REGULAR MEETING AGENDA

March 19, 2020 at 2:00 p.m.

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

Telephonic Locations:

County of Solano
675 Texas Street, Fairfield, CA 94533

77 De Silva Island Drive
Mill Valley, CA 94941

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

709 Portwalk Place
Redwood City, CA 94061

City of Sausalito
420 Litho Street, Sausalito, CA 94965

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

A. OPENING AND PROCEDURAL ITEMS

1. Roll Call.
   — Kevin O’Rourke, Chair
   — Tim Snellings, Vice Chair
   — Brian Moura, Secretary
   — Jordan Kaufman, Treasurer
   — Dan Mierzwa, Member
   — Brian Stiger, Member
   — Marcia Raines, Member
   — Michael Cooper, Alt. Member
   — Niroop Srivatsa, Alt. Member

2. Consideration of the Minutes of the March 5, 2020 Regular & Special Meetings.

3. Consent Calendar.

4. Public Comment.

B. ITEMS FOR CONSIDERATION

5. Consideration of the issuance of revenue bonds or other obligations to finance or refinance the following projects, the execution and delivery of related documents, and other related actions:
a. Breezewood 2019 LP (Breezewood Apartments), City of Riverside, County of Riverside; issue up to $20,000,000 in multi-family housing revenue bonds.

b. Valley Palms 2018 LP (Valley Palms Apartments), City of San Jose, County of Santa Clara; issue up to $120,000,000 in multi-family housing revenue bonds.

c. Glen Haven 2018 LP (Glen Haven Apartments), City of Fremont, County of Alameda; issue up to $20,000,000 in multi-family housing revenue bonds.

d. Salinas Pointe 2019 LP (Salinas Pointe Apartments), City of Salinas, County of Monterey; issue up to $35,000,000 in multi-family housing revenue bonds.

e. Hallmark 2017 LP (Hallmark House Apartments), City of Redwood City, County of San Mateo; issue up to $25,000,000 in multi-family housing revenue bonds.

f. Huntington Pointe 2019 LP (Huntington Pointe Apartments), City of Huntington Beach, County of Orange; issue up to $30,000,000 in multi-family housing revenue bonds.

g. ABS Sepulveda LP (Apple Tree Village Apartments), City of Los Angeles, County of Los Angeles; issue up to $35,000,000 in multi-family housing revenue bonds.


   a. Consider the following resolution with respect to Community Facilities District No. 2018-01 (Wagon Wheel):

      i. Resolution approving the issuance of the California Statewide Communities Development Authority Community Facilities District No. 2018-01 (Wagon Wheel), Special Tax Bonds, Series 2020; authorizing the execution and delivery of an indenture providing for the issuance of such bonds; approving a bond purchase contract providing for the sale of such bonds; approving an official statement; approving a continuing disclosure certificate; authorizing the sale of such bonds; and authorizing related actions and the execution of related documents in connection with the issuance, sale and delivery of such bonds.

7. Community Facilities District No. 2019-02 (Sand Creek).

   a. Consider the following resolution with respect to Community Facilities District No. 2019-02 (Sand Creek):

      i. Resolution Rescinding Resolution Nos. 19SCIP78 and 19SCIP85 Relating to California Statewide Communities Development Authority Community Facilities District No. 2019-02 (Sand Creek), City of Antioch, County of Contra Costa, State of California and Improvement No. 1 Therein.”
b. Conduct first reading of “Ordinance Rescinding Ordinance No. 19ORD-2 and Dissolving California Statewide Communities Development Authority Community Facilities District No. 2019-02 (Sand Creek), City of Antioch, County of Contra Costa, State of California and Improvement No. 1 Therein.”

8. Consideration of a resolution adopting the inclusion of fire hardening measures as part of Open PACE.


C. STAFF ANNOUNCEMENTS, REPORTS ON ACTIVITIES OR REQUESTS

10. Executive Director Update.

11. Staff Updates.

12. Adjourn.

NEXT MEETING: Thursday, April 2, 2020 at 2:00 p.m.
League of California Cities
1400 K Street, 3rd Floor, Sacramento, CA 95814
CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY

CONSENT CALENDAR

1. Consideration of membership renewal to the California Affordable Housing Development Association (CAHDA).

2. Inducement of R Cap Avenue 34, LLC, on behalf of an affiliate to be formed California Limited Partnership, (Avenue 34 Apartments), City of Los Angeles, County of Los Angeles; issue up to $20 million in multi-family housing revenue bonds.

3. Inducement of CLG Wasco Bakersfield, LP (CLG Wasco Bakersfield Apartments), Cities of Wasco and Bakersfield, County of Kern; issue up to $8 million in multi-family housing revenue bonds.

4. Inducement of CLG Alosta, LP (Alosta Gardens Apartments), City of Azusa, County of Los Angeles; issue up to $30 million in multi-family housing revenue bonds.

5. Approve and ratify the addition of the Sweetwater Authority as a CSCDA program participant.

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Commission Secretary Brian Moura called the meeting to order at 2:00 pm.

1. Roll Call.

Commission members participating via teleconference: Brian Moura, Jordan Kaufman, Dan Mierzwa, Brian Stiger, Marcia Raines, and Michael Cooper.

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

Others participating via teleconference: Cathy Bando, CSCDA Executive Director; Jon Penkower, Bridge Strategic Partners; and Tricia Ortiz, Richards Watson & Gershon.

2. Consideration of the Minutes of February 20, 2020 Regular Meeting.

The Commission approved the February 20, 2020 Regular Meeting minutes.

*Motion to approve and adopt by D. Mierzwa. Second by M. Raines. Unanimously approved by roll-call vote.*

3. Public Comment.

There was no public comment.

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

   a. Concord RHF Partners, L.P. (The Concord Apartments), City of Pasadena, County of Los Angeles; issue up to $46,645,814 in multi-family housing revenue bonds.

Executive Director Bando gave an overview of the project, and the financing complies with CSCDA’s general and issuance policies. The project is the acquisition and rehabilitation of a
150-unit rental affordable housing project. 100% of the units will remain rent restricted for low-income senior tenants. This is RHF’s 7th financing with CSCDA. CSCDA’s Executive Director recommended that the Commission adopt the resolution.

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

b. Holiday Manor Apartments, LP (Holiday Manor Apartments), City of Oxnard, County of Ventura; issue up to $60,000,000 in multi-family housing revenue bonds.

Executive Director Bando gave an overview of the project, and the financing complies with CSCDA’s general and issuance policies. The project is the acquisition and rehabilitation of a 252-unit rental affordable housing project. 100% of the units will remain rent restricted for low-income tenants. This is Spira’s second financing with CSCDA. CSCDA’s Executive Director recommended that the Commission adopt the resolution.

