Loan Agreement”) to be entered into among the Authority, the Borrower and the Fiscal Agent; and

(3) Amended and Restated Regulatory Agreement and Declaration of Restrictive Covenants dated as of August 1, 2015 (the “Regulatory Agreement”) to be entered into among the Authority, the Fiscal Agent and the Borrower;

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

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

Section 2. Pursuant to the JPA Law and the Funding Loan Agreement, and in accordance with the Housing Law, the Authority is hereby authorized to execute and deliver the Note in one or more series. The Note shall be designated as “California Statewide Communities Development Authority Multifamily Housing Revenue Note (Jasmine Gardens Project) 2015 Series T” including, if and to the extent necessary, one or more sub-series, with appropriate modifications and series and sub-series designations as necessary, in an aggregate principal amount not to exceed $26,000,000; provided that the aggregate principal amount of any tax-exempt Note executed and delivered shall not exceed the sum of (i) the outstanding principal amount of the Original Bonds and (ii) the Allocation Amount. The Note shall be executed and delivered in the form set forth in and otherwise in accordance with the Funding Loan Agreement, and shall be executed on behalf of the Authority by the manual signature of any Authorized Signatory (defined herein). The Note shall be secured in accordance with the terms of the Funding Loan Agreement presented to this meeting, as hereinafter approved. Payment of the principal and purchase price of, and prepayment premium, if any, and interest on, the Note shall
be made solely from amounts pledged thereto under the Funding Loan Agreement, and the Note shall not be deemed to constitute a debt or liability of the Authority or any Program Participant or Member of the Commission of the Authority (each, a “Member”).

Section 3. The Funding Loan Agreement in the form presented at this meeting is hereby approved. Any Member, or any other person as may be designated and authorized to sign for the Authority pursuant to a resolution adopted thereby (including, without limitation, the administrative delegates duly authorized pursuant to Resolution No. 15R-11 of the Authority, adopted on April 9, 2015) (together with the Members, each such person is referred to herein individually as an “Authorized Signatory”), acting alone, is authorized to execute by manual signature and deliver the Funding Loan Agreement, with such changes and insertions therein as may be necessary to cause the same to carry out the intent of this resolution of the Authority (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 April 1, 2060), interest rate or rates (which shall not exceed 12%), interest payment dates, denominations, form, registration privileges, manner of execution, place of payment, terms of prepayment and other terms of the Note shall be as provided in the Funding Loan Agreement as finally executed.

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

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

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

Section 7. All actions heretofore taken by the officers and agents of the Authority with respect to the financing and refinancing of the Project and the execution and delivery of the Note are hereby approved, ratified and confirmed, and any Authorized Signatory, acting alone, is hereby authorized and directed, for and in the name and on behalf of the Authority, to do any and all things and take any and all actions and execute and deliver any and all certificates, agreements and other documents, including but not limited to a tax certificate, loan related documents, an assignment of deed of trust, an endorsement, allotment or assignment of any note and such other documents as described in the Funding Loan Agreement and the other documents herein approved, which they, or any of them, may deem necessary or advisable in order to consummate the lawful execution and delivery of the Note and to effectuate the purposes thereof and of the documents herein approved in accordance with this Resolution and resolutions heretofore adopted by the Authority and otherwise in order to carry out the financing and refinancing of the Project.
Section 8. All consents, approvals, notices, orders, requests and other actions permitted or required by any of the documents authorized by this Resolution, whether before or after the execution and delivery of the Note, including without limitation any of the foregoing that may be necessary or desirable in connection with any default under or amendment of such documents, any transfer or other disposition of the Project, any addition or substitution of security for the Note or any prepayment of the Note, may be given or taken by any Authorized Signatory, as appropriate, without further authorization by the Commission, and each such officer is hereby authorized and directed to give any such consent, approval, notice, order or request and to take any such action that such officer may deem necessary or desirable to further the purposes of this Resolution and the financing and refinancing of the Project; provided such action shall not create any obligation or liability of the Authority other than as provided in the Funding Loan Agreement and other documents approved herein.

