ANNUAL MEETING AGENDA

January 5, 2017 at 2:00 p.m.

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

A. OPENING AND PROCEDURAL ITEMS

1. Roll Call.
   ____ Dan Harrison, Chair
   ____ Larry Combs, Vice Chair
   ____ Kevin O’Rourke, Treasurer
   ____ Ron Holly, Secretary
   ____ Jordan Kaufman, Alt. Member

2. Election of Officers.


4. Consideration of the Consent Calendar.

5. Public Comment.

B. ITEMS FOR CONSIDERATION

6. 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. Uptown Newport Building Owner, LP (Uptown Newport Apartments), City of Newport Beach, County of Orange; issue up to $180,000,000 in multi-family housing revenue bonds.

   b. Carondelet High School, City of Walnut Creek, County of Contra Costa; issue up to $15,000,000 in nonprofit revenue obligations.

   c. Guidance Support Services, LLC (Guidance Charter School), City of Palmdale, County of Los Angeles; issue up to $32,000,000 in school facility revenue bonds.

This ___ page agenda was posted at 1100 K Street, Sacramento, California on ______________, 2016 at __:__ m, Signed ________________________________. Please email signed page to info@cscda.org
7. Statewide Community Infrastructure Program (SCIP):
   A. Conduct proceedings with respect to the Statewide Community Infrastructure Program (SCIP) (hearing to be held at 2 p.m. or shortly thereafter):
      1. Open Assessment District Public Hearing.
      2. Close Assessment District Public Hearing.
      3. Open assessment ballot and announce results.
   B. Consideration of the following resolutions with respect to SCIP:
      1. Resolution approving final engineer's report, levying assessments, ordering the financing of specified development impact fees and capital improvements, and confirming unpaid assessment amounts.
      2. Resolution providing for the issuance of a separate series of SCIP limited obligation for improvement bonds and approving the form and substance of a trust agreement.

8. Consideration of CSCDA Debt Policy in accordance with SB 1029.

9. Recognition of John Knox’s retirement and career commitment to CSCDA.

10. Annual Updates:
    a. 2016 Calendar Year Update.
    b. Affordable Housing Finance Market Update.
    c. Open PACE Administrator Updates:
       i. Renew Financial
       ii. AllianceNRG
       iii. PACE Funding
       iv. CleanFund Commercial PACE Capital
       v. Spruce Finance

C. STAFF ANNOUNCEMENTS, REPORTS ON ACTIVITIES OR REQUESTS

11. Executive Director Update.

12. Staff Updates.


NEXT MEETING: Thursday, January 19, 2017 at 2:00 p.m.
California State Association of Counties
1100 K Street, 1st Floor, Sacramento, CA 95814
1. Consent Calendar

   a. Consideration of renewal membership with the California Society of Municipal Finance Officers (CSMFO).

   b. Consideration and acknowledgment of assignment to Macquarie Investments US, Inc. to close and fund Improvement Bonds or Assignments related to the CaliforniaFirst Program.

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REGULAR MEETING OF THE
CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY
(CSCDA)

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

December 15, 2016

MINUTES

Commission chair Dan Harrison called the meeting to order at 2:00 pm.

1 Roll Call.

Commission members present: Dan Harrison; Larry Combs; and Tim Snellings. Ron Holly; alternate commissioner Brian Moura (representing Irwin Bornstein); and alternate commissioner Jordan Kaufman (representing Dan Mierzwa) participated by conference telephone.

CSCDA Executive Director, Catherine Bando was also present.

Others present included: Norman Coppinger and Perry Stottlemeyer, League of California Cities; Laura Labanieh, CSAC Finance Corporation; James Hamill, Bridge Strategic Partners; and Chris McKenzie, League of California Cities (retired). Jon Penkower, Bridge Strategic Partners, participated by conference telephone.

2 Approval of the minutes of the December 1, 2016 regular meeting.

Motion to approve by Combs; second by Snellings; approved by majority roll-call vote (Kaufman abstained).

3 Approval of consent calendar:

a Induce KDF Communities, LLC (Park Glenn Senior Apartments), City of Camarillo, County of Ventura; issue up to $5 million in multi-family housing revenue bonds.

b Induce Visionary Homebuilders of California, Inc. (Hunter Street Apartments), City of Stockton, County of San Joaquin; issue up to $30 million in multi-family housing revenue bonds.

c Induce Corporation for Better Housing (Camellia Place Phase II), unincorporated County of Kern; issue up to $8 million in multi-family housing revenue bonds.

d Consider and ratify the City of La Quinta as a CSCDA program participant.

Motion to approve by Combs; second by Holly; approved by majority roll-call vote (Kaufman abstained).
4 Public comment.

None.

5 Approval 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 Harbor Park Apartments, LP (Harbor Park Apartments), City of Vallejo, County of Solano; issue up to $35 million in multi-family housing revenue bonds.

Executive Director Bando explained that this project is for the acquisition and rehabilitation of a 182-unit affordable housing facility on 12 acres in Vallejo, California by Klein Financial Corporation (Klein). This is Klein’s fourth financing through CSCDA. The 35-year unrated bonds will be placed privately.

Bando indicated that the financing complies with CSCDA’s general and issuance policies for unrated debt and she recommends approval.

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

6 Approval of a resolution authorizing the issuance, sale and delivery of Statewide Community Infrastructure Program refunding revenue bonds and authorizing certain other documents and actions in connection therewith.

Executive Director Bando explained that CSCDA issued bonds in 2006 and 2007 through the Statewide Community Infrastructure Program (SCIP) for various projects. Due to favorable market conditions and the buildout rate, this refunding will benefit property owners within the districts. Total net present value savings are expected to be approximately $1.9 million.

It is recommended that CSCDA assess an issuance fee of 0.75%, which is reduced by one-half, due to lower administrative requirements. The SCIP refunding fee of 1.5% on the par amount per CSCDA's approved fee schedule, would be added to the CSCDA fee schedule for future refundings.

Bando indicated that the refunding of the SCIP 2006A and 2007A bonds complies with CSCDA’s general, issuance and land secured policies and she recommends approval.

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

7 Recognition of Chris McKenzie's 17-year commitment to CSCDA.

Commission chair Dan Harrison recapped McKenzie's involvement in CSCDA over the last 17 years and thanked him for his commitment, leadership and contribution to CSCDA's growth and success that is enjoyed today. Harrison then presented McKenzie with a Certificate of Appreciation.
8 Executive Director update.

Executive Director Bando reminded commissioners that the annual meeting is on January 5 at the League's office at 2:00 pm and will be followed by dinner at the Sutter Club that evening.

9 Staff updates.

James Hamill shared that most projects that had been anticipated to close in 2016 either did or will do so, but a few will be delayed due to the recent upheaval in the markets.

10 Chair Dan Harrison adjourned the meeting at 2:18 pm.

Submitted by: Perry Stottlemeyer, League of California Cities staff

The next annual meeting of the commission is scheduled for

Thursday, January 5, at 2:00 pm

in the League of California Cities' office at 1400 K Street, 3rd Floor, Sacramento, California.
Agenda Item No. 4

Agenda Report

DATE: January 5, 2017

TO: CSCDA COMMISSIONERS

FROM: Cathy Bando, Executive Director

PURPOSE: Consent Calendar

SUMMARY:

a. Consideration of renewal membership with the California Society of Municipal Finance Officers (CSMFO).

It is recommended CSCDA consider renewing its membership with the California Society of Municipal Finance Officers (CSMFO). CSMFO is California’s premier statewide association for more than one thousand finance professionals. Membership includes city, county and special district finance officers, as well as commercial finance professionals. Membership with CSMFO is $110 per year and would be paid out of the professional services fund.

b. Consideration and acknowledgment of assignment to Macquarie Investments US, Inc. to close and fund Improvement Bonds or Assignments related to the CaliforniaFirst Program.

Pursuant to the agreement CSCDA entered into with Renew Financial to act as the administrator to the CaliforniaFirst program (the “Program”) if the funding source changes for the Program CSCDA must acknowledge such change. Renew Financial is working with Macquarie Investments US, Inc. an international investment fund to finance the PACE improvement bonds or assignments. CSCDA’s General Counsel has reviewed and approves the form and content of the assignment.
CSCDA Consent and Acknowledgement Agreement

Reference is made to that certain Amended and Restated Agreement for Services between California Statewide Communities Development Authority (“CSCDA”) and Renew Financial Group LLC (formerly known as Renewable Funding LLC (“Renew Financial”), dated as of September 21, 2016 (as may be amended, supplemented or amended and restated from time to time, the “Services Agreement”). We are pleased to announce that we have entered 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 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 5 of the Services Agreement, the CSCDA hereby approve Renew Financial’s assignment to Macquarie of the authority to close and fund the acquisition of Improvement Bonds or Assignments; provided, however, that such authority will only be exercised by Macquarie (i) upon its delivery to the CSCDA of a written certification that Renew Financial has defaulted on its obligations under the Financing, and (ii) to the extent necessary to recover any and all amounts due and unpaid by Renew Financial to Macquarie.

Pursuant to Section 20 of the Services Agreement, we further request that the CSCDA consent to the collateral assignment of Renew Financial’s right under the Services Agreement to receive the Administration Fees and any contractor reimbursements which have been assigned by Renew Financial to Macquarie and that all such payments be made to the following account:

Bank: U.S. Bank National Association
ABA: 091 0000 22
Acct #: 104792875098
FBO: Renew Financial / Macquarie Control Account
Attn: Vona Scott
tel. 916-316-7323

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.

Renew Financial Group LLC

By: ____________________
________________________
________________________
Date:____________________

California Statewide Communities Development Authority

By: ____________________
________________________
________________________
Date:____________________
Agenda Item No. 6a

Agenda Report

DATE: January 5, 2017
TO: CSCDA COMMISSIONERS
FROM: Cathy Bando, Executive Director
PROJECT: Uptown Newport Apartments
PURPOSE: Approve the Financing of Rental Affordable Housing Project Located in the City of Newport Beach, County of Orange
AMOUNT: Not to Exceed $180,000,000

EXECUTIVE SUMMARY:

Uptown Newport Apartments (the “Project”) is the new construction of a mixed income 455-unit rental affordable housing project located in the City of Newport Beach. Twenty-percent of the units will be rent restricted for low-income tenants.

PROJECT DESCRIPTION:

- Construction of 455-unit affordable rental housing facility located at the corner of Jamboree Road and Fairchild Road in the City of Newport Beach.
- 4.8 acre site.
- Two four-story residential buildings.
- Restricted apartments are comprised of studio, one-bedroom and two-bedroom units.

PROJECT ANALYSIS:

Background on Applicant:

The Picerne Group (TPG) is a privately held, Southern California-based real estate investment firm that focuses on real estate investments nationwide, as well as best-in-class asset management. TPG has successfully invested more than $1 billion in real estate equity and debt, diversifying investments across a variety of property types and geographies in the United States. The firm’s executive committee members combined have decades of experience in managing complex portfolios of residential and commercial real estate, joint ventures and loans. The Project is TPG’s first financing with CSCDA.
Public Agency Approval:

TEFRA Hearing: January 26, 2016 – City of Newport Beach – unanimous approval

CDLAC Approval: September 21, 2016

Public Benefits:

- 20% of the units will be rent restricted for 55 years.
  - All restricted units (91 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.