**Motion to approve and adopt by D. Mierzwa. Second by M. Cooper. Unanimously approved by roll-call vote.**

c. Pacific Palms Apartments, LP (Pacific Palms Apartments), City of Palm Springs, County of Riverside; issue up to $18,000,000 in multi-family housing revenue bonds.

Executive Director Bando gave an overview of the project, and the financing complies with CSCDA’s general and issuance policies. The project is the acquisition and rehabilitation of a 140-unit rental affordable housing project. 100% of the units will remain rent restricted for low-income tenants. This is Spira’s third financing with CSCDA. CSCDA’s Executive Director recommended that the Commission adopt the resolution.

**Motion to approve and adopt by J. Kaufman. Second by B. Stiger. Unanimously approved by roll-call vote.**

5. Executive Director Update.

Executive Director Bando had no update.

6. Staff Update.

There was no staff update.

7. Adjourn.

The meeting was adjourned at 2:10 p.m.

Submitted by: Sendy Young, CSAC Finance Corporation

**NEXT MEETING:** Thursday, March 19, 2020 at 2:00 p.m.
California State Association of Counties
1100 K Street, 1st Floor, Sacramento, CA 95814
Commission Secretary Brian Moura called the meeting to order at 2:10 pm.

1. Roll Call.

   Commission members participating via teleconference: Brian Moura, Jordan Kaufman, Dan Mierzwa, Brian Stiger, Marcia Raines, and Michael Cooper.

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

   Others participating via teleconference: Cathy Bando, CSCDA Executive Director; Jon Penkower, Bridge Strategic Partners; and Tricia Ortiz, Richards Watson & Gershon.

2. Public Comment.

   There was no public comment.

3. Community Facilities District No. 2020-01 (Sand Creek)

   a. Consider the following resolutions to initiate proceedings to form Community Facilities District No. 2020-01 (Sand Creek), City of Antioch, County of Contra Costa:

      i. A resolution approving a joint community facilities agreement and declaring intention to establish California Statewide Communities Development Authority Community Facilities District No. 2020-01 (Sand Creek), City of Antioch, County of Contra Costa, State of California, to designate Improvement Area No. 1 therein and to levy a special tax therein to finance certain public improvements, and to identify territory proposed for annexation to the Community Facilities District in the future and to levy special taxes therein.

         Motion to approve and adopt by B. Stiger. Second by M. Raines. Unanimously approved by roll-call vote.

      ii. A resolution to incur bonded indebtedness to finance certain public improvements to mitigate the impacts of development within California Statewide Communities Development Authority Community Facilities District
Motion to approve and adopt by M. Coopers. Second by D. Mierzwia. Unanimously approved by roll-call vote.

4. Adjourn.

The meeting was adjourned at 2:14 p.m.

NEXT MEETING: Thursday, March 19, 2020 at 2:00 p.m.
California State Association of Counties
1100 K Street, 1st Floor, Sacramento, CA 95814

Submitted by: Sendy Young, CSAC Finance Corporation
Agenda Item No. 3

Agenda Report

DATE: March 19, 2020
TO: CSCDA COMMISSIONERS
FROM: Cathy Bando, Executive Director
PURPOSE: Consent Calendar

SUMMARY:

1. Consideration of membership renewal to the California Affordable Housing Development Association (CAHDA).

CAHDA is a 501(c)(6) organization that advocates for the common business interests of California’s affordable housing development industry. Founded in 2016, CAHDA is dedicated to providing a voice and forum for affordable housing developers to build sustainable communities through the development of affordable and accessible housing throughout California. The membership fee is $5,000.
RESOLUTION NO. 20H-__

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

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

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

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

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

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

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

WHEREAS, Chapter 11.8 of Division 1 of Title 2 of the California Government Code governs the allocation of the state ceiling among governmental units in the State of California having the authority to issue private activity bonds; and
WHEREAS, Section 8869.85 of the California Government Code requires a local agency desiring an allocation of the state ceiling to file an application with the California Debt Limit Allocation Committee (the “Committee”) for such allocation, and the Committee has certain policies that are to be satisfied in connection with any such application;

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

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

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

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

Section 4. The officers and/or the program managers of the Authority are hereby authorized and directed to apply to the Committee for an allocation from the state ceiling of private activity bonds to be issued by the Authority for each of the Projects in an amount not to exceed the amounts set forth in Exhibit A, and to take any and all other actions as may be necessary or appropriate in connection with such application, including but not limited to the payment of fees, the posting of deposits and the provision of certificates, and any such actions heretofore taken by such officers and program managers are hereby ratified, approved and confirmed.
PASSED AND ADOPTED by the California Statewide Communities Development Authority this March 19, 2020.

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 March 19, 2020.

By: _____________________________

Authorized Signatory
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RESOLUTION NO. 20R-5

RESOLUTION OF THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY APPROVING AND RATIFYING THE ADDITION OF PROGRAM PARTICIPANTS TO THE AUTHORITY

WHEREAS, the California Statewide Communities Development Authority (the “Authority”) is a public entity of the State of California, duly organized and existing pursuant to the provisions relating to the joint exercise of powers found in Chapter 5 of Division 7 of Title 1 of the California Government Code, and the Amended and Restated Joint Exercise of Powers Agreement, dated as of June 1, 1988 (the “JPA Agreement”); and

WHEREAS, pursuant to Section 13 of the JPA Agreement, the Authority may add a qualifying public agency to become a Program Participant (as defined in the JPA Agreement) upon (i) receipt from such public agency of an executed counterpart of the JPA Agreement, together with a certified copy of the resolution of the governing body of such public agency approving the JPA Agreement and the execution and delivery thereof and (ii) the approval of the Commission of the Authority to add such public agency as a Program Participant; and

WHEREAS, this Commission of the Authority desires to approve and ratify the admission of the public entities listed in Schedule A attached hereto and incorporate herein by reference (the “Applicants”) as Program Participants of the Authority; and

WHEREAS, this Commission hereby finds and determines that the Applicants are qualified to be added as parties to the JPA Agreement and to become Program Participants of the Authority; and

WHEREAS, the Applicants have, respectively, filed with the Authority executed counterparts to the JPA Agreement, together with certified copies of the resolutions approving the JPA Agreement and the execution and delivery thereof;

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

Section 1. This Commission hereby finds and determines that the foregoing recitals are true and correct.

Section 2. The addition of the Applicants as Program Participants is hereby approved, confirmed and ratified, and any actions heretofore taken on behalf of any such Applicants is hereby approved, confirmed and ratified.

Section 3. This resolution shall take effect immediately upon its passage.
PASSED AND ADOPTED by the California Statewide Communities Development Authority on March 19, 2020.

*   *   *   *   *

I, the undersigned, a duly appointed, and qualified Authorized Signatory of the Commission of the California Statewide Communities Development Authority, DO 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 March 19, 2020.