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

PASSED AND ADOPTED by the California Statewide Communities Development Authority this August __, 2015.

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 August __, 2015.

By: _______________________________________

Authorized Signatory
Agenda Report

DATE: August 20, 2015

TO: CSCDA COMMISSIONERS

FROM: Cathy Bando, Executive Director

PROJECT: Creative Education Support Organization LLC (Team Charter School)

PURPOSE: Authorize the Issuance of Bonds to Finance the Acquisition and Improvement of Public Charter School Facilities Located in the City of Stockton, County of San Joaquin

AMOUNT: Not to Exceed $10,000,000

EXECUTIVE SUMMARY:

Creative Education Support Organization LLC (the “Borrower”) has requested that CSCDA issue nonprofit revenue bonds in an amount not to exceed $10,000,000 (the “Bonds”) to finance the acquisition and improvement of certain public charter school facilities located in the City of Stockton (the “Project”) to be utilized by Team Charter School (the “School”) and Creative Child Care, Inc. (“CCCI”).

PROJECT DESCRIPTION:

The Bonds are being issued to finance the purchase, and improvements thereon of four existing buildings currently leased and occupied by CCCI and the School located at (a) 600 & 615 East Main Street, Stockton, California, (b) 634 East Main Street, Stockton, California, (c) 621 East Market Street, Stockton, California, and (d) 633 East Market Street, Stockton, California.

PROJECT ANALYSIS:

About Creative Child Care, Inc.:

Since 1992, CCCI, a nonprofit organization, has been committed to providing exemplary child development programs through a comprehensive network of community support and collaboration. Beginning with only two locations and 200 children, CCCI has expanded to meet the growing needs of its community. CCCI currently serves more than 1600 children and employs more than 340 people in more than 36 locations throughout San Joaquin County. Early care and education services are provided within CCCI center-based programs and within CCCI’s Family Child Care Network of licensed providers who offer high quality, early learning
experiences in a home-like environment. Several of its child care centers have achieved accreditation by the National Association for the Education of Young Children (NAEYC).

**About Team Charter School:**

The School was founded in March, 2011 and began operations in July, 2011. The School has grown from serving 128 children in Kindergarten through 3rd grade to now serving 452 children in TK through 5th grade. The School has provided a great education model to serve children in economically challenging areas through its specially-designed education programs as well as community participation.

The School’s students, parent staff and community are passionately committed to providing a nurturing, loving educational environment currently serving Pre-Kindergarten through 5th Grade, and potentially 6-8 Grade children. The School’s mission is ”To cultivate healthy bodies, minds, and spirits based on compassion and love for all humanity.” The School is committed to achieving individual and community success and teamwork by bridging cultural norms from a variety of diverse and often misunderstood settings.

**Public Agency Approval:**

**TEFRA Hearing:** A TEFRA hearing is scheduled for August 18, 2015 at the City of Stockton. Staff will update the Commission on the outcome of the TEFRA hearing at the meeting. CSCDA Approval is subject to TEFRA approval by the City Council.

**Public Benefits:**

Team Charter School provides free quality education to serve students from various backgrounds, including large number of at-risk students in San Joaquin County. In the school year 2013-14, 92.35% of students enrolled in Team Charter School are from low-income families, English language learners or foster care kids. CCCI provides free and subsidized for income eligible families with a demonstrated need for child care services, such as employment, training, or attending school.