Sources and Uses:

Sources of Funds:

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<th>Source</th>
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<td>Tax Credits</td>
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<td>Deferred Developer Fee</td>
<td>$5,000,000</td>
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<tr>
<td>Total Sources</td>
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Uses of Funds:

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<td>Soft Cost Contingency</td>
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<td>Total Uses</td>
<td>$175,409,669</td>
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Finance Partners:

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<th>Firm Name</th>
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<tbody>
<tr>
<td>Bond Counsel</td>
<td>Orrick, Herrington &amp; Sutcliffe, LLP, San Francisco</td>
</tr>
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<td>Authority Counsel</td>
<td>Orrick, Herrington &amp; Sutcliffe, LLP, Sacramento</td>
</tr>
<tr>
<td>Underwriter</td>
<td>Hutchinson, Shockey, Erley &amp; Co., Phoenix</td>
</tr>
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</table>
Finance Terms:

Rating: Investment grade ratings anticipated (S&P)
Credit Enhancement: Standby letters of credit from Comerica Bank, First Hawaiian Bank, East West Bank, California Bank & Trust, Federal Home Loan Bank of Des Moines
Term: 40 Years at a Variable Interest Rate
Structure: Public Offering
Estimated Closing: January 25, 2017

Due to the size of the bond transaction, the project sponsor has requested a reduction in the issuance fee from $216,250 to $181,000. In order for CSCDA to remain competitive for this size of a transaction it is recommended such request be approved.

CSCDA Policy Compliance:

The financing of the Project 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 the fee reduction request;
3. Approves all necessary actions and documents in connection with the financing; and
4. Authorizes any member of the Commission or Authorized Signatory to sign all necessary documents.
ATTACHMENT A

RESOLUTION NO. 16H-__

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 $180,000,000 FOR THE FINANCING OF THE ACQUISITION AND DEVELOPMENT OF A MULTIFAMILY RENTAL HOUSING PROJECT TO BE GENERALLY KNOWN AS UPTOWN NEWPORT 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 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, Uptown Newport Building Owner, LP, a Delaware limited partnership, and entities related thereto (collectively, the “Borrower”), has requested that the Authority issue tax-exempt revenue bonds to assist in the financing of the acquisition, construction and development of a 455-unit multifamily rental housing development to be located in the City of Newport Beach, California and known as Uptown Newport Apartments (the “Project”);

WHEREAS, on September 21, 2016, the Authority received allocation amounts in the total of $159,620,000 (as the same may be increased in the future by way of one or more supplemental allocations, the “Allocation Amount”) from the California Debt Limit Allocation Committee in connection with the Project;

WHEREAS, the City of Newport Beach 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 $180,000,000 aggregate principal amount of its Variable Rate Demand Multifamily Housing Revenue Bonds (Uptown Newport Apartments) 2017 Series AA (the “Series AA Bonds”) and its Variable Rate Demand Multifamily Housing Revenue Bonds (Uptown Newport Apartments) 2017 Series BB
(the “Series BB Bonds,” and together with the Series AA Bonds, the “Bonds”), and 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 Series AA Bonds are expected to be secured by a direct-pay letter of credit provided by Comerica Bank; and

WHEREAS, the Series BB Bonds are expected to be secured by (i) direct-pay letters of credit provided by each of East West Bank, California Bank & Trust, First Hawaiian Bank and Cathay Bank or such comparable financial institutions as may be approved by the Underwriter (as defined below), and (ii) standby letters of credit provided by the Federal Home Loan Bank of San Francisco, the Federal Home Loan Bank of Des Moines, and any other Federal Home Loan Bank, as applicable; and

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. Indenture of Trust with respect to the Series AA Bonds (the “Series AA Indenture”), to be entered into between the Authority and Wilmington Trust, National Association, as trustee (the “Trustee”); and

2. Indenture of Trust with respect to the Series BB Bonds (the “Series BB Indenture”), to be entered into between the Authority and the Trustee; and

3. Loan Agreement with respect to the Series AA Bonds (the “Series AA Loan Agreement”), to be entered into among the Authority, the Trustee and the Borrower; and

4. Loan Agreement with respect to the Series BB Bonds (the “Series BB Loan Agreement”), to be entered into among the Authority, the Trustee and the Borrower; and

5. Composite Bond Purchase Agreement with respect to the Bonds (the “Purchase Agreement”), to be entered into among the Authority, the Borrower and Stern Brothers & Co., as underwriter of the Bonds (the “Underwriter”); and

6. Composite Official Statement with respect to the Bonds (the “Official Statement”), to be used in connection with the offer and sale of the Bonds; and

7. Regulatory Agreement and Declaration of Restrictive Covenants with respect to the Bonds (the “Regulatory Agreement”), to be entered into among the Borrower, the Authority and the Trustee.

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, the Series AA Indenture and the Series BB Indenture, as applicable, and in accordance with the Housing Law, the Authority is hereby authorized to issue one or more series of Bonds, including additional Bonds up to the not-to-exceed amount specified in this paragraph. The Bonds shall be designated as “California Statewide Communities Development Authority Variable Rate Demand Multifamily Housing Revenue Bonds (Uptown Newport Apartments) 2017 Series AA” and as “California Statewide Communities Development Authority Variable Rate Demand Multifamily Housing Revenue Bonds (Uptown Newport Apartments) 2017 Series BB” with appropriate modifications and series and sub-series designations as necessary, including for taxable bonds and additional bonds as provided in the Bond documents approved herein, in an aggregate principal amount not to exceed $180,000,000; provided that at no time shall the aggregate principal amount of any tax-exempt Bonds issued exceed the Allocation Amount. The Bonds shall be issued in the form set forth in and otherwise in accordance with the Series AA Indenture and the Series BB Indenture, as applicable, 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 manual signature of any Authorized Signatory. The Bonds shall be issued and secured in accordance with the terms of the Series AA Indenture and the Series BB Indenture, as applicable, 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 Series AA Indenture and the Series BB Indenture, as applicable, 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 Series AA Indenture substantially 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 delegatees duly authorized pursuant to Resolution No. 15R-53 of the Authority, adopted on October 22, 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 Series AA Indenture, 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 December 1, 2061), 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 Series AA Bonds shall be as provided in the Series AA Indenture as finally executed.

Section 4. The Series BB Indenture substantially 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 Series BB Indenture, 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 December 1, 2061), 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 Series BB Bonds shall be as provided in the Series BB Indenture as finally executed.

Section 5. The Series AA Loan Agreement substantially 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 Series AA 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 6. The Series BB Loan Agreement substantially 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 Series BB 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 7. The Authority is hereby authorized to sell the Bonds to the Underwriter pursuant to the terms and conditions of the Purchase Agreement. The form, terms and provisions of the Purchase Agreement in the form presented at this meeting are hereby approved. Any Authorized Signatory, acting alone, is authorized to execute by manual signature and deliver the Purchase 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 hereby approved by counsel to the Authority, such approval to be conclusively evidenced by the delivery thereof.

Section 8. The form, terms and provisions of the Official Statement in the form presented at this meeting are hereby approved and the Commission hereby approves the distribution of the Official Statement to prospective purchasers of the Bonds. Any Authorized Signatory, acting alone, is authorized to certify on behalf of the Authority that the Official Statement as to the sections therein related directly to the Authority is deemed final as of its date, within the meaning of rule 15c2-12 promulgated under the Securities Exchange Act of 1934. Any Authorized Signatory, acting alone, is authorized to execute, at the time of sale of the Bonds, said Official Statement in final form, 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 hereby approved by counsel to the Authority, such approval to be conclusively evidenced by the delivery thereof.

Section 9. 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 10. The Bonds, when executed, shall be delivered to the Trustee for authentication. The Trustee is hereby requested and directed to authenticate the Bonds by executing the certificate of authentication of the applicable Trustee 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 Trustee. Such instructions shall provide for the delivery of the Bonds to or at the direction of the purchasers thereof upon payment of the purchase price thereof.

Section 11. 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, a subordination or intercreditor agreement, any endorsement, allonge or assignment of the deed of trust and such other documents as described in the Series AA Indenture, the Series BB Indenture, the Series AA Loan Agreement, the Series BB Loan Agreement, the Purchase 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 12. 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 Series AA Indenture, the Series BB Indenture and other documents approved herein.

This Resolution shall take effect upon its adoption.
PASSED AND ADOPTED by the California Statewide Communities Development Authority this January 5, 2017.

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 January 5, 2017.

By ______________________________
Authorized Signatory
Agenda Item No. 6b

Agenda Report

DATE: January 5, 2017

TO: CSCDA COMMISSIONERS

FROM: Cathy Bando, Executive Director

PROJECT: Carondelet High School

PURPOSE: Authorize the Issuance of Tax-Exempt Obligations to Finance School Facilities in the City of Walnut Creek, County of Contra Costa

AMOUNT: Not to Exceed $15,000,000

EXECUTIVE SUMMARY:

Carondelet High School (“Carondelet” or the “School”), has requested that CSCDA issue tax-exempt nonprofit revenue obligations in an amount not to exceed $15,000,000 (the “Obligations”) to finance certain athletic facilities located in the City of Walnut Creek.

PROJECT ANALYSIS:

About Carondelet:

Carondelet is a four-year college-preparatory Catholic high school that offers young women a transformative educational experience in an encouraging and caring environment. Since its founding in 1965, Carondelet has combined academic excellence and a recognition of the unique gifts of each of its students. The School’s focus is a woman-centered, comprehensive educational program designed to help young women build confidence and prepare for leadership and service in the 21st century. At the junior and senior grade levels, the school offers combined course options with De La Salle, an adjacent Catholic boys’ high school, to provide additional opportunities for those who seek a co-educational experience. Co-curricular offerings include more than 50 student-led clubs as well as: Spiritual Life Council, Drama, Honor Societies, Community Service, Photography, Student Government, Yearbook, Concert Choir, Band, Special Interest Clubs, and Inter-scholastic & Intramural Sports. Virtually 100% of its graduates are accepted to college, many on athletic and academic scholarships.

Carondelet’s student body of approximately 800 young women is ethnically diverse and reflects the racial makeup of the boarder community. In the School’s 2016-2017 Ethnicity Report approximately 43% of the students are identified as being from underserved communities or represent minorities.
About the Project:

Tax-exempt proceeds will fund the acquisition and substantial renovation of the Valley Vista Tennis Club located at 3737 Valley Vista Road, Walnut Creek. This 6.33-acre site will be home to the new Carondelet Athletic Complex (“CAC” or the “Project”). The CAC will include the following facilities: state-of-the-art training and fitness center; turf fields for soccer, lacrosse and softball; tennis courts; and a competition swimming/diving pool.

Public Agency Approval:

TEFRA Hearing: December 20, 2016 – City of Walnut Creek – unanimous approval

Public Benefit:

- **Scholarships/Financial Aid** – Carondelet is committed to providing quality education to young women and believes that qualified students should be given the opportunity to attend the School. Through the generosity of its benefactors and the success of its fundraising efforts, approximately 26% of Carondelet students receive tuition assistance that totals over $1 million annually. Tuition Assistance is awarded to students based strictly on financial need.

- **Access to Athletic Facilities** – The CAC is located about 2.5 miles from Carondelet’s main school campus in Concord. Carondelet’s campus is situated on one of the smallest parcels of land of any top-quality high school in the Bay Area, having no outdoor athletic fields or facilities on its campus. Even with limited on-campus athletic facilities, 65% of the student body participates in sports and compete at highly competitive levels. The CAC will provide the type of high-quality athletic facility that was previously unavailable to Carondelet students and sports teams.