By_______________________________________
Authorized Signatory
EXHIBIT A

CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY
PROGRAM PARTICIPANTS

1. Sweetwater Authority
Agenda Item No. 5a

Agenda Report

DATE: March 19, 2020
TO: CSCDA COMMISSIONERS
FROM: Cathy Bando, Executive Director
PROJECT: Breezewood Apartments
PURPOSE: Approve the Financing of Rental Affordable Housing Project Located in the City of Riverside, County of Riverside
AMOUNT: Not to Exceed $20,000,000

EXECUTIVE SUMMARY:

Breezewood Apartments (the “Project”) is the acquisition and rehabilitation of 157 units of rental affordable housing located in the City of Riverside. 100% of the units will remain rent restricted for low-income residents.

PROJECT DESCRIPTION:

- Acquisition and rehabilitation of a 157-unit affordable rental housing facility located at 3893 Kirkwood Avenue in the City of Riverside.
- 2.34 acre site.
- 39 two-story residential buildings, pool, community center, computer lab, playground and laundry rooms.
- Consists of 156 two and three-bedroom units and one manager’s unit.

PROJECT ANALYSIS:

Background on Applicant:

KDF Communities LLC, a California limited liability company, is an affordable housing development company based in Newport Beach, California that was founded in 1996. Since that time, KDF has emerged as one of the largest developers and owners of affordable family and senior housing developments in California. KDF has been involved in the construction, acquisition and rehabilitation of more than 5,300 affordable rental units in 44 properties throughout California. KDF’s success is evident through its long-term city and financial relationships that support the team’s commitment to quality and integrity. KDF’s ground-up new construction expertise and renovation turnaround stories that comprise the company’s portfolio exemplify a true focus on
quality and building community. KDF has financed more than 20 prior affordable housing projects with CSCDA.

Public Agency Approval:

TEFRA Hearing: February 4, 2020 – City of Riverside – unanimous approval

CDLAC Approval: October 16, 2019

Public Benefits:

- 100% of the units will be rent restricted for 55 years.
  - 80% (125 units) restricted to 60% or less of area median income households.
  - 20% (31 units) restricted to 50% or less of area median income households.
  - One Manager unit.
- The Project is in walking distance to parks, recreational facilities, public schools, grocery stores and other retail establishments.

Sources and Uses:

Sources of Funds:
- Tax-Exempt Bonds: $15,250,000
- Tax-Exempt Seller Note: $4,750,000
- GP Equity: $795,530
- Tax Credit Equity: $2,818,411
- Income: $832,559
- Deferred Developer Fee: $1,795,456
- Total Sources: $26,241,956

Uses of Funds:
- Acquisition: $15,400,000
- Construction Costs: $4,965,488
- Architecture & Engineering: $114,100
- Relocation: $192,000
- Capitalized Interest: $1,197,938
- Operating Reserve: $334,227
- Developer Fee: $3,010,000
- Costs of Issuance: $150,000
- Soft Costs: $878,203
- Total Uses: $26,241,956
Finance Partners:

Bond Counsel:    Orrick, Herrington & Sutcliffe, LLP, San Francisco
Authority Counsel:   Orrick, Herrington & Sutcliffe, LLP, Sacramento
Private Placement Purchaser:  Align Finance Partners, LLC

Finance Terms:

Rating:      Unrated
Term:       35 years
Method of Sale:  Private Placement
Estimated Closing:  April 15, 2020

CSCDA Policy Compliance:

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

DOCUMENTS: (as attachments)

1.    CSCDA Resolution (Attachment A)

COMMISSION ACTION RECOMMENDED BY THE EXECUTIVE DIRECTOR:

CSCDA’s Executive Director recommends that the Commission adopt the resolution, which:

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. 20H-__

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 $20,000,000 FOR THE FINANCING OF A MULTIFAMILY RENTAL HOUSING PROJECT GENERALLY KNOWN AS BREEZEWOOD 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 and execute and deliver revenue notes for the purpose of financing, among other things, the acquisition, construction, rehabilitation and development of multifamily rental housing projects in accordance with Chapter 7 of Part 5 of Division 31 of the California Health and Safety Code (the “Housing Law”);

WHEREAS, Breezewood 2019 LP, a California limited partnership, and entities related thereto (collectively, the “Borrower”), has requested that the Authority issue and sell its California Statewide Communities Development Authority Multifamily Housing Revenue Bonds (Breezewood Apartments) 2020 Series O (the “Bonds”) to assist in the financing of the acquisition, rehabilitation and development of a 157-unit multifamily rental housing development located in the City of Riverside (the “City”), County of Riverside, California, and known as Breezewood Apartments (the “Project”);

WHEREAS, on October 16, 2019, the Authority received an allocation in the amount of $20,000,000, from the California Debt Limit Allocation Committee (“CDLAC”) in connection with the Project;

WHEREAS, the City is a Program Participant (as defined in the Agreement) of the Authority and has authorized the issuance of the Bonds in an amount that is not materially less than the amount authorized under this Resolution;

WHEREAS, the Authority is willing to issue its Bonds in an amount not to exceed $20,000,000, provided that the aggregate portion of such Bonds issued as federally tax-exempt obligations shall not exceed the Allocation Amount, and to loan the proceeds thereof to the Borrower to assist in providing financing for the Project, which will allow the Borrower to reduce the cost of the Project and to assist in providing housing for low income persons;
WHEREAS, pursuant to Section 5852.1 of the California Government Code, the Authority, as a conduit financing provider, has received certain representations and good faith estimates from the Borrower and has disclosed such good faith estimates as set forth in Exhibit A attached hereto;

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

(1) Trust Indenture (the “Indenture”), to be entered into between the Authority and Wilmington Trust, National Association, as trustee (the “Trustee”);

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

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

(4) Bond Purchase Agreement (the “Purchase Agreement”), to be entered into among the Authority, the Borrower, and Align Finance Partners, LLC, as purchaser of the Bonds, or such other purchaser or purchasers as shall be chosen for the Bonds (the “Purchaser”).

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

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

Section 2. Pursuant to the JPA Law and the Indenture, and in accordance with the Housing Law, the Authority is hereby authorized to issue one or more series of Bonds. The Bonds shall be designated as “California Statewide Communities Development Authority Multifamily Housing Revenue Bonds (Breezewood Apartments) 2020 Series O” with appropriate modifications and series and sub-series designations as necessary, in an aggregate principal amount not to exceed $20,000,000; provided that the aggregate principal amount of any tax-exempt Bonds issued shall not exceed the Allocation Amount. The Bonds shall be issued in the form set forth in and otherwise in accordance with the Indenture, and 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 Authorized Signatory (as defined below), and shall be attested to by the manual or 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 Indenture, 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 Indenture, and the Bonds shall not be deemed to constitute a debt or liability of the Authority or any Program Participant or any Member of the Commission of the Authority (each, a “Member”).
Section 3. The Indenture in the form presented at this meeting is hereby approved. Any Member, or any other person as may be designated and authorized to sign for the Authority pursuant to a resolution adopted thereby (including, without limitation, the administrative delegates duly authorized pursuant to Resolution No. 20R-1 of the Authority, adopted on January 23, 2020) (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 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 April 1, 2065), interest rate or rates (which shall not exceed 12%), interest payment dates, denominations, form, registration privileges, manner of execution, place of payment, terms of redemption and other terms of the Bonds shall be as provided in the Indenture as finally executed.