**Sources and Uses:**

Sources of Funds:

<table>
<thead>
<tr>
<th>Source</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Series 2015A Bonds:</td>
<td>$7,475,000</td>
</tr>
<tr>
<td>Series 2015B Bonds:</td>
<td>$235,000</td>
</tr>
<tr>
<td>Total Sources:</td>
<td>$7,710,000</td>
</tr>
</tbody>
</table>

Uses of Funds:

<table>
<thead>
<tr>
<th>Use</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acquisition Cost:</td>
<td>$5,097,500</td>
</tr>
<tr>
<td>Closing Costs:</td>
<td>$50,000</td>
</tr>
<tr>
<td>Brokerage Fees:</td>
<td>$285,000</td>
</tr>
<tr>
<td>Legal Fees:</td>
<td>$25,000</td>
</tr>
<tr>
<td>Tenant Improvements:</td>
<td>$775,000</td>
</tr>
<tr>
<td>Construction Management:</td>
<td>$100,000</td>
</tr>
</tbody>
</table>
Project Contingency: $90,000
Permits and Engineering: $308,400
Reserve Fund $592,825
Underwriter’s Discount $134,925
Costs of Issuance $248,233
Bond Rounding Factor: $3,117
Total Uses: $7,710,000

**Finance Partners:**

Bond Counsel: Orrick, Herrington & Sutcliffe, LLP, San Francisco
Authority Counsel: Orrick, Herrington & Sutcliffe, LLP, Sacramento
Underwriter: Westhoff, Cone & Holmstedt, Walnut Creek

**Finance Terms:**

Rating: Unrated
Term: 30 years at a fixed interest rate
Structure: Limited institutional offering to accredited investors
Closing: September 9, 2015

**CSCDA Policy Compliance:**

The financing for Team Charter School 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. __NP-__

CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY

A RESOLUTION AUTHORIZING THE ISSUANCE OF REVENUE BONDS IN A PRINCIPAL AMOUNT NOT TO EXCEED $10,000,000 TO FINANCE THE ACQUISITION, CONSTRUCTION, EXPANSION, REMODELING, RENOVATION, IMPROVEMENT, FURNISHING AND EQUIPPING OF PUBLIC CHARTER SCHOOL FACILITIES, AND ANCILLARY FACILITIES THEREOF, FOR CREATIVE EDUCATION SUPPORT ORGANIZATION 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 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 Stockton (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, Creative Education Support Organization LLC, a California limited liability company (the “Borrower”), the sole member of which is initially Creative Child Care, Inc., a California nonprofit public benefit corporation, wishes to finance the acquisition, construction, expansion, remodeling, renovation, improvement, furnishing and equipping of public charter school facilities (the “Project”) to be owned by the Borrower and operated in part as a child care center by Creative Child Care, Inc. and in part as a public charter school known as TEAM Charter School by Transformational Education, Inc. and to be located in the City;

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

WHEREAS, pursuant to an Indenture (the “Indenture”), between the Authority and The Bank of New York Mellon Trust Company, N.A. (the “Trustee”), the Authority will issue the California Statewide Communities Development Authority School Facilities Revenue Bonds (TEAM Charter Projects) Series 2015, in one or more series (the “Bonds”) for the purpose, among others, of financing the Project;

WHEREAS, pursuant to a Loan Agreement (the “Loan Agreement”), 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 the Project;

WHEREAS, pursuant to a Bond Purchase Agreement, to be dated the date of sale of the Bonds (the “Bond Purchase Agreement”), among Westhoff, Cone & Holmstedt, 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 the Project, to fund a debt service reserve account and to pay costs incurred in connection with the issuance of the Bonds;

WHEREAS, the Bonds will be offered for sale to Approved Institutional Buyers (as defined in the Indenture) through a limited offering memorandum;

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

(1) A proposed form of the Indenture;
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 School Facilities Revenue Bonds (TEAM Charter Projects) Series 2015”, in one or more series, in an aggregate principal amount not to exceed ten million dollars ($10,000,000). The Bonds shall be issued and secured in accordance with the terms of, and shall be in the form or forms set forth in, the 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. 15R-11 of the Authority, adopted on April 9, 2015 (each, an “Authorized Signatory”), and attested by the manual or facsimile signature of the Secretary of the Authority or the Assistant to the Secretary of the Authority or the manual signature of any Authorized Signatory.