- **Community Access** – Members of not-for-profit local community organizations will have access to the CAC for various activities, including tennis, swimming and field sports through pre-established arrangements with the school.

- **Environmental Stewardship** – The CAC will incorporate designs and systems that reduce water and energy use when compared to the current club and similar athletic facilities. These design elements include the use of energy-efficient, LED field lighting that focuses on the playing field and limits lighting that “washes” over neighboring homes, as well as synthetic field turf that further reduces dependence on water use, chemical fertilizers and energy-driven maintenance practices.

Sources and Uses:

**Sources of Funds:**

- Tax-Exempt Loan: $13,000,000
- School Equity: $1,735,000
- Total Sources: $14,735,000

**Uses of Funds:**

- Property Acquisition: $6,500,000
- Construction Costs: $8,000,000
- Costs of Issuance: $235,000
Total Uses: $14,735,000

Finance Partners:

Bond Counsel: Kutak Rock, Los Angeles
Authority Counsel: Orrick, Herrington & Sutcliffe, LLP, Sacramento
Private Placement Purchaser: First Republic Bank, Los Angeles

Finance Terms:

Anticipated Rating: Unrated
Term: 30 years at a fixed interest rate
Structure: Private Placement
Estimated Closing: January 11, 2017

CSCDA Policy Compliance:

The financing complies with CSCDA’s general, issuance and K-12 private school 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 REVENUE OBLIGATIONS IN A PRINCIPAL AMOUNT NOT TO EXCEED $15,000,000 TO FINANCE THE ACQUISITION, CONSTRUCTION, IMPROVEMENT, RENOVATION AND EQUIPPING OF A SPORTS FACILITY FOR CARONDELET HIGH SCHOOL 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 Walnut Creek (the “City”) is a Program Participant, and the 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, Carondelet High School, a California nonprofit public benefit corporation (the “Corporation”), wishes to finance the acquisition, construction, improvement, renovation and
equipping of a sports facility (the “Project”) to be owned and operated by the Corporation and located in
the City of Walnut Creek;

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

WHEREAS, pursuant to a Loan Agreement (the “Loan Agreement”), by and among the
Authority, the Corporation and First Republic Bank (the “Lender”), the Authority will issue its tax-exempt
issuer loan obligations (the “Issuer Loan Obligations”), for the purposes of financing the Project;

WHEREAS, pursuant to a Loan Agreement, the Authority will loan the proceeds of the
Issuer Loan Obligations to the Corporation for the purposes of financing the Project;

WHEREAS, pursuant to the policies of the Authority, the Issuer Loan Obligations may
only be assigned to Qualified Institutional Buyers (as defined in the Loan Agreement) and the Lender will
sign an investor letter confirming that it is a Qualified Institutional Buyer and certain other related matters;

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

(1) A proposed form of the Loan Agreement; and

(2) A proposed form of the Assignment Agreement, between the Authority and the
Lender;

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 Loan Agreement, the Authority is hereby authorized
to issue its Issuer Loan Obligations in an aggregate principal amount not to exceed Fifteen Million Dollars
($15,000,000). The Issuer Loan Obligations shall be issued and secured in accordance with the terms of
the Loan Agreement. The Issuer Loan Obligations 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 delegatees duly authorized pursuant to Resolution
No. 15R-53 of the Authority, adopted on October 22, 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 Loan Agreement, as made available to the
Commissioners, is hereby approved. The Loan Agreement shall be executed on behalf of the Authority by
the manual signature of any member of the Commission of the Authority or their administrative delegatees
duly authorized pursuant to Resolution No. 15R-53 of the Authority, adopted on October 22, 2015 (each,
an “Authorized Signatory”). 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. The Lender,
dated date, maturity date or dates, interest rate or rates, interest payment dates, manner of execution, place
or places of payment, terms of repayment and other terms of the Issuer Loan Obligations shall be as
provided in the Loan Agreement, as finally executed.
Section 3. The proposed form of Assignment Agreement, as made available to the Commissioners, is hereby approved. The Loan Agreement shall be executed on behalf of the Authority by the manual signature of an Authorized Signatory. Any Authorized Signatory is hereby authorized and directed, for and on behalf of the Authority, to execute and deliver the Assignment 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 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 Issuer Loan Obligations, 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 5. 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 Issuer Loan Obligations are hereby ratified, confirmed and approved.

Section 6. This Resolution shall take effect from and after its adoption.

Section 7. 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 Obligation as may be required thereby and in accordance with Section 9 of the Agreement to provide financing and/or refinancing for the Project.

PASSED AND ADOPTED by the California Statewide Communities Development Authority this 5th day of January, 2017.

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 January 5, 2017.

By: __________________________________
    Authorized Signatory
California Statewide Communities
Development Authority
Agenda Item No. 6c

Agenda Report

DATE: January 5, 2017

TO: CSCDA COMMISSIONERS

FROM: Cathy Bando, Executive Director

PROJECT: Guidance Charter School

PURPOSE: Authorize the Issuance of Bonds to Finance the Acquisition and Construction of a Charter School in the City of Palmdale, County of Los Angeles

AMOUNT: Not to Exceed $32,000,000

EXECUTIVE SUMMARY:

On August 18, 2016, the CSCDA Commission approved a resolution authorizing the issuance of nonprofit school facility bonds in an amount not to exceed $25,000,000 (the “Bonds”) to finance the acquisition and construction of a school site in the City of Palmdale for Guidance Charter School (“Guidance” or the “School”). Current increased construction costs and interest reserve requirements necessitate a revision to the maximum anticipated bond issuance amount. Accordingly, the School is now requesting that CSCDA approve an updated resolution and related documents authorizing the issuance of nonprofit school facility bonds in an amount not to exceed $32,000,000.

PROJECT ANALYSIS:

About Guidance:

Guidance opened its doors in 2001 and is one of the oldest charter schools in the State of California. Enrollment currently consists of approximately 704 students enrolled serving grades K-12. The School currently maintains two campuses: 37230 37th Street which houses grades 7-12 and with current enrollment of 381 students and 1125-B East Palmdale Boulevard which houses grades K-6 and with current enrollment of 323 students. The School maintains a waiting list of 175 students and expects significant growth due to demand and community growth. The School is expected to reach a total of 1,139 students in its elementary and high school by the school year of 2019-20. The School is authorized by the Palmdale School District (PSD) under a five year charter. On November 6, 2012, PSD expanded Guidance’s charter to include 9-12 education and provided school space for the high school program. Guidance seeks to establish a firm foundation in the core curriculum of reading, language arts, mathematics, social studies, and science. Well-developed oral, listening, and written communication skills are integrated into all subject areas. The School’s API scores are in excess of 750 and the charter has been renewed three times during its history. Guidance was rewarded for its excellent performance
when it was granted approval to expand from K-8 to K-12 in 2013. Guidance is also proud of recently receiving 6 years accreditation from The Western Association of Schools and Colleges.

**About the Project:**

Guidance Charter is in escrow to purchase approximately 31 acres of vacant land in Palmdale at the intersection of Avenue R and 40th Street East. This will be one of the largest charter school campuses in the State. The site is located three city blocks north of Guidance’s existing high school campus. The School’s plan is to construct an 87,000 square foot, one-story educational facility building which will be completed for the 2017-2018 school year. The site will house the middle school (grades 6-8) in a separate building on one side of the campus and the high school (grades 7-12) in another building on the other side of the campus. Both schools will share common resources located in the center of the campus. These common areas include a library, gymnasium, cafeteria, administrative offices, swimming pool, playing fields and visitor/teacher parking. The site will also allow for expansion area for both schools over the next three years.

**Public Agency Approval:**

**TEFRA Hearing:** July 6, 2016 – City of Palmdale – unanimous approval

**Public Benefit:**

Guidance provides free quality education to serve students from various backgrounds, including a large number of at-risk students in Palmdale. The School receives approximately $10,603 average per student under Local Control Formula Funding and provides over 90% of its students free and reduced lunch.

**Sources and Uses:**

**Sources of Funds:**

Par Amount: $29,460,000  
Discount: $-227,110  
Equity: $2,000,000  
Total Sources: $31,232,890

**Uses of Funds:**

Land Purchase: $1,000,000  
Project Fund: $25,500,000  
Capitalized Interest: $1,764,841  
Debt Service Reserve: $2,141,675  
Costs of Issuance: $826,374  
Total Uses: $31,232,890
Finance Partners:

Bond Counsel: Orrick, Herrington & Sutcliffe, LLP, Los Angeles
Authority Counsel: Orrick, Herrington & Sutcliffe, LLP, Sacramento
Underwriter: Piper Jaffray, Minneapolis

Finance Terms:

Anticipated Rating: BBB- (S&P)
Term: 30 years at a fixed interest rate
Structure: Public Offering
Estimated Closing: January, 2017

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 REVENUE BONDS IN A PRINCIPAL AMOUNT NOT TO EXCEED $32,000,000 TO FINANCE THE ACQUISITION, CONSTRUCTION, EXPANSION, REMODELING, RENOVATION, IMPROVEMENT, FURNISHING AND EQUIPPING OF PUBLIC CHARTER SCHOOL FACILITIES, AND ANCILLARY FACILITIES THEREOF, FOR GUIDANCE SUPPORT SERVICES, 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 Palmdale (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, Guidance Support Services, LLC, a California limited liability company (the “Borrower”), the sole member of which is initially The Guidance Charter School Foundation, 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 as a public charter school by The Guidance Charter School, a California nonprofit public benefit corporation, 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 Wilmington Trust, National Association (the “Trustee”), the Authority will issue the California Statewide Communities Development Authority School Facilities Revenue Bonds (Guidance Charter School) Series 2017, 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 Piper Jaffray & 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 the Project, to fund a debt service reserve account and to pay costs incurred in connection with the issuance of the Bonds;

WHEREAS, if the Bonds are rated below BBB- (or equivalent), the offer for sale Bonds will be limited to Approved Institutional Buyers and Accredited Investors (each 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;
(2) A proposed form of the Loan Agreement;
(3) A proposed form of the Bond Purchase Agreement;
(4) A proposed form of official statement or limited offering memorandum (the “Official Statement”) to be used by the Underwriter in connection with the offering and sale of the Bonds; and

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 School Facilities Revenue Bonds (Guidance Charter School) Series 2017”, in one or more series, in an aggregate principal amount not to exceed thirty-two million dollars ($32,000,000). 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-53 of the Authority, adopted on October 22, 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 Official Statement, as made available to the Commissioners, is hereby approved. The Underwriter is hereby authorized to distribute the Official Statement in preliminary form, to persons who may be interested in the purchase of the Bonds and to deliver the Official Statement 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. 7

Agenda Report

DATE: January 5, 2016

TO: CSCDA COMMISSIONERS

FROM: Cathy Bando, Executive Director

PURPOSE: Conduct proceedings with respect to the Statewide Community Infrastructure Program (SCIP)

BACKGROUND AND SUMMARY:

The actions requested today by the Commission is the second step for the SCIP 2016-02 issuance of bonds anticipated not to exceed $4,000,000. The resolution of intention to finance fees and improvements and preliminary engineers report were approved by the Commission at the November 17, 2016 CSCDA meeting.

A breakdown of the financing is outlined in Attachment A and a summary of the financing is as follows:

**System Capacity Charges** - East Bay Municipal Utility District ("EBMUD") Single Family Water Service Connection Charges – Charges collected against new development to fund water improvements dedicated to and maintained by the East Bay Municipal Utility District. These EBMUD Charges are expected to be used to pay debt service for capital improvements that have already been constructed. At this time, there are no capital improvements which are the subject to this financing.