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

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

Section 6. The Authority is hereby authorized to sell the Bonds to the Purchaser 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 7. 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 Trustee appearing thereon, and to deliver the Bonds, when duly executed and authenticated, to or at the direction of the Purchaser, 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 Purchaser in accordance with the Purchase Agreement upon payment of the purchase price thereof.

Section 8. All actions heretofore taken by the officers and agents of the Authority with respect to the financing of the Project and the sale and issuance of the Bonds are hereby approved, ratified and confirmed, and any Authorized Signatory, acting alone, is hereby authorized and directed, for and in the name and on behalf of the Authority, to do any and all things and take any and all actions and execute and deliver any and all certificates, agreements and other
documents, including but not limited to a tax certificate, loan-related documents, an assignment of
any deed of trust, a termination of regulatory agreement, a subordination or intercreditor agreement,
an endorsement, allonge or assignment of any note and such other documents as described in the
Indenture, 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 9. All consents, approvals, notices, orders, requests and other actions
permitted or required by any of the documents authorized by this Resolution, whether before or
after the issuance of the Bonds, including without limitation any of the foregoing that may be
necessary or desirable in connection with any default under or amendment of such documents, any
transfer or other disposition of the Project, any addition or substitution of security for the Bonds or
any redemption of the Bonds, may be given or taken by any Authorized Signatory, as appropriate,
without further authorization by the Commission, and each such officer is hereby authorized and
directed to give any such consent, approval, notice, order or request and to take any such action
that such officer may deem necessary or desirable to further the purposes of this Resolution and the
financing of the Project; provided such action shall not create any obligation or liability of the
Authority other than as provided in the 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 19th day of March 2020.

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 March 19, 2020.

By: ________________________________

Authorized Signatory
PUBLIC DISCLOSURES RELATING TO CONDUIT REVENUE OBLIGATIONS

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

1. Name of Borrower: Breezewood 2019 LP

2. Authority Meeting Date: March 19, 2020

3. Name of Obligations: Multifamily Housing Revenue Bonds (Breezewood Apartments) 2020 Series O

4. X Private Placement Lender or Bond Purchaser, __ Underwriter or __ Financial Advisor (mark one) engaged by the Borrower provided the Borrower with the required good faith estimates relating to the Obligations as follows:

   (A) The true interest cost of the Obligations, which means the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for Obligations (to the nearest ten-thousandth of one percent): 4.41%.

   (B) The finance charge of the Obligations, which means the sum of all fees and charges paid to third parties: $213,200.

   (C) The amount of proceeds received by the public body for sale of the Obligations less the finance charge of the Obligations described in subparagraph (B) and any reserves or capitalized interest paid or funded with proceeds of the Obligations: $18,286,800.

   (D) The total payment amount, which means the sum total of all payments the Borrower will make to pay debt service on the Obligations plus the finance charge of the Obligations described in subparagraph (B) not paid with the proceeds of the Obligations (which total payment amount shall be calculated to the final maturity of the Obligations): $11,613,034.

5. The good faith estimates provided above were ___ presented to the governing board of the Borrower, or __ presented to the official or officials or committee designated by the governing board of the Borrower to obligate the Borrower in connection with the Obligations or, in the absence of a governing board, X
presented to the official or officials of the Borrower having authority to obligate the Borrower in connection with the Obligations (mark one).

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

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

Dated: 2/27/2020
DATE: March 19, 2020
TO: CSCDA COMMISSIONERS
FROM: Cathy Bando, Executive Director
PROJECT: Valley Palms Apartments
PURPOSE: Approve the Financing of Rental Affordable Housing Project Located in the City of San Jose, County of Santa Clara
AMOUNT: Not to Exceed $120,000,000

EXECUTIVE SUMMARY:

Valley Palms Apartments (the “Project”) is the acquisition and rehabilitation of 354 units of rental affordable housing located in the City of San Jose. 100% of the units will remain rent restricted for low-income residents.

PROJECT DESCRIPTION:

- Acquisition and rehabilitation of a 354-unit affordable rental housing facility located at 2155 & 2245 Lanai Avenue in the City of San Jose.
- 17.46 acre site.
- 28 two-story residential buildings, pool, community center, clubhouse, playground and laundry rooms.
- Consists of 350 one-bedroom and two-bedroom units and four manager units.

PROJECT ANALYSIS:

Background on Applicant:

KDF Communities LLC, a California limited liability company, is an affordable housing development company based in Newport Beach, California that was founded in 1996. Since that time, KDF has emerged as one of the largest developers and owners of affordable family and senior housing developments in California. KDF has been involved in the construction, acquisition and rehabilitation of more than 5,300 affordable rental units in 44 properties throughout California. KDF’s success is evident through its long-term city and financial relationships that support the team’s commitment to quality and integrity. KDF’s ground-up new construction expertise and renovation turnaround stories that comprise the company’s portfolio exemplify a true focus on
quality and building community. KDF has financed more than 25 prior affordable housing projects with CSCDA.

**Public Agency Approval:**

**TEFRA Hearing:** March 10, 2020 – City of San Jose

**CDLAC Approval:** October 16, 2019

**Public Benefits:**

- 100% of the units will be rent restricted for 55 years.
  - 70% (244 units) restricted to 60% or less of area median income households.
  - 30% (106 units) restricted to 50% or less of area median income households.
  - Four manager units.
- The Project is in walking distance to parks, recreational facilities, public schools, grocery stores and other retail establishments.

**Sources and Uses:**

**Sources of Funds:**

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<th>Source</th>
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<tr>
<td>Tax-Exempt Seller Note</td>
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<td><strong>Total Sources</strong></td>
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**Uses of Funds:**

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<td>Developer Fee</td>
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<td>Costs of Issuance</td>
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<td>Soft Costs</td>
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<td><strong>Total Uses</strong></td>
<td><strong>$159,745,872</strong></td>
</tr>
</tbody>
</table>


Finance Partners:

Bond Counsel:    Orrick, Herrington & Sutcliffe, LLP, San Francisco
Authority Counsel:   Orrick, Herrington & Sutcliffe, LLP, Sacramento
Private Placement Purchaser:  Citibank, N.A.