Section 2. The proposed form of 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 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 Indenture, as finally executed.

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

**Section 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 to the purchasers of the Bonds, in each case with such changes as may be approved as aforesaid.

**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 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 ___ day of ________, 20__. 

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 ________, 20__. 

By:

______________________________
Authorized Signatory
California Statewide Communities Development Authority
Agenda Item No. 5

Agenda Report

DATE: August 20, 2015
TO: CSCDA COMMISSIONERS
FROM: Cathy Bando, Executive Director
PURPOSE: Consideration of Request by the City of Folsom for a 75% Share of Carbon Credits Attributed to Financings under Open PACE

EXECUTIVE SUMMARY:

Per the attached letter, the City of Folsom (the “City”) has requested as a condition of participating in the Open PACE program (the “Program”) that it receives a 75% share of the carbon credits attributed to financings completed under the Program. The request is based upon the current carbon credit sharing agreement the City has with its current PACE program, mPOWER, which is offered by Placer County.

OVERVIEW:

Currently the carbon credits do not have an investment value, and are merely used for the purpose of offsetting carbon emissions. The Open PACE program currently allocates the carbon credits to CSCDA. Since PACE financings are executed by CSCDA for the benefit of the local agency participant, such participant should receive its allocation of carbon credits upon request.

Staff will continue to monitor the carbon credit market to determine if an overall policy change is necessary.

RECOMMENDED ACTION:

CSCDA’s Executive Director recommends that the City of Folsom shall receive 75% of the carbon credits received by CSCDC for Open PACE financings within the City.

CSCDA’s Executive Director also recommends that staff monitor the carbon credit marketplace and report back to the Commission periodically to determine if broader policy changes should be considered.
July 31, 2015

Catherine W. Bando
Executive Director
California Statewide Communities Development Authority
1700 North Broadway, Suite 405
Walnut Creek, CA 94596

Subject: PACE Program Carbon Credit Sharing

Dear Ms. Bando:

The City of Folsom is committed to promoting energy efficiency, water conservation and renewable energy to further the City's goal in the reduction of greenhouse gas emissions. As such, the City promotes PACE financing programs and recognizes the additional benefits these programs provide in terms of reduced utility costs to property owners, job creation and carbon credits. Furthermore, the City supports the open PACE environment concept and has a great interest in pursuing negotiations with PACE providers that are willing and/or able to share the carbon credits attributable to the improvements financed by their PACE program with the City.

The City of Folsom currently has an established PACE program (mPOWER Folsom). Under the mPOWER Administrative Agreement, the City required that the PACE financing program provide the City with 75% of the carbon credits attributable to the improvements financed under PACE. In considering an Open PACE Market concept, the City has determined that the carbon credit requirement applied to mPOWER shall also be applied consistently to all other PACE providers (including CaliforniaFIRST) wishing to operate their programs in the City. Hence, staff will only consider recommending City Council approval of PACE programs that are willing and able to share with the City 75% of the carbon credits attributed to the improvements financed under their PACE program.

Sincerely,

[Signature]

David E. Miller, AICP
Director of Public Works and Community Development

cc: Evert W. Palmer, City Manager
    Steve Wang, Assistant City Attorney
    Joseph Livaich, CaliforniaFIRST Regional Director
    Cliff Staton, Renewable Funding, LLC Executive Vice President
Agenda Item No. 6

Agenda Report

DATE: August 20, 2015

TO: CSCDA COMMISSIONERS

FROM: Cathy Bando, Executive Director

PURPOSE: Consideration of Consent and Acknowledgment Agreement in connection with Services Agreement between CSCDA and Renewable Funding LLC

EXECUTIVE SUMMARY:

CSCDA and Renewable Funding entered into a PACE Program Administrator Services Agreement ("Services Agreement") on March 27, 2014. Renewable Funding is entering into a financing agreement with Macquarie Investments US ("Macquarie") that will allow Renewable Funding to meaningfully increase its activities as a PACE Program Administrator under the Services Agreement. As is common in any financing arrangement, Renewable Funding will assign to Macquarie the payments it is entitled to under the CSCDA Services Agreement to secure its obligations with Macquarie.