**City of Hercules Assessment District No. 2005-1 (John Muir Parkway)** - The City of Hercules Assessment District No. 2005-1 (John Muir Parkway) ("AD No. 2005-1") was formed by the City of Hercules on November 23, 2004 for the purpose of providing a portion of the costs of certain public facilities and improvements. Lewis Entities, the Master Developer participating here in SCIP Assessment District No. 16-02, reported a proposed 17.27-acre commercial development to the City of Hercules when AD No. 2005-1 originally formed, resulting in a total assessment lien of $2,188,094. The redemption of the existing assessment benefits solely the property owners within CSCDA SCIP Assessment District No. 16-02. At this time, the estimated total pay-off amount, including redemption premium, for the existing obligation is $1,585,000.
PROCEEDINGS AND RECOMMENDATION:

CSCDA’s Executive Director recommends the following:

1. Open Assessment District Public Hearing.
2. Close Assessment District Public Hearing.
3. Open assessment ballot and announce results.

After the public hearing and results are completed the Commission is requested to approve the following resolutions with respect to SCIP:

1. Resolution approving final engineer's report, levying assessments, ordering the financing of specified development impact fees and capital improvements, and confirming unpaid assessment amounts.
2. Resolution providing for the issuance of a separate series of SCIP limited obligation for improvement bonds and approving the form and substance of a trust agreement.
## ATTACHMENT A

### Cost Estimate

**City of Hercules, County of Contra Costa - Muir Pointe**

<table>
<thead>
<tr>
<th>Description</th>
<th>Development Impact Fees</th>
<th>Special Benefit Apportioned to Project</th>
<th>Total Amount ($)</th>
<th>Amounts Pre-Paid by &amp; Reimbursable to Developer</th>
<th>Amount Funded to Agency</th>
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<tbody>
<tr>
<td><strong>Impact Fees &amp; System Capacity Charges</strong></td>
<td></td>
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<tr>
<td>EBMUD Water System Capacity Charges - Single Family Service Connection</td>
<td>$2,897,720</td>
<td>100%</td>
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<tr>
<td>Developer's Contribution</td>
<td>($1,600,800)</td>
<td>100%</td>
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<tr>
<td>Subtotal</td>
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<td><strong>Estimated Payoff of the Existing AD No 2005-1 Assessment</strong></td>
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<tr>
<td>Hercules AD 2005-1 (John Max Parkway)</td>
<td>$1,585,000</td>
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<tr>
<td><strong>Professional Services</strong></td>
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<td>Assessment Engineer</td>
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<td>SOG Program Administrator</td>
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<td>Administrative Expenses (City of Hercules, Et al.)</td>
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<tr>
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<td><strong>Financing Costs</strong></td>
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<td>Bond Issuance Fund 1</td>
<td>8.00%</td>
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<td>$292,600</td>
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<td>Capitalized Interest 1</td>
<td>6.00%</td>
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<td>$219,000</td>
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<td>Legal</td>
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<td>Issuer</td>
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<td>$54,750</td>
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<td>Underwriter</td>
<td>2.50%</td>
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<td>$91,250</td>
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<td>Contingency</td>
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<td>19.52%</td>
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<td>$712,480</td>
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<td><strong>Total Assessment</strong></td>
<td></td>
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<td>$3,690,000</td>
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</tr>
</tbody>
</table>
Agenda Report

DATE: January 5, 2016

TO: CSCDA COMMISSIONERS

FROM: Cathy Bando, Executive Director

PURPOSE: Consideration of CSCDA Debt Policy in accordance with SB 1029

BACKGROUND AND SUMMARY:

CSCDA is required to file reports with the California Debt and Investment Advisory Commission (“CDIAC”) pursuant to Section 8855 of the California Government Code. Senate Bill No. 1029 (“SB 1029”), effective January 1, 2017, amended Section 8855 to augment the information that must be provided by CSCDA to CDIAC. SB 1029 amends the requirements of the Report of Proposed Debt Issuance to require that the report include a certification by CSCDA that it has adopted local debt policies concerning the issuance of bonds and that the contemplated bond issuances is consistent with those local debt policies.

The local debt policies are required to include the purpose of the debt, types of debt, policy goals and internal controls. CSCDA’s General Counsel has drafted the attached policy with review and approval by Orrick, Herrington & Sutcliffe as Issuer Counsel.

RECOMMENDED ACTION:

CSCDA’s Executive Director recommends approval of the attached resolution adopting a local debt policy in accordance with SB 1029.
ATTACHMENT A

RESOLUTION NO. ______

A RESOLUTION OF THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY ADOPTING A LOCAL DEBT POLICY

RECITALS:

WHEREAS, the California Statewide Communities Development Authority (the “Authority”) has issued bonds or other financing obligations (collectively, “Local Debt”) subject to the filing of reports with the California Debt and Investment Advisory Commission (“CDIAC”) pursuant to Section 8855 of the California Government Code (“Section 8855”); and

WHEREAS, Senate Bill No. 1029 (“SB 1029”), effective January 1, 2017, amended Section 8855 to augment the information that must be provided by issuers of Local Debt to CDIAC; and

WHEREAS, prior to SB 1029, Section 8855 has required issuers of Local Debt to file a Report of Proposed Debt Issuance at least 30 days prior to the sale of any Local Debt issue; and

WHEREAS, SB 1029 amends the requirements of the Report of Proposed Debt Issuance to require that this report include a certification by the issuer that it has adopted local debt policies concerning the use of Local Debt and that the contemplated Local Debt issuance is consistent with those local debt policies; and

WHEREAS, the Authority may also, in the future, issue Local Debt for which a Report of Proposed Debt Issuance will need to be filed with CDIAC; and

WHEREAS, to facilitate issuance of Local Debt in the future and the ability of the Authority to make the requisite local debt policies certification required in connection therewith by subdivision (i) of Section 8855, as amended by SB 1029, the Authority desires to adopt the Local Debt Policy (the “Policy”), as set forth in Exhibit A hereto;

NOW, THEREFORE, THE COMMISSION OF THE AUTHORITY DOES HEREBY RESOLVE, DETERMINE AND ORDER AS FOLLOWS:

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

Section 2. The Policy, as set forth in Exhibit A, is hereby approved and adopted and shall be made applicable to all Local Debt issued by or on behalf of the Authority.

Section 3. The Chair, the Vice Chair, the Secretary, the Treasurer, any other members of the Commission of the Authority and the Executive Director are each hereby authorized and directed, jointly and severally, to do any and all things to effectuate the purposes of this Resolution and to implement the Policy, and any such actions previously taken by such officers are hereby ratified and confirmed.

Section 4. This Resolution shall take effect immediately upon adoption.
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 this ___th day of _____________, 2017.

By:____________________________________

Authorized Signatory
EXHIBIT A

CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY
LOCAL DEBT POLICY

A. DEFINITIONS

“Act” shall mean the Joint Exercise of Powers Act, being Chapter 5 of Division 7 of Title 1 of the California Government Code, commencing with Section 6500.

“Agreement” shall mean that certain Amended and Restated Joint Exercise of Powers Agreement relating to the California Statewide Communities Development Authority, dated as of June 1, 1988.

“Authority” shall mean the California Statewide Communities Development Authority.

“Debt” shall be interpreted broadly to mean bonds, notes, certificates of participation, financing leases, or other financing obligations, but the use of such term in this Policy shall be solely for convenience and shall not be interpreted to characterize any such obligation as an indebtedness or debt within the meaning of any statutory or constitutional debt limitation where the substance and terms of the obligation comport with exceptions thereto.

“Policy” shall mean this Local Debt Policy.

B. PURPOSES OF DEBT

The Authority will consider Debt financing for the construction, acquisition, rehabilitation, replacement, or expansion of physical assets, including real and personal property, equipment, furnishings, and improvements, and any other uses authorized by the Agreement, for the following purposes:

1. To assist a member of the Authority in financing public facilities, services or programs, including but not limited to short-term borrowing needs, budget shortfalls, and access to capital for public improvements and infrastructure.

2. To assist certain private entities in financing a project or program that produces public benefits.

3. To refinance outstanding debt in order to produce debt service savings or to restructure debt for other benefits such as refinancing a bullet payment or a spike in debt service.

4. To finance a project or program intended to provide public benefits to any local community, including its residents, business, or institutions, including but not limited to promoting economic development.
C. TYPES OF DEBT

1. The following types of debt are allowable under this Debt Policy:
   a) conduit revenue bonds or notes
   b) general obligation bonds
   c) bond or grant anticipation notes
   d) leases, lease revenue bonds, installment sale or purchase agreements, certificates of participation and lease-purchase transactions
   e) revenue bonds
   f) tax and revenue anticipation notes
   g) land-secured financings, such as special tax revenue bonds issued under the Mello-Roos Community Facilities Act of 1982, as amended, and limited obligation bonds issued under applicable assessment acts, including PACE financings
   h) any other type of debt permitted under the Agreement and authorized by law.

2. For purposes of this section, the term “bonds” may include notes, warrants, leases, installment purchase agreements, certificates of participation, financing agreements or any other evidence of an obligation to pay or repay money.

3. The Authority may from time to time find that other types of debt would be beneficial to further its purposes and may approve such debt without an amendment of this Debt Policy.

D. RELATIONSHIP OF DEBT TO CAPITAL IMPROVEMENT PROGRAM

The Authority does not have a capital improvement program because its primary purpose is to provide financing to promote economic development for California communities.

E. POLICY GOALS RELATED TO PLANNING GOALS AND OBJECTIVES

The Authority’s goals and objectives are to provide financing programs under the Act or other applicable provisions of law to promote economic development for California communities. This Debt Policy provides flexibility for the Authority to provide financing programs for economic development opportunities in California’s diverse communities.
F. INTERNAL CONTROL PROCEDURES CONCERNING USE OF PROCEEDS OF DEBT

One of the Authority’s priorities in the management of debt is to assure that the proceeds of the debt will be directed to the intended use for which the debt has been issued. In furtherance of this priority, the following procedures shall apply:

1. A copy, which may be an electronic copy, of all debt-related records shall be retained at 1100 K Street, Suite 100, Sacramento California 95814. At minimum, these records shall include all official statements, bond legal documents/transcripts, resolutions, trustee statements, leases, and title reports for each financing (to the extent available). Such records shall be retained while any debt of an issue is outstanding and during the three-year period following the final maturity or redemption of the bond issue or, if later, while any bonds that refund bonds of that original issue are outstanding and for the three-year period following the final maturity or redemption date of the latest refunding bond issue.

2. The Executive Director shall retain, for the applicable period specified in the above paragraph 1 of this Policy, a copy of each annual report filed with the California Debt and Investment Advisory Commission (CDIAC) pursuant to Section 8855(k) of the California Government Code concerning (1) debt authorized during the applicable reporting period (whether issued or not), (2) debt outstanding during the reporting period, and (3) the use during the reporting period of proceeds of issued debt.

3. In connection with the preparation of each annual report to be filed with CDIAC pursuant to Section 8855(k) of the California Government Code, the Executive Director or the designee of the Executive Director shall keep a record of the original intended use for which the debt has been issued, and indicate whether the proceeds spent during the applicable one-year reporting period for such annual report comport with the intended use (at the time of original issuance or as modified pursuant to the following sentence). If a change in intended use has been authorized subsequent to the original issuance of the debt, the Executive Director or the designee of the Executive Director shall indicate in the record when the change in use was authorized and whether the Authority authorized the change in intended use.