Finance Terms:

Rating:     Unrated
Term:       35 years
Method of Sale:  Private Placement
Estimated Closing:  April 15, 2020

CSCDA Policy Compliance:

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

DOCUMENTS: (as attachments)

1.    CSCDA Resolution (Attachment A)

COMMISSION ACTION RECOMMENDED BY THE EXECUTIVE DIRECTOR:

CSCDA’s Executive Director recommends that the Commission adopt the resolution, which:

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. 20H-__

A RESOLUTION OF THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY AUTHORIZING THE EXECUTION AND DELIVERY OF MULTIFAMILY HOUSING REVENUE OBLIGATIONS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED $120,000,000 FOR THE FINANCING OF A MULTIFAMILY RENTAL HOUSING PROJECT TO BE GENERALLY KNOWN AS VALLEY PALMS 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 OBLIGATIONS.

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

WHEREAS, Valley Palms 2018 LP, a California limited partnership, and entities related thereto (collectively, the “Borrower”), has requested that the Authority execute and deliver its California Statewide Communities Development Authority Multifamily Housing Revenue Construction/Permanent Note (Valley Palms Apartments) 2020 Series I-1 (the “Construction/Permanent Note”) and its California Statewide Communities Development Authority Multifamily Housing Revenue Construction Note (Valley Palms Apartments) 2020 Series I-2 (the “Construction Note” and collectively, the “Notes”) and issue its California Statewide Communities Development Authority Multifamily Housing Revenue Bonds (Valley Palms Apartments) 2020 Tax-Exempt Subordinate Series I-S (the “Subordinate Bonds” and, together with the Notes, the “Obligations”) to assist in the financing of the acquisition, rehabilitation and development of a 354-unit multifamily housing rental development located in the City of San Jose, County of Santa Clara, California, and known as Valley Palms Apartments (the “Project”);

WHEREAS, on October 16, 2019, the Authority received an allocation in the amount of $120,000,000 (such amount as finally approved, the “Allocation Amount”) from the California Debt Limit Allocation Committee in connection with the Project;

WHEREAS, the City of San Jose is a Program Participant (as defined in the Agreement) of the Authority and has authorized the execution and delivery of the Obligations in an amount that is not materially less than the amount authorized under this Resolution;
WHEREAS, the Authority is willing to execute and deliver the Obligations in an aggregate principal amount not to exceed $120,000,000, provided that the portion of such Obligations executed and delivered as federally tax-exempt obligations shall not exceed the Allocation Amount, and to loan the proceeds thereof to the Borrower to assist in providing financing for the Project, which will allow the Borrower to reduce the cost of the Project and to assist in providing housing for low and very low income persons;

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

WHEREAS, the Subordinate Bonds will be privately placed with KDF Glen Haven, L.P., a California limited partnership, or an affiliate thereof (the “Subordinate Bonds Purchaser”), as the initial purchaser of the Subordinate Bonds, in accordance with the Authority’s private placement policy;

WHEREAS, pursuant to Section 5852.1 of the California Government Code, the Authority, as a conduit financing provider, has received certain representations and good faith estimates from the Borrower and has disclosed such good faith estimates as set forth in Exhibit A attached hereto; 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, execution and delivery of the Obligations, and such documents are now in substantial form and appropriate instruments to be executed and delivered for the purposes intended:

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

2. Borrower Loan Agreement (the “Borrower Loan Agreement”) to be entered into between the Authority and Borrower;

3. Regulatory Agreement and Declaration of Restrictive Covenants (the “Regulatory Agreement”) to be entered into among the Authority and the Borrower and Wilmington Trust, National Association, as trustee for the Subordinate Bonds (the “Subordinate Bonds Trustee”);

4. Indenture of Trust (the “Subordinate Indenture”) to be entered into between the Authority and the Subordinate Bonds Trustee, relating to the Subordinate Bonds;

5. Financing Agreement (the “Subordinate Financing Agreement”) to be entered into among the Authority, the Subordinate Bonds Trustee and the Borrower, relating to the Subordinate Bonds; and

6. Contingency Draw-Down Agreement (the “Contingency Draw-Down Agreement”) to be entered into by the Funding Lender and the Borrower.

NOW, THEREFORE, BE IT RESOLVED by the members of the Commission, as follows:
Section 1. The recitals set forth above are true and correct, and the members of the Commission hereby find them to be so.

Section 2. Pursuant to the JPA Law, the Funding Loan Agreement and the Subordinate Indenture, and in accordance with the Housing Law, the Authority is hereby authorized to execute and deliver the Obligations in one or more series. The Obligations shall be designated as (i) “California Statewide Communities Development Authority Multifamily Housing Revenue Construction/Permanent Note (Valley Palms Apartments) 2020 Series I-1,” (ii) “California Statewide Communities Development Authority Multifamily Housing Revenue Construction Note (Valley Palms Apartments) 2020 Series I-2,” and (iii) “California Statewide Communities Development Authority Multifamily Housing Revenue Bonds (Valley Palms Apartments) 2020 Tax-Exempt Subordinate Series I-S,” including, if and to the extent necessary, one or more sub-series, with appropriate modifications and series and sub-series designations as necessary, in an aggregate principal amount not to exceed $120,000,000; provided that the aggregate principal amount of any tax-exempt Obligations executed and delivered shall not exceed the Allocation Amount. The Notes shall be executed and delivered and the Subordinate Bonds shall be issued in the form set forth in and otherwise in accordance with the Funding Loan Agreement and the Subordinate Indenture, respectively, and 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 Authorized Signatory (as defined below) and the Subordinate Bonds shall be attested to by the manual or facsimile signature of the Secretary of the Authority or the manual signature of any Authorized Signatory. The Notes and the Subordinate Bonds shall be secured in accordance with the terms of the Funding Loan Agreement and the Subordinate Indenture, respectively, presented to this meeting, as hereinafter approved. Payment of the principal and purchase price of, and prepayment premium, if any, and interest on, the Notes and the Subordinate Bonds shall be made solely from amounts pledged thereto under the Funding Loan Agreement and the Subordinate Indenture, respectively, and the Obligations shall not be deemed to constitute a debt or liability of the Authority or any Program Participant or Member of the Commission of the Authority (each, a “Member”).

Section 3. The Funding Loan Agreement in the form presented at this meeting is hereby approved. Any Member, or any other person as may be designated and authorized to sign for the Authority pursuant to a resolution adopted thereby (including, without limitation, the administrative delegates duly authorized pursuant to Resolution No. 20R-1 of the Authority, adopted on January 23, 2020) (together with the Members, each such person is referred to herein individually as an “Authorized Signatory”), acting alone, is authorized to execute by manual signature and deliver the Funding Loan Agreement, with such changes and insertions therein as may be necessary to cause the same to carry out the intent of this Resolution and as are approved by counsel to the Authority, such approval to be conclusively evidenced by the delivery thereof. The date, maturity date or dates (which shall not extend beyond April 1, 2065), interest rate or rates (which shall not exceed 12%), interest payment dates, denominations, form, registration privileges, manner of execution, place of payment, terms of prepayment and other terms of the Notes shall be as provided in the Funding Loan Agreement as finally executed.