DISCUSSION:

The following two consents are being requested:

- CSCDA’s consent is required in order for Renewable Funding to have Macquarie close and fund the acquisition of PACE Bonds in the event that Renewable Funding defaults under it financing agreement with Macquarie. Under the consent, Macquarie will be required to provide CSCDA with written certification that Renewable Funding has defaulted on its obligations under its agreement with Macquarie.

- CSCDA’s consent is also required for the assignment to Macquarie of Renewable Funding’s right to receive the program administration fee, project origination fee and any contractor reimbursements.

CSCDA’s General Counsel has reviewed and approved the form and content of the attached Consent and Acknowledgment Agreement. (Attachment 1)
RECOMMENDED ACTION:

CSCDA’s Executive Director recommends approval of the Consent and Acknowledgment Agreement in the form attached as Attachment 1 which (1) allows Macquarie close and fund PACE Bonds, if necessary, and (2) assigns to Macquarie the program administration fee, project origination fee and contractor reimbursements.
CSCDA Consent and Acknowledgement Agreement

Reference is made to that certain Agreement for Services (Residential) Between California Statewide Communities Development Authority (“CSCDA”) and Renewable Funding LLC (“Renewable Funding”), dated as of March 27, 2014 (the “Services Agreement”). We are pleased to announce that we are entering into a financing agreement (the “Financing”) with Macquarie Investments US Inc. (including its agents under the Financing, “Macquarie”) that will allow us to meaningfully increase our activities as a Program Administrator under the Services Agreement. As is common in any financing arrangement, we will collaterally assign to Macquarie the payments we are entitled to under the Services Agreement to secure our obligations under the Financing.

We hereby request that, pursuant to Section 2.3 of the Services Agreement, the CSCDA hereby approve Renewable Funding’s assignment to Macquarie of the authority to close and fund the acquisition of Improvement Bonds; provided, however, that such authority will only be exercised by Macquarie (i) upon its delivery to the CSCDA of a written certification that Renewable Funding has defaulted on its obligations under the Financing, and (ii) to the extent necessary to recover any and all amounts due and unpaid by Renewable Funding to Macquarie.

Pursuant to Section 6.8 of the Services Agreement, we further request that the CSCDA consent to the collateral assignment of Renewable Funding’s right under the Services Agreement to receive the Program Administration Fee, Project Origination Fee and any Contractor reimbursements which have been assigned to Renewable Funding to Macquarie and that all such payments be made to the following account:

[Account Details to be Inserted].

All terms not otherwise defined herein shall have the meanings given to them in the Services Agreement.

[SIGNATURES ON FOLLOWING PAGE]
By signing below, CSCDA acknowledges, agrees and consents to the assignments described above.

Renewable Funding LLC

By: ______________________
Katherine Mimi Frusha
Chief Operations Officer
Date: _____________________

California Statewide Communities Development Authority

By: ______________________
Catherine Bando
Executive Director
Date: _____________________
DATE: August 20, 2015

TO: CSCDA COMMISSIONERS

FROM: Cathy Bando, Executive Director

PURPOSE: Consideration of Resolution Authorizing Increased Bond Issuance Capacity in connection with CaliforniaFIRST PACE Program

EXECUTIVE SUMMARY:

On May 14, 2014, the CSCDA Commission adopted Resolution 14R-24 which authorized the issuance of bonds “not to exceed” $50 million for the CaliforniaFIRST PACE Program (the “Program”). As of August 20, 2015 the Program will have issued $40,975,968.98 in PACE Bonds. Therefore, the Program is requesting the “not to exceed” amount be increased to $150 million from $50 million.