4. If the debt has been issued to finance a capital project and the project timeline or scope of project has changed in a way that all or a portion of the debt proceeds cannot be expended on the original project, the member of the Authority for whom the debt was issued shall consult with legal counsel (which may be bond counsel, if applicable, or the general counsel to the member) to determine an appropriate alternative for the expenditure of the remaining debt proceeds (including prepayment of the debt).
G. INTERPRETATION/WAIVER

This Debt Policy is intended to be interpreted in a manner consistent with the Authority’s existing policies and program guidelines and shall be subject to any contrary provisions thereof. The Authority Commission may, by resolution, waive any provision of this Debt Policy, with respect to a particular debt issue.
Certificate of Appreciation

The California Statewide Communities Development Authority would like to recognize and extend its sincere appreciation to

John Knox

for his outstanding efforts in providing innovation, guidance and stewardship in serving local governments throughout California. His contributions to CSCDA include the creation of the Statewide Communities Infrastructure Program, counsel to the Vehicle License Fee Securitization and the Proposition 1A Securitization which have exemplified his commitment to helping communities grow and prosper through economic development and helping communities in times of economic need.

It is with great appreciation and admiration that we wish John the best in his upcoming retirement. His presence will be missed.

Dan Harrison, Chair

Larry Combs, Vice Chair

January 5, 2016
Annual Meeting Update
January 5, 2017
2016 Highlights

- $2,564,979,686 Total Bonds Issued (excluding PACE)

- $2,084,005,000 for 17 Nonprofit Projects
  - 6 Hospital Facilities
  - 3 Continuing Care Retirement Communities (CCRCs)
  - 3 Charter Schools
  - 5 Higher Education Facilities

- $425,059,686 for 20 Multi-Family Affordable Housing Projects
  - 3,134 Units Constructed or Rehabilitated and Preserved
  - An Additional $282,000,000 in Housing Bonds Delayed and Expected to Close in January, 2017
2016 Sample Projects

Loma Linda University Medical Center – City of Loma Linda

El Cazador Apartments – City of Fresno

Lighthouse Community Charter School – City of Oakland
2016 vs 2015

- **501(c)(3) Bonds**
  - 2015 – $739,353,000 – 12 Projects
  - 2016 – $2,084,005,000 – 17 Projects

- **Affordable Housing Bonds**
  - 2015 – $683,792,637 – 28 Projects (4,700 Units)
  - 2016 – $425,059,686 – 20 Projects (3,134 Units)
    - Total will be $707 Million after the issuance of $282 Million in Bonds that were delayed to January, 2017 (3,907 Total Units)
2016 Highlights

- $6,355,000 for 1 Total Road Improvement Program (TRIP) Financing
- $22,830,000 for 2 Community Facility Districts (CFDs)
- $21,130,000 for 2 Statewide Community Infrastructure Program (SCIP) Financings
- $5,600,000 for 1 Exempt Airport Facility
2016 Highlights

- **PACE**
  - Issuance Up 240% vs. 2015
  - Vetted and Approved 2 Additional Administrators to the Open PACE program (5 Total)

- **New Markets Tax Credits**
  - Received $70 Million NMTC Allocation from the U.S. Treasury in November, 2016
  - Largest Award among California CDEs
2016 Highlights

• Created Robust Comprehensive Marketing and Outreach Plan
  – Created Email Marketing Campaigns
  – Revamped News Section within CSCDA Website
  – Released Project Closing Announcements through LinkedIn and Twitter
  – League/CSAC Project Closing Outreach to Local Elected Officials and City/County Administrators
CSCDA Issues $947,620,000 in Tax-Exempt Bonds for Loma Linda University Medical Center

May 11, 2016

The California Statewide Communities Development Authority (CSCDA) is pleased to announce the issuance of $947,620,000 in tax-exempt bonds for Loma Linda University Medical Center.

About Loma Linda University Medical Center

Loma Linda University Medical Center (LLUMC), a 501(c)3 nonprofit organization, provides nearly 900 beds for patient care throughout its campuses in Loma Linda, Redlands and Mermeta, California. LLUMC operates some of the largest clinical programs in the United States in areas such as neonatal care and outpatient surgery and is recognized as the international leader in infant heart transplantation and proton treatments for cancer. Each year, LLUMC admits more than 33,000 inpatients and serves roughly half a million outpatients. LLUMC is the only level one regional trauma center and Children’s Hospital for Inyo, Mono, Riverside, and San Bernardino counties.

About the Financing

CSCDA partnered with Bank of America Merrill Lynch to underwrite the nearly $1 billion in tax-exempt bonds for...
July 29, 2016

The California Statewide Communities Development Authority (CSCDA) is pleased to announce the issuance of $21,025,000 in tax-exempt multifamily affordable housing bonds for Vista Sonoma Senior Living Apartments in Santa Rosa, California.

**About Vista Sonoma Senior Living Apartments:**

Vista Sonoma Senior Living Apartments (Vista Sonoma) is an acquisition and rehabilitation of 189 senior affordable housing apartments by Vantage at Sonoma, LP. The project sponsor is Vantage Housing. Vista Sonoma will continue to be 100% affordable and provide one and two-bedroom apartments to low-income senior residents in Santa Rosa, California.

**About the Financing:**

CSCDA and Vantage Housing partnered with Citibank to provide tax-exempt multifamily affordable housing bonds for Vista Sonoma. The rehabilitation will include new floors, carpet, kitchen and exterior paint, carbon monoxide detectors as well as repair or replacement of needed windows, doors and doorsframes, exterior siding, kitchen cabinetry, window coverings, roof coverings, doors and hardware, windows and sliding glass, front doors, garage doors, and HVAC system components. Additionally, appliances will be upgraded and replaced with more energy efficient models and common areas, including kitchens, social rooms, leasing/management offices, and elevators will be refurbished and upgraded. The financing of Vista Sonoma will maintain the affordability of units for low-income senior tenants for 55 years.

**About CSCDA:**

CSCDA is a joint powers authority created in 1988 and is sponsored by the California State Association of Counties and the League of California Cities. More than 500 cities, counties and special districts are program participants in CSCDA, which serves as these entities’ agent and provides access to efficiently finance locally-approved projects. CSCDA has issued more than $37 billion in tax exempt bonds for projects that provide a public benefit by creating jobs, affordable housing, healthcare, infrastructure, schools and other fundamental services.

For more information about CSCDA please visit: [www.cscda.org](http://www.cscda.org)

For more information about Vantage Housing please visit: [www.vantagehousing.com](http://www.vantagehousing.com)
The California Statewide Communities Development Authority (CSCDA) was created in 1988, under California’s Joint Exercise of Powers Act, to provide California’s local governments with an effective tool for the timely financing of community-based public benefit projects. CSCDA was created by and for local governments in California, and is sponsored by the California State Association of Counties and the League of California Cities.

Currently, more than 500 cities, counties, and special districts have become Program Participants to CSCDA – which serves as their conduit issuer and provides access to an efficient mechanism to finance locally-approved projects. CSCDA has issued more than $50 billion in tax exempt bonds and helps local governments build community infrastructure, provide affordable housing, create jobs, make access available to quality healthcare and education, and more.
Elected Official Outreach

July 12, 2016

The Honorable Cathleen Galgiani
State Senate
State Capitol, Room 2969
Sacramento, CA 95814

The Honorable Susan Talamantes Eggman
State Assembly
State Capitol, Room 3173
Sacramento, CA 95814

Subject: Bonds Issued for Meridian Pointe Apartments, Stockton

Dear Senator Galgiani and Assemblymember Talamantes Eggman:

We are pleased to share that the California Statewide Communities Development Authority (CSCDA) has issued $17,100,000 in tax-exempt multifamily affordable housing bonds for the Meridian Pointe Apartments in Stockton, California.

Meridian Pointe Apartments (Meridian Pointe) is an acquisition and rehabilitation of 196 multifamily affordable housing apartments by Sheldon Meridian Pointe, LP. The project sponsor is Central California Housing Corporation (CCHC), an affiliate of Affordable Housing Development Corporation (AHDC). Meridian Pointe will continue to be 100% affordable and provide two and three bedroom apartments to very low and low income residents in Stockton, California.

CSCDA and CCHC partnered with Wells Fargo Bank to provide tax-exempt multifamily affordable housing bonds for Meridian Pointe. The rehabilitation will include site improvements including ADA accessible routes and the creation of accessible units, and updating the landscape and irrigation systems to be energy efficient. The community building will also be renovated. Building renovation includes replacing the HVAC systems, new energy efficient windows, roofs, stairwells and sidewalks. Unit renovations include new countertops, cabinets, appliances, kitchens and bathrooms, plumbing fixtures, entry doors and hardware, and interior lighting to make the residential units more efficient and livable for the residents. The financing of Meridian Pointe will maintain the affordability of units for low income tenants for 55 years.

CSCDA is a joint powers authority created in 1988 and is sponsored by the California State Association of Counties and the League of California Cities. More than 500 cities, counties, and special districts are program participants in CSCDA, which serves as their conduit issuer and provides access to efficiently finance locally-approved projects. CSCDA has issued more than $30 billion in tax-exempt bonds for projects that provide a public benefit by creating jobs, affordable housing, healthcare, infrastructure, schools and other fundamental services.

Sincerely,

Christopher McKнеnie, Executive Director
League of California Cities

Matthew L. Calo, Executive Director
California State Association of Counties
CaliforniaFIRST Program Update

January 2017
CaliforniaFIRST: 2016 Year in Review

Growth
• Realized significant growth for residential PACE program and maintained volume for the commercial PACE program.
• At the end of 2016, operating in over 38 Counties with 62.5% coverage of owner occupied homes.
• PACE securitizations are growing asset class. RF completed 3 securitizations in 2016 of PACE Assets.

Operations
• Completed first full year of payment collection on tax bill with minimal delinquencies (less than 1%)
• Continuing to navigate complexity of prepayments after annual payment is placed on tax bill as each County approaches roll amendments differently.