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

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

Section 6. The Subordinate Indenture 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 Subordinate 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 April 1, 2065), 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 Subordinate Bonds shall be as provided in the Subordinate Indenture as finally executed.

Section 7. The Subordinate Financing 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 Subordinate Financing 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 8. The Contingency Draw-Down Agreement in the form presented at this meeting is hereby approved.

Section 9. The Authority is hereby authorized to execute and deliver the Notes to the Funding Lender pursuant to the terms and conditions of the Funding Loan Agreement.

Section 10. The Authority is hereby authorized to issue and sell the Subordinate Bonds to the Subordinate Bonds Purchaser pursuant to the terms and conditions of the Subordinate Indenture.

Section 11. The Subordinate Bonds, when executed, shall be delivered to the Subordinate Bonds Trustee for authentication. The Subordinate Bonds Trustee is hereby requested and directed to authenticate the Subordinate Bonds by executing the certificate of authentication of the Subordinate Bonds Trustee appearing thereon, and to deliver the Subordinate Bonds, when duly executed and authenticated, to the Subordinate Bonds Purchaser 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 Subordinate Bonds Trustee. Such instructions shall provide for the delivery of the Subordinate Bonds to the Subordinate Bonds Purchaser in accordance with the Subordinate Indenture upon payment of the purchase price thereof.
Section 12. All actions heretofore taken by the officers and agents of the Authority with respect to the financing of the Project and the issuance, execution and delivery of the Obligations are hereby approved, ratified and confirmed, and any Authorized Signatory, acting alone, is hereby authorized and directed, for and in the name and on behalf of the Authority, to do any and all things and take any and all actions and execute and deliver any and all certificates, agreements and other documents, including but not limited to a tax certificate, loan related documents, an assignment of any deed of trust, a termination of regulatory agreement, an endorsement, allonge or assignment of any note and such other documents as described in the Funding Loan Agreement, the Subordinate Indenture and the other documents herein approved, which they, or any of them, may deem necessary or advisable in order to consummate the lawful issuance, execution and delivery of the Obligations 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 13. All consents, approvals, notices, orders, requests and other actions permitted or required by any of the documents authorized by this Resolution, whether before or after the execution and delivery of the Obligations, 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 Obligations or any prepayment or redemption of the Obligations, may be given or taken by any Authorized Signatory, as appropriate, without further authorization by the Commission, and each such officer is hereby authorized and directed to give any such consent, approval, notice, order or request and to take any such action that such officer may deem necessary or desirable to further the purposes of this Resolution and the financing of the Project; provided such action shall not create any obligation or liability of the Authority other than as provided in the Funding Loan Agreement, the Subordinate Indenture and other documents approved herein.

This Resolution shall take effect upon its adoption.
PUBLIC DISCLOSURES RELATING TO CONDUIT REVENUE OBLIGATIONS

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

1. Name of Borrower: VALLEY PALMS 2018 LP

2. Authority Meeting Date: 3/19/2020

3. Name of Obligations: Valley Palms Apartments

4. X Private Placement Lender or Bond Purchaser, __ Underwriter or __ Financial Advisor (mark one) engaged by the Borrower provided the Borrower with the required good faith estimates relating to the Obligations [as follows / attached as Schedule A]:

   [(A) The true interest cost of the Obligations, which means the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for Obligations (to the nearest ten-thousandth of one percent): 4.08%.

   (B) The finance charge of the Obligations, which means the sum of all fees and charges paid to third parties: $2,344,559.

   (C) The amount of proceeds received by the public body for sale of the Obligations less the finance charge of the Obligations described in subparagraph (B) and any reserves or capitalized interest paid or funded with proceeds of the Obligations: $117,655,440.

   (D) The total payment amount, which means the sum total of all payments the Borrower will make to pay debt service on the Obligations plus the finance charge of the Obligations described in subparagraph (B) not paid with the proceeds of the Obligations (which total payment amount shall be calculated to the final maturity of the Obligations): $182,062,428.

5. The good faith estimates [provided above / attached as Schedule A] were ___ presented to the governing board of the Borrower, or ___ presented to the official or officials or committee designated by the governing board of the Borrower to obligate the Borrower in connection with the Obligations or, in the absence of a
governing board, ____ presented to the official or officials of the Borrower having authority to obligate the Borrower in connection with the Obligations (mark one).

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

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

Dated: March 5, 2020
Agenda Item No. 5c

Agenda Report

DATE: March 19, 2020
TO: CSCDA COMMISSIONERS
FROM: Cathy Bando, Executive Director
PROJECT: Glen Haven Apartments
PURPOSE: Approve the Financing of Rental Affordable Housing Project Located in the City of Fremont, County of Alameda
AMOUNT: Not to Exceed $20,000,000

EXECUTIVE SUMMARY:

Glen Haven Apartments (the “Project”) is the acquisition and rehabilitation of 81 units of rental affordable housing located in the City of Fremont. 70% of the units will remain rent restricted for low-income residents.

PROJECT DESCRIPTION:

- Acquisition and rehabilitation of an 81-unit affordable rental housing facility located at 4262 Central Avenue in the City of Fremont.
- 3.08 acre site.
- Four two-story residential buildings, pool, playground and laundry rooms.
- Consists of 80 one-bedroom, two-bedroom and three-bedroom units plus one manager’s unit.

PROJECT ANALYSIS:

Background on Applicant:

KDF Communities LLC, a California limited liability company, is an affordable housing development company based in Newport Beach, California that was founded in 1996. Since that time, KDF has emerged as one of the largest developers and owners of affordable family and senior housing developments in California. KDF has been involved in the construction, acquisition and rehabilitation of more than 5,300 affordable rental units in 44 properties throughout California. KDF’s success is evident through its long-term city and financial relationships that support the team’s commitment to quality and integrity. KDF’s ground-up new construction expertise and renovation turnaround stories that comprise the company’s portfolio exemplify a true focus on
quality and building community. KDF has financed more than 25 prior affordable housing projects with CSCDA.

**Public Agency Approval:**

**TEFRA Hearing:** February 4, 2020 – City of Fremont – unanimous approval

**CDLAC Approval:** October 16, 2019

**Public Benefits:**

- 70% of the units will be rent restricted for 55 years.
  - 84% (48 units) restricted to 60% or less of area median income households.
  - 16% (9 units) restricted to 50% or less of area median income households.
  - One Manager unit.
- The Project is in walking distance to parks, recreational facilities, public schools, grocery stores and other retail establishments.