RECOMMENDED ACTION:

CSCDA’s Executive Director recommends approval of the increased not to exceed amount of PACE Bonds for the CaliforniaFIRST Program from $50 million to $150 million pursuant to the attached resolution.
RESOLUTION NO. _____

A RESOLUTION AUTHORIZING ISSUANCE OF LIMITED OBLIGATION IMPROVEMENT BONDS AND APPROVING RELATED DOCUMENTS AND ACTIONS

ALL COVERED JURISDICTIONS

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

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

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

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

WHEREAS, the Commission subsequently amended those of the Program Reports that were approved prior to the effectiveness of Assembly Bill 44 and Senate Bill 1340 by adopting the resolutions listed in Appendix 1 under the heading “2012 Resolutions Amending Program Report” for the related Covered Jurisdictions; and
WHEREAS, the Commission subsequently amended the Program Reports relating to the then-member Covered Jurisdictions by adopting Resolution No. 14R-23 on May 22, 2014, and Resolution No. 14R-59 on November 6, 2014 (such resolutions, together with the Initial Resolutions Confirming Program Report and 2012 Resolutions Amending Program Report, the “Resolutions Confirming Program Report”); and

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

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

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

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

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

(iii) a default judgment rendered on October 17, 2014, by the Superior Court of the State of California, County of Sacramento, in the validation action entitled “California Statewide Communities Development Authority v. All Persons Interested in the Matter of California Communities’ ‘CaliforniaFIRST’ Property Assessed Clean Energy (‘PACE’) Program Established in Certain Counties and Cities, Including the Adoption of Resolutions and the Authorization of the Matters Therein, and all Bonds, Contracts, Contractual Assessments, and other Matters and Proceedings Related Thereto,” Case No. 34-2014-00166647; and
WHEREAS, this Commission adopted its Resolution No. 14R-24 on May 22, 2014, entitled “A Resolution Authorizing Issuance of Limited Obligation Improvement Bonds, Approving and Directing the Execution of Related Documents and Approving Related Documents and Actions,” pursuant to which, among other things, it (i) approved execution of a master indenture (the “Original Master Indenture”) to be supplemented from time to time by one or more supplemental indentures (each, a “Supplemental Indenture”) and (ii) authorized the issuance of bonds (“Bonds”) in one or more series initially in an aggregate principal amount not to exceed $50,000,000 (the “2014 Bond Authorization”); and

WHEREAS, this Commission adopted its Resolution No. 15R-2 on January 15, 2015, entitled, “Resolution Approving an Amended and Restated Master Indenture for the CaliforniaFIRST Program Reflecting the 2014 Program Expansion and to Make Certain Other Modifications to Reflect Operational Matters; a Consolidated Notice of Assessment and Payment of Contractual Assessment for the CaliforniaFIRST Program; and Ordering Other Related Matters,” in which, among other things, the Commission approved a form of amended and restated master indenture (the “Amended and Restated Master Indenture”), which amended and restated the Original Master Indenture; and

WHEREAS, the Commission adopted Resolution No. 15R-9 on February 12, 2015, entitled “A Resolution Authorizing Issuance of Limited Obligation Improvement Bonds Pursuant to an Amended and Restated Master Indenture, Approving and Directing the Execution of Related Documents and Approving Related Documents and Actions,” pursuant to which, among other matters, California Communities approved the issuance of Bonds pursuant to the Amended and Restated Master Indenture in accordance with the parameters of the 2014 Bond Authorization (the “Existing Bond Authorization”); and

WHEREAS, California Communities desires to increase the aggregate principal amount of Bonds authorized under the Existing Bond Authorization, from not to exceed $50,000,000, to not to exceed $150,000,000; and

WHEREAS, all conditions, things and acts required to exist, to have happened and to have been performed precedent to and in the issuance of the Bonds exist, have happened and have been performed in due time, form and manner as required by the laws of the State of California, including the Act and the Bond Law;

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

1. The Commission hereby authorizes the increase of the aggregate principal amount of Bonds authorized under the Existing Bond Authorization, from not to exceed $50,000,000, to not to exceed $150,000,000.