Policy
• In July, FHA released guidance favorable to PACE in its current form so long as certain criteria are met
• Additional legislation and guidelines were introduced at state and federal level setting standards for consumer disclosure
AB 2693 Set Statewide Standard for Consumer Disclosure

• AB 2693 (Dababneh) originally would have changed the PACE lien to a “Judgment Lien”
  – Bill sponsored by California Bankers Assn and California Assn of Realtors

• RF led other PACE Providers in developing PACE Coalition to work on the Bill
  – CSAC, League of Cities, Sierra Club, NRDC, League of Conservation Voters, CalSEIA,, Efficiency First joined in opposition to proposed shift to “judgment lien”

• Compromise reached to focus AB 2693 on Consumer Disclosures
  – Requires all PACE providers to clear disclosure of financing terms and 3 day right to cancel, similar to the Federal “Know Before You Owe” mortgage disclosure form

• Bill supported in its final form by Bankers, Realtors and the PACE Coalition
## CaliforniaFIRST Residential: Key Statistics

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
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</thead>
<tbody>
<tr>
<td><strong>County Participation</strong></td>
<td>39%</td>
<td>57%</td>
<td>62.5%</td>
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<tr>
<td>(less LAC)</td>
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<tr>
<td><strong>Total Applications</strong></td>
<td>1,000</td>
<td>13,000</td>
<td>21,000</td>
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<tr>
<td></td>
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<td>$338M</td>
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<td><strong>Total Fundings</strong></td>
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<tr>
<td><strong>Participating</strong></td>
<td>342</td>
<td>1,281</td>
<td>3,108</td>
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<td>Contractors</td>
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<tr>
<td><strong>GHG Reduction</strong></td>
<td>4,000</td>
<td>98,000</td>
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<td>(metric tons - lifetime)</td>
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<td><strong>Energy Saved</strong></td>
<td>3,323,000</td>
<td>55,198,000</td>
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<td><strong>Water Conserved</strong></td>
<td>258,000</td>
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<td>(gallons - lifetime)</td>
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</table>
County and Project Type Funding Distribution

- Solar Photovoltaic: 52.05%
- HVAC: 16.64%
- Roofing: 9.27%
- Windows/Doors: 8.67%
- Insulation and Air Sealing: 6.19%
- Water: 5.07%
- Other: 2.10%

Bar chart shows funding distribution across various counties and project types.
CaliforniaFIRST: What’s Up Next

• Continued focus on volume growth in both residential and commercial sectors
• Lead statewide and national consumer protection policies including introduction of legislation to establish statewide regulatory body
• Conduct additional residential securitizations
• Continuous product, platform and staffing enhancements including further refinements to prepayment and tax collection process
Questions and Discussion
A CounterPointe Energy Solutions Program

Leveraging 2016 for 2017 and Beyond
2016 Highlights

- Began Seismic Retrofit Financing - February

- Strategic Referral Relationship with Service Finance Company (SVC) - September

- Strategic Partnership with Hannon Armstrong Sustainable Infrastructure Capital, Inc. - December
Residential Initiatives

➢ 5.99% interest rate for all maturities (not a teaser rate)

➢ New $250 mm facility to finance residential PACE bonds

➢ Emphasis on consumer protections:
  o New simple disclosure form provided upfront
  o Contractors will not have access to maximum financing
  o Admin fees based on project amount not assessment amount
Emphasis on consumer protections, cont.

- Improved contractor monitoring
- Two quality control calls to property owners
  - At approval of application
  - Upon submission of completion certificate
- Explicit option to either pay or finance closing costs and prepaid interest
Hannon Armstrong Sustainable Infrastructure Capital, Inc.

- HASI is a real estate investment trust (NYSE; HASI)
- Provides debt and equity financing to the energy efficiency and renewable energy markets as well as other sustainability projects
- Market capitalization of approximately $1 Billion
- HASI has substantial experience in the PACE market. $78 million in the pipeline in 7 states including CA
Low Cost Residential Solar Financing Program
Municipal Adoption

- 150 Munis to date
- 4.6m of 10.4m SFUs
- Attain 75% in 2017

Seeking increased engagement and participation:
- CSAC
- LOCC

Opportunity to continue to develop and improve Open PACE partnership effectiveness:
- Greater resources headed in to 2017
Sales Targets- 2017

$75 million

Combination of Channel Partners and Dealer Direct Originations

Current Run Rate

# of total assessments signed- cumulative

$ amount of total assessments signed- cumulative

Linear ($ amount of total assessments signed- cumulative)
PACE Funding Initiatives

2016
- Municipal acquisition
- Shift in model
- Multiple capital providers
- Robust technology platform
- Consistent bond issuance
- Aligned Government Relations and Sales to assure highest standards & protocols

2017
- Municipal acquisition
  - Constraining factor
- New expanded corporate offices
- Pricing adjustment
- Added personnel
  - Customer service
  - Operations, Compliance
  - Sales
- Assure standards
  - AB2693, municipal agreements, CSCDA
- New Channel Partners
Overview
Spruce PACE
Development Update

• Approximately 80% to 85% complete with program development
• Go-to-market study completed and beta-test partners identified (Southern CA Solar focus)
• Software development will be complete in mid-January 2017
• Training content in development for internal and external training
• Consumer-facing documents being finalized after review by outside consumer regulatory counsel
• Account management and partner support training to begin January 16th
• Homeowner support training to begin after beta launch
• Application processing to begin in mid-February 2017
SpruceFlow for Sales
Customer-Facing User Interface, Application and Proposal Tool

- Value proposition generated based on third-party property data. Primary variables to determine assessment capacity are:
  - Mortgage debt
  - AVM
  - No involuntary liens
  - \((\text{Mortgage Debt} / \text{AVM}) < 90\%

- Graphics and content will display
  - Lifetime savings
  - Average solar Kwh/hr rate
  - Average utility Kwh/hr rate
  - Assessment amount and tenor
  - Post-tax APR
  - First payment date
SpruceFlow for Finance
Document and Deal Management Platform

<table>
<thead>
<tr>
<th>Jeremy Sparks - 1253318</th>
</tr>
</thead>
<tbody>
<tr>
<td>Installation Address &amp; Contact Info:</td>
</tr>
<tr>
<td>2870 Purgatory Dr</td>
</tr>
<tr>
<td>Colorado Springs, CO 80918</td>
</tr>
<tr>
<td>Phone: 7194257294</td>
</tr>
<tr>
<td>E-mail: <a href="mailto:jeremy@jksparks.com">jeremy@jksparks.com</a></td>
</tr>
<tr>
<td>Current Energy Usage:</td>
</tr>
<tr>
<td>Colorado Springs Utilities</td>
</tr>
<tr>
<td>$0.07980/kWh - Default - Average Fixed Base Rate</td>
</tr>
<tr>
<td>Avg Usage: 1114 kWh</td>
</tr>
</tbody>
</table>

Spruce Solar Loan - $14,670

Welcome! Spruce’s online financing process for customers takes place across four sequential stages. Please review the instructions for each stage and associated deliverables carefully. If you have questions at any time, you may log a discussion note on any document.

18 days left. If you do not submit the Consumer Accep. step before the deadline, you will not be able to make any further edits or submissions and the financing process will be canceled.

- Sale
- Design
- Build
- Activate

eSignature Overview
- Consumer Financing Agreement
- Solar System Acknowledgment

Discussion
Please allow at least two business days for a response.
Consumer Document Update
Consumer Documents and Disclosure

- Buckley Sandler has completed their review of our homeowner packet
- Financing Estimate and Disclosures drafted to reflect changes associated with AB2693
- Detailed analysis of Annual Percentage Rate (APR) disclosure
  - No safe harbor; accuracy is important
  - Irregular timing of tax installments does not fit within APRWIN (APR calculation software) parameter
Operational Update
Underwriting and Sales Support

• Initial underwriting criteria finalized
• Product eligibility defined for initial Solar Launch
• Call center hours and resources defined for launch
• Partner support training to begin in January
Education and Training
Partner Training at Spruce
What’s Covered at Training

• **Sales Team breakout**
  - Lending Regulatory Compliance and SEIA Business Code
  - How to Pitch and Position our Solar Products
  - Creating a Customer Proposal
  - Checking Customer’s Credit and Title
  - Generating Documents and Collecting the Customer’s Signature

• **Leadership Team breakout**
  - Marketing Spruce Products (Marketing Guidelines)
  - Administration/Setup

• **Operations Team breakout**
  - Lending Regulatory Compliance and SEIA Business Code
  - Managing the Project via Milestones
  - Submitting Required Documentation for Underwriting
  - Handling Exceptions
ANNUAL MEETING AGENDA

January 5, 2017
2:15 p.m. or upon adjournment of the regularly scheduled CSCDA Commission Meeting

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

A. OPENING AND PROCEDURAL ITEMS

1. Roll Call.
   - Dan Harrison, President
   - Larry Combs, Vice President
   - Kevin O’Rourke, Treasurer
   - Ron Holly, Secretary
   - Jordan Kaufman, Alt. Member
   - Tim Snellings, Member
   - Dan Mierzwa, Member
   - Irwin Bornstein, Member
   - Brian Moura, Alt. Member

2. Election of Officers.
4. Public Comment.

B. ITEMS FOR CONSIDERATION

5. Consideration of CSCDC audited financial statements for fiscal year 2015/16.

C. STAFF ANNOUNCEMENTS, REPORTS ON ACTIVITIES OR REQUESTS

6. New Markets Tax Credit Program Summary and Update.
7. Executive Director Update.
8. Staff Updates.
Board chair Dan Harrison called the meeting to order at 2:18 pm.

1 Roll Call.

Board members present: Dan Harrison; Larry Combs; and Tim Snellings. Ron Holly; alternate commissioner Brian Moura (representing Irwin Bornstein); and alternate commissioner Jordan Kaufman (representing Dan Mierzwa) participated by conference telephone.

CSCDA Executive Director, Catherine Bando was also present.

Others present included: Norman Coppinger and Perry Stottlemeyer, League of California Cities; Laura Labanieh, CSAC Finance Corporation; James Hamill, Bridge Strategic Partners; and Chris McKenzie, League of California Cities (retired). Jon Penkower, Bridge Strategic Partners, participated by conference telephone.

2 Approval of the minutes of the January 7, 2016 meeting.

Motion to approve by Combs; second by Snellings; approved by majority roll-call vote (Kaufman abstained).

3 Public comment.

None.

4 Approval of (i) resolution authorizing execution of an allocation agreement with the CDFI Fund to receive $70 million in New Markets Tax Credits; (ii) unanimous written consent of members of subsidiary allocatees; and (iii) certificate in support of opinion of allocatee and subsidiary allocatees.

Executive Director Bando explained that CSCDC filed an application on December 14, 2015 with the US Treasury Department's Community Development Financial Institutions Fund (CDFI Fund) seeking an allocation of New Markets Tax Credits (NMTCs). Eleven months later, on November 17, 2016, CSCDC was awarded $70 million in NMTCs investment authority.

The CDFI Fund requires CSCDC to deliver an allocation agreement legal opinion from counsel to CSCDC that addresses typical state law issues. Nixon Peabody, CSCDC’s New Markets counsel, will deliver the allocation agreement opinion.
The properly executed allocation agreement will allow CSCDC to proceed with providing NMTC financing for Qualified Active Low Income Community Businesses, which promote public benefit in various ways.

Bando recommends that the board approve: (i) the resolution authorizing execution of an allocation agreement with the CDFI Fund to receive $70 million in New Markets Tax Credits; (ii) the unanimous written consent of members of subsidiary allocatees; and (iii) the certificate in support of opinion of allocatee and subsidiary allocatees.

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

5 Executive Director update.

None.

6 Staff updates.

Jon Penkower indicated that due to the allocation, the board will have more frequent meetings for the year ahead. More information will be shared at the annual meeting on January 5.

7 Chair Dan Harrison adjourned the meeting at 2:26 pm.

Submitted by: Perry Stottlemeier, League of California Cities staff
CSCDC

Agenda Item No. 5

Agenda Report

DATE: January 5, 2017

TO: CSCDC BOARD OF DIRECTORS

FROM: Cathy Bando, Executive Director

PURPOSE: Consideration of CSCDC audited financial statements for fiscal year 2015/16

BACKGROUND AND SUMMARY:

Attached for the consideration of the Board are the 2015/16 CSCDC audited financial statements. Novogradac & Company prepared the reports working with the League of California Cities and CSCDC staff. Highlights from the audited financial statements include the following:

1. Closing Fees – During fiscal year ending June 30, 2016, CSCDC did not participate in any new NMTC transactions, and therefore received no closing fees.

2. Administrative Fees – CSCDC received $383,328 in administrative fees from eight previously closed NMTC transactions.

3. Expenses – CSCDC incurred a total of $313,403 in expenses, comprised primarily of legal, accounting, asset management and other professional fees.