**Sources and Uses:**

**Sources of Funds:**

- Tax-Exempt Bonds: $19,000,000
- Tax-Exempt Seller Note: $1,000,000
- City of Fremont Loan: $2,757,260
- GP Equity: $487,766
- Tax Credit Equity: $3,529,760
- Income: $1,587,993
- Deferred Developer Fee: $2,851,096
- Total Sources: $31,213,875

**Uses of Funds:**

- Acquisition: $20,000,000
- Construction Costs: $4,796,471
- Architecture & Engineering: $114,100
- Relocation: $72,000
- Capitalized Interest/Loan Fees: $1,655,045
- Operating Reserve: $356,779
- Developer Fee: $3,583,000
- Costs of Issuance: $150,000
- Soft Costs: $486,480
- Total Uses: $31,213,875
Finance Partners:

Bond Counsel:    Orrick, Herrington & Sutcliffe, LLP, San Francisco
Authority Counsel:   Orrick, Herrington & Sutcliffe, LLP, Sacramento
Private Placement Purchaser:  Citibank, N.A.

Finance Terms:

Rating:        Unrated
Term:          35 years
Method of Sale:  Private Placement
Estimated Closing:  April 15, 2020

CSCDA Policy Compliance:

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

DOCUMENTS: (as attachments)

1.   CSCDA Resolution (Attachment A)

COMMISSION ACTION RECOMMENDED BY THE EXECUTIVE DIRECTOR:

CSCDA’s Executive Director recommends that the Commission adopt the resolution, which:

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. 20H-__

A RESOLUTION OF THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY AUTHORIZING THE EXECUTION AND DELIVERY OF MULTIFAMILY HOUSING REVENUE OBLIGATIONS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED $20,000,000 FOR THE FINANCING OF A MULTIFAMILY RENTAL HOUSING PROJECT TO BE GENERALLY KNOWN AS GLEN HAVEN 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 OBLIGATIONS.

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

WHEREAS, Glen Haven 2018 LP, a California limited partnership, and entities related thereto (collectively, the “Borrower”), has requested that the Authority execute and deliver its California Statewide Communities Development Authority Multifamily Housing Revenue Construction/Permanent Note (Glen Haven Apartments) 2020 Series K-1 (the “Construction/Permanent Note”), its California Statewide Communities Development Authority Multifamily Housing Revenue Construction Note (Glen Haven Apartments) 2020 Series K-2 (the “Construction Note” and collectively, the “Notes”) and issue its California Statewide Communities Development Authority Multifamily Housing Revenue Bonds (Glen Haven Apartments) 2020 Tax-Exempt Subordinate Series K-S (the “Subordinate Bonds” and, together with the Notes, the “Obligations”) to assist in the financing of the acquisition, rehabilitation and development of an 81-unit multifamily housing rental development located in the City of Fremont, County of Alameda, California, and known as Glen Haven Apartments (the “Project”);

WHEREAS, on October 16, 2019, the Authority received an allocation in the amount of $20,000,000 (such amount as finally approved, the “Allocation Amount”) from the California Debt Limit Allocation Committee in connection with the Project;

WHEREAS, the City of Fremont is a Program Participant (as defined in the Agreement) of the Authority and has authorized the execution and delivery of the Obligations in an amount that is not materially less than the amount authorized under this Resolution;
WHEREAS, the Authority is willing to execute and deliver the Obligations in an aggregate principal amount not to exceed $20,000,000, provided that the portion of such Obligations executed and delivered as federally tax-exempt obligations shall not exceed the Allocation Amount, and to loan the proceeds thereof to the Borrower to assist in providing financing for the Project, which will allow the Borrower to reduce the cost of the Project and to assist in providing housing for low and very low income persons;

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

WHEREAS, the Subordinate Bonds will be privately placed with KDF Glen Haven, L.P., a California limited partnership, or an affiliate thereof (the “Subordinate Bonds Purchaser”), as the initial purchaser of the Subordinate Bonds, in accordance with the Authority’s private placement policy;

WHEREAS, pursuant to Section 5852.1 of the California Government Code, the Authority, as a conduit financing provider, has received certain representations and good faith estimates from the Borrower and has disclosed such good faith estimates as set forth in Exhibit A attached hereto; 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, execution and delivery of the Obligations, and such documents are now in substantial form and appropriate instruments to be executed and delivered for the purposes intended:

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

(2) Borrower Loan Agreement (the “Borrower Loan Agreement”) to be entered into between the Authority and Borrower;

(3) Regulatory Agreement and Declaration of Restrictive Covenants (the “Regulatory Agreement”) to be entered into among the Authority, the Borrower and Wilmington Trust, National Association, as trustee for the Subordinate Bonds (the “Subordinate Bonds Trustee”);

(4) Indenture of Trust (the “Subordinate Indenture”) to be entered into between the Authority and the Subordinate Bonds Trustee, relating to the Subordinate Bonds;

(5) Financing Agreement (the “Subordinate Financing Agreement”) to be entered into among the Authority, the Subordinate Bonds Trustee and the Borrower, relating to the Subordinate Bonds; and

(6) Contingency Draw-Down Agreement (the “Contingency Draw-Down Agreement”) to be entered into by the Funding Lender and the Borrower.

NOW, THEREFORE, BE IT RESOLVED by the members of the Commission, as follows:
Section 1. The recitals set forth above are true and correct, and the members of the Commission hereby find them to be so.

Section 2. Pursuant to the JPA Law, the Funding Loan Agreement and the Subordinate Indenture, and in accordance with the Housing Law, the Authority is hereby authorized to execute and deliver the Obligations in one or more series. The Obligations shall be designated as (i) “California Statewide Communities Development Authority Multifamily Housing Revenue Construction/Permanent Note (Glen Haven Apartments) 2020 Series K-1,” (ii) “California Statewide Communities Development Authority Multifamily Housing Revenue Construction Note (Glen Haven Apartments) 2020 Series K-2,” and (iii) “California Statewide Communities Development Authority Multifamily Housing Revenue Bonds (Glen Haven Apartments) 2020 Tax-Exempt Subordinate Series K-S,” including, if and to the extent necessary, one or more sub-series, with appropriate modifications and series and sub-series designations as necessary, in an aggregate principal amount not to exceed $20,000,000; provided that the aggregate principal amount of any tax-exempt Obligations executed and delivered shall not exceed the Allocation Amount. The Notes shall be executed and delivered and the Subordinate Bonds shall be issued in the form set forth in and otherwise in accordance with the Funding Loan Agreement and the Subordinate Indenture, respectively, and 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 Authorized Signatory (as defined below) and the Subordinate Bonds shall be attested to by the manual or facsimile signature of the Secretary of the Authority or the manual signature of any Authorized Signatory. The Notes and the Subordinate Bonds shall be secured in accordance with the terms of the Funding Loan Agreement and the Subordinate Indenture, respectively, presented to this meeting, as hereinafter approved. Payment of the principal and purchase price of, and prepayment premium, if any, and interest on, the Notes and the Subordinate Bonds shall be made solely from amounts pledged thereto under the Funding Loan Agreement and the Subordinate Indenture, respectively, and the Obligations shall not be deemed to constitute a debt or liability of the Authority or any Program Participant or Member of the Commission of the Authority (each, a “Member”).