2. All actions heretofore taken by the officers and agents of California Communities with respect to the matters contemplated by this Resolution are hereby approved, confirmed and ratified, and the proper officers of California Communities, including an Authorized Signatory, are hereby authorized, for and in the name and on behalf of California Communities, to do any and all things and take any and all actions and execute and deliver any and all documents that they, or any of them, may deem necessary or advisable in order to consummate the matters contemplated by this Resolution.
3. This Resolution shall take effect immediately upon its adoption.

************
PASSED AND ADOPTED by the California Statewide Communities Development Authority this 20th day of August 2015.

I, the undersigned, an Authorized Signatory of the California Statewide Communities Development Authority, DO HEREBY CERTIFY that the foregoing resolution was duly adopted by the Commission of California Communities at a duly called meeting of the Commission of California Communities held in accordance with law on August 20, 2015.

By:______________________________

Authorized Signatory
California Statewide
Communities Development
Authority
APPENDIX 1

1. Counties:

- Alpine
- Placer
- Alameda
- Plumas
- Amador
- Riverside
- Butte
- Sacramento
- Calaveras
- San Benito
- Colusa
- San Bernardino
- Contra Costa
- San Diego
- Del Norte
- San Francisco
- El Dorado
- San Joaquin
- Fresno
- San Luis Obispo
- Glenn
- San Mateo
- Humboldt
- Santa Barbara
- Imperial
- Santa Clara
- Inyo
- Santa Cruz
- Kern
- Shasta
- Kings
- Sierra
- Lake
- Siskiyou
- Lassen
- Sonoma
- Madera
- Solano
- Marin
- Stanislaus
- Mariposa
- Sutter
- Mendocino
- Tehama
- Merced
- Trinity
- Modoc
- Tulare
- Monterey
- Tuolumne
- Mono
- Ventura
- Nevada
- Yolo
- Napa
- Yuba
- Orange
2. Cities in Los Angeles County

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* Consists of Covered Jurisdictions shown in this Appendix 1, Pages 1 and 2, that are not otherwise shown in this table.
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5. 2012 Resolutions Amending Program Report:

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* Consists of Covered Jurisdictions shown in this Appendix 1, Pages 1 and 2, that are not otherwise shown in this table.
Agenda Item No. 8

Agenda Report

DATE:     August 20, 2015
TO:       CSCDA COMMISSIONERS
FROM:  Cathy Bando, Executive Director
PURPOSE:  Consideration of Indemnification Agreements for County Tax Roll Collections

EXECUTIVE SUMMARY:

Over the past several months CSCDA staff and its PACE administrators have been working with a number of counties to place PACE assessments on the county tax rolls under the CaliforniaFIRST Program (the “Program”). Certain counties have requested indemnification from CSCDA as part of the county’s agreement to place the assessment on the county tax roll. The requests for indemnification have come from Los Angeles County, Santa Clara County, Yolo County, Fresno County, Monterey County and El Dorado County.

Staff and the Executive Director have conferred with CSCDA’s General Counsel to determine if such indemnification agreements should be entered into by CSCDA and have come to the conclusion it should enter into such agreements based upon the following discussion.

DISCUSSION:

Two options exist here for CSCDA to pursue. It can execute the county agreements that include the indemnification language, or it can hand-bill for the assessments in the counties that refuse to enter into a collection agreement without the indemnification language.

The counties are requesting indemnification based upon the fact that they have no control or jurisdiction over CSCDA’s PACE financing program, thus they do not want to be held responsible for any issues that arise out of the program. In the Services Agreement with Renewable Funding, the administrator for CaliforniaFIRST, CSCDA is provided indemnification from Renewable Funding as a protective measure for any wrongdoing. Thus, if CSCDA were to be pursued by a residential or commercial property owner there are built in protections.