RECOMMENDED ACTION:

CSCDC’s Executive Director recommends approval of the 2015/16 audited financial statements.
California Statewide Communities Development Corporation

Financial Statements

For the Years Ended June 30, 2016 and 2015

(With Report of Independent Auditors Thereon)
Report of Independent Auditors

To the Board of Directors of
California Statewide Communities Development Corporation:

We have audited the accompanying financial statements of California Statewide Communities Development Corporation, which comprise the statements of financial position as of June 30, 2016 and 2015, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.
Opinion
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of California Statewide Communities Development Corporation as of June 30, 2016 and 2015, and the changes in its net assets and its cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

November & Company LLP

December 20, 2016
# CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT CORPORATION
## STATEMENTS OF FINANCIAL POSITION
### June 30, 2016 and 2015

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
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<tr>
<td>Cash and cash equivalents</td>
<td>$164,293</td>
<td>$125,068</td>
</tr>
<tr>
<td>Due from related parties</td>
<td>27,924</td>
<td>68,208</td>
</tr>
<tr>
<td>Investments in Community Development Entities</td>
<td>7,300</td>
<td>7,300</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>$199,517</td>
<td>$200,576</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>LIABILITIES AND NET ASSETS</strong></th>
<th>2016</th>
<th>2015</th>
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<tbody>
<tr>
<td>Liabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable and accrued expenses</td>
<td>$76,283</td>
<td>$151,860</td>
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<tr>
<td>Deferred income</td>
<td>4,555</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>80,838</td>
<td>151,860</td>
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<tr>
<td>Unrestricted net assets</td>
<td></td>
<td></td>
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<tr>
<td><strong>Total liabilities and net assets</strong></td>
<td>$199,517</td>
<td>$200,576</td>
</tr>
</tbody>
</table>

See accompanying notes to financial statements

3

91
<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>UNRESTRICTED REVENUE AND SUPPORT</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Closing fee income</td>
<td>$</td>
<td>$1,900,000</td>
</tr>
<tr>
<td>Asset management fee income</td>
<td>383,328</td>
<td>309,032</td>
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<tr>
<td>Other income</td>
<td>38</td>
<td>25,027</td>
</tr>
<tr>
<td><strong>Total revenue</strong></td>
<td>383,366</td>
<td>2,234,059</td>
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<tr>
<td><strong>EXPENSES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sponsor fees</td>
<td>180,000</td>
<td>1,666,225</td>
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<tr>
<td>Professional fees</td>
<td>109,450</td>
<td>549,484</td>
</tr>
<tr>
<td>Legal fees</td>
<td>9,065</td>
<td>1,637</td>
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<tr>
<td>California tax and filing fees</td>
<td>13,538</td>
<td>17,914</td>
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<tr>
<td>Miscellaneous expenses</td>
<td>1,350</td>
<td>675</td>
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<tr>
<td><strong>Total expenses</strong></td>
<td>313,403</td>
<td>2,235,935</td>
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<tr>
<td><strong>INCREASE (DECREASE) IN UNRESTRICTED NET ASSETS</strong></td>
<td>69,963</td>
<td>(1,876)</td>
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<tr>
<td><strong>UNRESTRICTED NET ASSETS AT BEGINNING OF YEAR</strong></td>
<td>48,716</td>
<td>50,592</td>
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<tr>
<td><strong>UNRESTRICTED NET ASSETS AT END OF YEAR</strong></td>
<td>$118,679</td>
<td>$48,716</td>
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</table>

See accompanying notes to financial statements
CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT CORPORATION
STATEMENTS OF CASH FLOWS
For the years ended June 30, 2016 and 2015

<table>
<thead>
<tr>
<th>CASH FLOWS FROM OPERATING ACTIVITIES</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increase (decrease) in unrestricted net assets</td>
<td>$ 69,963</td>
<td>$(1,876)</td>
</tr>
<tr>
<td>Adjustments to reconcile increase in unrestricted net assets to net cash provided by operating activities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Decrease (increase) in due from related parties</td>
<td>40,284</td>
<td>(66,408)</td>
</tr>
<tr>
<td>Increase in deferred income</td>
<td>4,555</td>
<td></td>
</tr>
<tr>
<td>(Decrease) increase in accounts payable and accrued expenses</td>
<td>(75,577)</td>
<td>151,860</td>
</tr>
<tr>
<td>Net cash provided by operating activities</td>
<td>39,225</td>
<td>83,576</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>CASH FLOWS FROM INVESTING ACTIVITIES</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investments in Community Development Entities</td>
<td>-</td>
<td>(3,800)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>NET INCREASE IN CASH AND CASH EQUIVALENTS</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>39,225</td>
<td>79,776</td>
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</table>

<table>
<thead>
<tr>
<th>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>125,068</td>
<td>45,292</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>CASH AND CASH EQUIVALENTS AT END OF YEAR</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$164,293</td>
<td>$125,068</td>
</tr>
</tbody>
</table>

See accompanying notes to financial statements
5

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NOTE 1 – ORGANIZATION

California Statewide Communities Development Corporation (the "Organization"), a California nonprofit public benefit corporation, was formed on May 6, 2011 to qualify as a Community Development Entity (CDE) and to engage in such activities which qualify for the New Markets Tax Credit (NMTC) pursuant to Section 45D of the Internal Revenue Code.

The Organization has been certified by the Community Development Financial Institutions Fund of the U.S. Department of Treasury ("CDFI Fund") as a CDE. As a CDE, the Organization’s primary mission is to invest in Subsidiary Allocatees ("Limited Liability Companies") that provide loans, equity investments, or financial services to qualified businesses in Low-Income Communities in the Organization’s service area of California. As of June 30, 2016 and 2015, the Organization has received $73,000,000 of NMTC investment authority from the CDFI Fund.

The NMTC program provides investors with credits against federal income taxes they incur. NMTCs are passed through to an investor for each Qualified Equity Investment (QEI) made in a CDE certified as such by the CDFI Fund. The investor receives credits over a seven-year period for each QEI, equal to 39% of the QEI amount (5% during each of years one through three and 6% during each of years four through seven). The CDEs use the QEI proceeds to make Qualified Low-Income Community Investments (QLICIs) to Qualified Active Low-Income Community Businesses (QALICBs). QLICIs include loans to or equity investments in QALICBs or other CDEs. CDEs must comply with various federal requirements or investors risk recapture of tax credits plus penalties and interest thereon.

The Organization is governed by a Board of Directors. As a not-for-profit corporation exempt from Federal income tax under Section 501(c)(4) of the Internal Revenue Code, and therefore without tax liability, the Organization cannot itself use NMTCs. In order to utilize the allocation received by the Organization from the CDFI Fund, the Board of Directors of the Organization suballocates NMTC investment authority to various Limited Liability Companies, which are CDEs organized and managed by the Organization. The Organization seeks to suballocate NMTC investment authority to CDEs that provide investments in projects that accomplish goals consistent with the mission of the Organization and in accordance with certain terms agreed to in the allocation agreement with the CDFI Fund.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The Organization prepares its financial statements on the accrual basis of accounting consistent with accounting principles generally accepted in the United States of America.

The Organization’s net assets are not subject to donor-imposed restrictions. Accordingly, all net assets are accounted for as unrestricted net assets.

Concentration Risk

The Organization maintains cash in banks which, at times, may exceed federally insured limits. The Organization has not experienced any losses in such accounts. The Organization believes it is not exposed to any significant credit risk on these accounts.
NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income Taxes

The Organization is a not-for-profit organization exempt from income tax under Section 501(c)(4) of the Internal Revenue Code and is exempt from similar state and local taxes.

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires the Organization to report information regarding its exposure to various tax positions taken by the Organization. Management has determined whether any tax positions have met the recognition threshold and has measured the Organization’s exposure to those tax positions. Management believes that the Organization has adequately addressed all relevant tax positions and that there are no unrecorded tax liabilities.

Federal and state taxing authorities generally have the right to examine and audit the previous three years of tax returns filed. Any interest or penalties assessed to the Organization are recorded in expenses. No interest or penalties from federal or state taxing authorities were recorded in the accompanying financial statements.

Revenue Recognition

The Organization earns revenue by providing origination, underwriting, asset management, dissolution, and other services to the CDEs and QALICBs which are governed by the related operating and fee agreements. Sub-allocation, origination, and underwriting fees are recognized when QEs are closed. Non-refundable reservation fees for projects are recorded when received. Asset management fees are recognized as income as the Organization provides the services (generally over a seven-year period).

Investments in Community Development Entities

The Financial Accounting Standards Board issued guidance on the consolidation of variable interest entities (VIEs). The guidance, among other things, requires an enterprise to perform an analysis to determine whether the enterprise’s variable interest or interests give it a controlling financial interest in a VIE and then identify the primary beneficiary of a VIE. The Organization has concluded that the CDEs are VIEs and that the Organization is not the primary beneficiary; as a result, the Organization is not required to consolidate its investments in the CDEs. The Organization’s maximum exposure to loss as a result of its involvement with the CDEs remains limited to its capital contribution commitments to the CDEs. Accordingly, the investments have been recorded under the equity method of accounting. Under the equity method of accounting, the Organization’s initial investment in these entities is recorded at cost. The Organization adjusts the carrying amount of its investments to recognize the Organization’s share of results of operations after the date of initial investment. Distributions received from the entities reduce the Organization’s carrying amount of the investment, while additional contributions increase the carrying amount of the investment. Since the Organization has no obligation to fund liabilities beyond its investment, including loans and advances, the carrying value of the investments may not be reduced below zero. To the extent that equity losses are incurred when the Organization’s carrying value of the investments has reached zero, losses will be suspended and applied against future income.

Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.
NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash and Cash Equivalents

The Organization considers all short-term financial instruments with a maturity of three months or less at the date of acquisition to be cash equivalents.

Subsequent Events

Subsequent events have been evaluated through December 20, 2016 which is the date the financial statements were available to be issued and there are no subsequent events requiring disclosure.

NOTE 3 – INVESTMENTS IN COMMUNITY DEVELOPMENT ENTITIES

The Organization owns an interest in the following CDEs as of June 30, 2016 and 2015, which were formed for the purpose of receiving sub-allocations of NMTC authority from the Organization:

As of June 30, 2016 and 2015

<table>
<thead>
<tr>
<th>Community Development Entities</th>
<th>Percentage Ownership</th>
</tr>
</thead>
<tbody>
<tr>
<td>CSCDC 1 LLC</td>
<td>0.01%</td>
</tr>
<tr>
<td>CSCDC 2 LLC</td>
<td>0.01%</td>
</tr>
<tr>
<td>CSCDC 3 LLC</td>
<td>0.01%</td>
</tr>
<tr>
<td>CSCDC 4 LLC</td>
<td>0.01%</td>
</tr>
<tr>
<td>CSCDC 5 LLC</td>
<td>0.01%</td>
</tr>
<tr>
<td>CSCDC 6 LLC</td>
<td>0.01%</td>
</tr>
<tr>
<td>CSCDC 7 LLC</td>
<td>0.01%</td>
</tr>
<tr>
<td>CSCDC 8 LLC</td>
<td>0.01%</td>
</tr>
</tbody>
</table>

The investments in the CDEs at June 30, 2016 and 2015 totaled $7,300.

NOTE 4 – RELATED PARTY TRANSACTIONS

Closing Fee Income

The Organization earns sub-allocation fees from each of the CDEs for services in connection with the assignment of NMTC allocation and performance of placement services. The Organization also earns origination and underwriting fees from each of the QALICBs in connection with the closing of the projects and project loans. Sub-allocation, origination, and underwriting fees are collectively referred to as “Closing Fee Income.” Closing Fee Income earned and received for the years ended June 30, 2016 and 2015 totaled $0 and $1,900,000, respectively.

Asset Management Fee Income

The Organization earns quarterly asset management fee income from each of the CDEs, prorated for partial quarters, as compensation for the ongoing administration and management of the CDEs. For the years ended June 30, 2016 and 2015, asset management fee income earned from the CDEs totaled $383,328 and $309,032, respectively. At June 30, 2016 and 2015, the amount receivable from the CDEs was $23,844 and $63,208, respectively. During June 30, 2016 and 2015, the CDEs prepaid $4,555 and $0, respectively, of asset management fee income to the Organization and has been included in deferred income on the accompanying financial statements.
NOTE 4 – RELATED PARTY TRANSACTIONS (continued)

Due From Related Parties

During the years ended June 30, 2016 and 2015, the Organization paid California state taxes and filing fees on behalf of each of the CDEs. Pursuant to each of the CDE's operating agreements, the Organization is to be reimbursed for these costs. As of June 30, 2016 and 2015, reimbursements due from the CDEs totaled $4,080 and $5,000, respectively.

NOTE 5 – SPONSOR FEES

Pursuant to the Agreement for Services with HB Consulting, LLC for the year ended June 30, 2015, the Organization is to pay HB Consulting, LLC (HB) a sponsor fee for NMTC and management services rendered. The sponsor fee is payable from net proceeds of closing fees (see Note 4) received from each CDE and QALICB, less third party expenses as a result of closing each NMTC transaction. The Organization also pays California State Association of Counties (CSAC) and League of California Cities (LCC) for similar services provided. The sponsor fee is allocated among CSAC, LCC, and HB (12.5%, 12.5%, and 75%, respectively) for the year ended June 30, 2015. As of June 30, 2015, the Organization incurred $1,524,599 of sponsor fees. At June 30, 2015, the total amount payable to CSAC, LCC, and HB was $99,383.

Commencing July 1, 2015, the Organization entered into a Services Agreement with Bridge Strategic Partners LLC (BSP). Pursuant to the Services Agreement with BSP, the Organization is to pay BSP a sponsor fee for NMTC and management services rendered. The sponsor fee is payable from net proceeds of closing fees received from each CDE and QALICB, less third party expenses as a result of closing each NMTC transaction. The Organization also pays CSAC and LCC for similar services provided. The sponsor fee is allocated among CSAC, LCC, and BSP (collectively, the “Sponsors”) 20%, 20% and 60%, respectively, for upfront fees and 30%, 30% and 40%, respectively, for residual administration fees. For the year ended June 30, 2016, the Organization incurred $0 of sponsor fees. At June 30, 2016, the amount payable to the Sponsors was $24,846.

Pursuant to the New Markets Tax Credit Services Agreement, New Markets Support Company, LLC (“NMSC”) is to provide management services including ongoing accounting, compliance, and administrative services for each of the CDEs discussed in Note 3. In consideration of the services to be provided by NMSC, the Organization was to pay HB, who in turn paid NMSC $5,625 per quarter for each CDE, prorated for partial calendar quarters. The agreement between HB and NMSC ended effective June 30, 2015. As of July 1, 2015, BSP replaced HB. The fee terms and services to be provided were unchanged. For the years ended June 30, 2016 and 2015, the Organization has incurred $180,000 and $141,626, respectively, of additional sponsor fees. At June 30, 2016 and 2015, the amount payable to NMSC was $45,000 and $43,751, respectively.
NOTE 6 – NMTC AWARDS ADMINISTERED

As of June 30, 2016 and 2015, all of the $73 million from Rounds 10 and 11 of NMTC allocation authority awarded to CSCDC was invested in eight CDEs and eight respective projects. The following tables show the total allocation received, total QEIls closed, and total allocation remaining by round for the years ended June 30, 2016 and 2015, respectively:

<table>
<thead>
<tr>
<th>Projects</th>
<th>Allocation received before 6/30/2015</th>
<th>QEIls closed before 6/30/2015</th>
<th>QEIls closed during 7/1/2015 through 6/30/2016</th>
<th>Total QEIls closed through June 30, 2016</th>
<th>Allocation remaining as of June 30, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Round 10</td>
<td>4 $35,000,000</td>
<td>$35,000,000</td>
<td>-$</td>
<td>$35,000,000</td>
<td>-$</td>
</tr>
<tr>
<td>Round 11</td>
<td>4 $38,000,000</td>
<td>$38,000,000</td>
<td>-$</td>
<td>$38,000,000</td>
<td>-$</td>
</tr>
<tr>
<td>Total</td>
<td>8 $73,000,000</td>
<td>$73,000,000</td>
<td>-$</td>
<td>$73,000,000</td>
<td>-$</td>
</tr>
</tbody>
</table>

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</tr>
</thead>
<tbody>
<tr>
<td>Round 10</td>
<td>4 $35,000,000</td>
<td>$35,000,000</td>
<td>-$</td>
<td>$35,000,000</td>
<td>-$</td>
</tr>
<tr>
<td>Round 11</td>
<td>4 $38,000,000</td>
<td>-</td>
<td>$38,000,000</td>
<td>$38,000,000</td>
<td>-$</td>
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<tr>
<td>Total</td>
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<td>$35,000,000</td>
<td>$38,000,000</td>
<td>$73,000,000</td>
<td>-$</td>
</tr>
</tbody>
</table>

On November 17, 2016, CSCDC was awarded a Round 13 allocation of $70,000,000. CSCDC intends to begin allocating NMTCs from Round 13 during calendar year 2017.
NEW MARKETS TAX CREDITS
PROGRAM SUMMARY AND UPDATE

January 5, 2017
CSCDC Annual Meeting
League of California Cities
Sacramento, California
• The California Statewide Communities Development Corporation (CSCDC) is an affiliate of CSCDA and was organized on May 6, 2011 as a 501(c)(3) nonprofit public benefit corporation.

• CSCDC is a “Community Development Entity” (CDE), created to participate in the U.S. Treasury’s New Markets Tax Credit (NMTC) program.

• CSCDC competed for and received a $35 million NMTC allocation award in 2013 and a $38 million NMTC allocation award in 2014.
  ▪ All $73 million of allocation was successfully deployed into eight projects.
  ▪ Focused on projects that have significant community impacts in low income communities.

• CSCDC most recently competed for and received a $70 million NMTC allocation award in November, 2016 (the largest award issued to California-based CDEs).
The New Markets Tax Credit (NMTC) program was enacted in 2000 as part of Community Renewal Tax Relief Act.

Program goals: Place-based anti-poverty and community revitalization (i.e. through creation of services and jobs benefitting low income persons).

Federal oversight: CDFI Fund (US Treasury Dept.) allocates NMTC authority to Community Development Entities (CDEs).

In the 13 rounds to date, the CDFI Fund has made 1,032 allocation awards totaling $50.5 billion in tax credit authority.

NMTC program has traditionally been reauthorized by Congress on an annual basis, however the program received a 5-year extension in 2015 (Three years remain authorized at $3.5 billion per year).
NMTC Allocation Process

- CDFI Fund (program within U.S. Treasury Dept.) allocates NMTC authority to certified Community Development Entities (CDEs).
- CDEs are generally financial institutions, community-based lenders, municipalities, economic development agencies, or developers.
  - CSCDC is a certified CDE
- Each CDE has discretion to identify projects that will benefit from the NMTC subsidy.
- There are many more projects than there are allocations from CDEs.
  - Perhaps 10x oversubscribed by some estimates
  - Highly competitive process to secure NMTCs
NMTC allocation authority is allocated to the private sector (CDEs) through a competitive process; CDEs then have authority to sub-allocate to businesses.

CDEs are typically non-profit lenders, financial institutions, or economic development agencies.

Highly competitive process for a business to secure NMTC allocation from a CDE; demand for subsidy is often 10x what is available.

NMTC financing is typically provided in the form of debt which may be forgiven at the end of the 7 year tax credit compliance period.

“QALICB” entity is a qualified NMTC borrower that is an SPE affiliate of the project sponsor which owns and develops real estate.
CSCDC Advisory Board

- A CDE must demonstrate that it maintains accountability to residents of low income communities through representation on a governing board or an advisory board.

- At least 20% of the governing board or advisory board members must be representative of a low-income community (but not necessarily a resident in the community).

- CSCDC maintains an advisory board that is appointed by its governing board.
• CSCDC’s current advisory board is comprised of six members, all of whom are representative of low income communities:

  • Brad Wiblin, BRIDGE Housing
  • Claudia Lima, California Community Reinvestment Corporation
  • Lori Goyne, Northern Valley Catholic Social Service
  • Michael Carnes, Rural Community Assistance Corporation
  • TJ Cox, Central Valley NMTC Fund
  • Kathy Moxon, Redwood Coast Rural Action
NMTC Eligibility

**Qualified Active Low Income Community Business**

- Commercial real estate*, Mixed use real estate, Community facilities, Business loans
  *With the exception of certain prohibited uses

- Located in a “highly distressed” census tract – any one of the following:
  - Poverty > 30%
  - Median income < 60% of AMI
  - Unemployment > 1.5 times national average
  - Non-metropolitan county
Swan’s Marketplace – Oakland
• $10 million NMTC allocation will allow for the revitalization of Swan’s Marketplace, a commercial property owned and managed by the nonprofit East Bay Asian Local Development Corporation.

Shasta Community Health Center - Redding
• $9 million NMTC allocation for a Federally Qualified Health Center that will serve 20,000 patients annually.

Alliance College-Ready Public Schools – Los Angeles
• $6 million NMTC allocation to support the development of a new charter school facility in LA.
• Alliance is the largest nonprofit charter organization in LA, comprised of 22 free, public charter high schools and middle schools serving 10,000 low-income students.

West Hills Community College Farm of the Future - Coalinga
• $10 million NMTC allocation for WHCC’s new Agricultural Science facility. The facility will include a 15,000 square foot career and technical education complex, a student-run farmer’s market, and an 885kW solar installment that will result in $400,000 in annual savings.
Big Brothers Big Sisters of Orange County – Santa Ana

- $10.5 million NMTC allocation to Big Brothers Big Sisters of Orange County to finance the purchase and renovation of a 52,565-square-foot office building in Santa Ana.

Open Door Community Health Centers – Humboldt County

- $8.5 million NMTC allocation to Open Door Community Health Centers to finance the repayment of existing loans — freeing up debt capacity and enabling Open Door to fund expansion.

Carson Block - Eureka

- $7 million NMTC allocation to the Northern California Indian Development Council to fund upgrades that will preserve and revitalize its headquarters office — the historic Carson Block Building.

Worthington Square - Imperial

- $12 million NMTC allocation for the new construction of a mixed-use development that will include 11,000 SF of commercial retail space along with 48 residential apartment units.
Looking Ahead to 2017

- CSCDC has $70 Million in NMTCs to deploy to eligible projects.
  - Largest award in the state of California out of 10 CDEs receiving $510M of allocation

- CSCDC will likely be able to finance 5-7 new projects.
  - $14.5M reserved for a multi-service community facility
  - $14M reserved for a multi-tenant food production facility supporting 60 small manufacturing/preparation businesses

- The next NMTC allocation application is expected to be released in late Q1/early Q2 and CSCDC will again prepare and submit an application.

- CSCDC will continue to evaluate potential pipeline projects throughout the year.