Hand-billing will become onerous and cause significant credit concerns for investors because of the lack of involvement and oversight by a jurisdiction county. Thus, the Executive Director does not recommend this path.
RECOMMENDED ACTION:

Based upon the limited exposure to CSCDA and understanding the respective county concerns, CSCDA’s Executive Director recommends that CSCDA approve the indemnification agreements with the above referenced counties and other counties upon CSCDA’s General Counsel review and approval.
FIRST AMENDMENT TO SERVICES AGREEMENT

This FIRST AMENDMENT TO SERVICES AGREEMENT ("First Amendment") is entered into as of August 20, 2015 (the "Effective Date"), by and between BRIDGE STRATEGIC PARTNERS LLC, a California limited liability company ("BSP") and CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY, a California joint powers authority organized pursuant to Section 6500 et. seq. of the California Government Code ("Authority") (collectively the "Parties" and each individually a "Party").

RECITALS

WHEREAS, BSP and Authority have entered into that certain Services Agreement dated as of December 4, 2014 (the "Agreement"); and

WHEREAS, the Parties wish to amend the Agreement as more particularly described herein.

NOW, THEREFORE, in consideration of the foregoing and of the covenants, conditions, representations, and warranties contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

AGREEMENT

1. CAPITALIZED TERMS. All capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Agreement.

2. AMENDED TERMS AND CONDITIONS. Section 7.4 of the Agreement is hereby deleted in its entirety and replaced with the following:

"7.4 Reserve Fund. The Reserve Fund shall be utilized for marketing, legal, legislative representation, accounting, public relations, consulting, professional and other service fees incurred in connection with the Authority or Authority Programs. The Reserve Fund shall be funded with five percent (5%) of the gross Annual Administrative Fees collected from Borrowers until it reaches a total of five hundred thousand dollars ($500,000). Such contributions to the Reserve Fund shall be made from all outstanding Authority Program transactions except for New Markets Tax Credit transactions facilitated by CSCDC. At such time as the balance in the Reserve Fund falls below five hundred thousand dollars ($500,000), Annual Administrative Fees shall again be allocated to and deposited in the Reserve Fund."

3. MISCELLANEOUS.

3.1 Severability. If any provision of this First Amendment is held unlawful or invalid by court or administrative decision, it shall be deemed severable and such unlawfulness or invalidity shall not in any way affect any other provision of this First Amendment which can be given effect without the unlawful or invalid provision.

3.2 Waiver. Any failure of a party to enforce, for any period of time, any of the provisions under this First Amendment shall not be construed as a waiver of such provisions or of the right of said party thereafter to enforce each and every provision under this First Amendment.
3.3 **Construction.** The language in and provisions of this First Amendment shall in all cases be simply construed according to their fair meaning and not strictly construed for or against BSP or the Authority.

3.4 **Counterparts.** This First Amendment may be executed in two or more counterparts, each of which, when so executed, shall be deemed an original, but all of which counterparts together shall constitute one and the same document.

3.5 **Conflicts.** In the event of any conflict between the terms of the Agreement and the First Amendment, the terms of the First Amendment shall control.

3.6 **Entire Agreement; Amendments.** This First Amendment constitutes the entire understanding and agreement of the parties respecting the subject matter of this Amendment and no modification, change, or amendment of this First Amendment shall be binding upon the parties, except by mutual express consent in writing of subsequent date duly signed by the authorized representatives of each of the parties.

[Remainder of Page Left Intentionally Blank – Signatures Follow]
IN WITNESS WHEREOF, the parties have executed this First Amendment as of the Effective Date by their duly authorized representatives as set forth below.

CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY

By _______________________________
Name: _______________________________
Title: _______________________________

BRIDGE STRATEGIC PARTNERS LLC

By _______________________________
Name: _______________________________
Title: _______________________________

Acknowledged and Agreed to:

CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT CORPORATION

By _______________________________
Name: _______________________________
Title: _______________________________