Section 3. The Funding Loan Agreement in the form presented at this meeting is hereby approved. Any Member, or any other person as may be designated and authorized to sign for the Authority pursuant to a resolution adopted thereby (including, without limitation, the administrative delegates duly authorized pursuant to Resolution No. 20R-1 of the Authority, adopted on January 23, 2020) (together with the Members, each such person is referred to herein individually as an “Authorized Signatory”), acting alone, is authorized to execute by manual signature and deliver the Funding Loan Agreement, with such changes and insertions therein as may be necessary to cause the same to carry out the intent of this Resolution and as are approved by counsel to the Authority, such approval to be conclusively evidenced by the delivery thereof. The date, maturity date or dates (which shall not extend beyond April 1, 2065), interest rate or rates (which shall not exceed 12%), interest payment dates, denominations, form, registration privileges, manner of execution, place of payment, terms of prepayment and other terms of the Notes shall be as provided in the Funding Loan Agreement as finally executed.

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

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

Section 6. The Subordinate Indenture 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 Subordinate 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 April 1, 2065), 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 Subordinate Bonds shall be as provided in the Subordinate Indenture as finally executed.

Section 7. The Subordinate Financing 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 Subordinate Financing 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 8. The Contingency Draw-Down Agreement in the form presented at this meeting is hereby approved.

Section 9. The Authority is hereby authorized to execute and deliver the Notes to the Funding Lender pursuant to the terms and conditions of the Funding Loan Agreement.

Section 10. The Authority is hereby authorized to issue and sell the Subordinate Bonds to the Subordinate Bonds Purchaser pursuant to the terms and conditions of the Subordinate Indenture.

Section 11. The Subordinate Bonds, when executed, shall be delivered to the Subordinate Bonds Trustee for authentication. The Subordinate Bonds Trustee is hereby requested and directed to authenticate the Subordinate Bonds by executing the certificate of authentication of the Subordinate Bonds Trustee appearing thereon, and to deliver the Subordinate Bonds, when duly executed and authenticated, to the Subordinate Bonds Purchaser 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 Subordinate Bonds Trustee. Such instructions shall provide for the delivery of the Subordinate Bonds to the Subordinate Bonds Purchaser in accordance with the Subordinate Indenture upon payment of the purchase price thereof.
Section 12. All actions heretofore taken by the officers and agents of the Authority with respect to the financing of the Project and the issuance, execution and delivery of the Obligations are hereby approved, ratified and confirmed, and any Authorized Signatory, acting alone, is hereby authorized and directed, for and in the name and on behalf of the Authority, to do any and all things and take any and all actions and execute and deliver any and all certificates, agreements and other documents, including but not limited to a tax certificate, loan related documents, an assignment of any deed of trust, a termination of regulatory agreement, an endorsement, allonge or assignment of any note and such other documents as described in the Funding Loan Agreement, the Subordinate Indenture and the other documents herein approved, which they, or any of them, may deem necessary or advisable in order to consummate the lawful issuance, execution and delivery of the Obligations 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 13. All consents, approvals, notices, orders, requests and other actions permitted or required by any of the documents authorized by this Resolution, whether before or after the execution and delivery of the Obligations, 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 Obligations or any prepayment or redemption of the Obligations, may be given or taken by any Authorized Signatory, as appropriate, without further authorization by the Commission, and each such officer is hereby authorized and directed to give any such consent, approval, notice, order or request and to take any such action that such officer may deem necessary or desirable to further the purposes of this Resolution and the financing of the Project; provided such action shall not create any obligation or liability of the Authority other than as provided in the Funding Loan Agreement, the Subordinate Indenture and other documents approved herein.

Section 14. This Resolution shall take effect upon its adoption.

[Remainder of Page Intentionally Left Blank]
PUBLIC DISCLOSURES RELATING TO CONDUIT REVENUE OBLIGATIONS

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

1. Name of Borrower: GLEN HAVEN 2018 LP
2. Authority Meeting Date: 3/19/2020
3. Name of Obligations: Glen Haven Apartments
4. X Private Placement Lender or Bond Purchaser, __ Underwriter or __ Financial Advisor (mark one) engaged by the Borrower provided the Borrower with the required good faith estimates relating to the Obligations [as follows / attached as Schedule A]:

   [(A) The true interest cost of the Obligations, which means the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for Obligations (to the nearest ten-thousandth of one percent): 4.08%.

   (B) The finance charge of the Obligations, which means the sum of all fees and charges paid to third parties: $523,420.

   (C) The amount of proceeds received by the public body for sale of the Obligations less the finance charge of the Obligations described in subparagraph (B) and any reserves or capitalized interest paid or funded with proceeds of the Obligations: $17,456,579.

   (D) The total payment amount, which means the sum total of all payments the Borrower will make to pay debt service on the Obligations plus the finance charge of the Obligations described in subparagraph (B) not paid with the proceeds of the Obligations (which total payment amount shall be calculated to the final maturity of the Obligations): $28,943,066

5. The good faith estimates [provided above / attached as Schedule A] were ___ presented to the governing board of the Borrower, or ___ presented to the official or officials or committee designated by the governing board of the Borrower to obligate the Borrower in connection with the Obligations or, in the absence of a
governing board, ___ presented to the official or officials of the Borrower having authority to obligate the Borrower in connection with the Obligations (mark one).

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

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

Dated: March 5, 2020
Agenda Item No. 5d

Agenda Report

DATE: March 19, 2020

TO: CSCDA COMMISSIONERS

FROM: Cathy Bando, Executive Director

PROJECT: Salinas Pointe Apartments

PURPOSE: Approve the Financing of Rental Affordable Housing Project Located in the City of Salinas, County of Monterey

AMOUNT: Not to Exceed $35,000,000

EXECUTIVE SUMMARY:

Salinas Pointe Apartments (the “Project”) is the acquisition and rehabilitation of 220 units of rental affordable housing located in the City of Salinas. 75% of the units will remain rent restricted for low-income residents.

PROJECT DESCRIPTION:

- Acquisition and rehabilitation of a 220-unit affordable rental housing facility located at 1260 John Street in the City of Salinas.
- 8.31 acre site.
- 30 two-story residential buildings, pool, community center, clubhouse, playground and laundry rooms.
- Consists of 218 studio, one, two and three-bedroom units and two manager units.

PROJECT ANALYSIS:

Background on Applicant:

KDF Communities LLC, a California limited liability company, is an affordable housing development company based in Newport Beach, California that was founded in 1996. Since that time, KDF has emerged as one of the largest developers and owners of affordable family and senior housing developments in California. KDF has been involved in the construction, acquisition and rehabilitation of more than 5,300 affordable rental units in 44 properties throughout California. KDF’s success is evident through its long-term city and financial relationships that support the team’s commitment to quality and integrity. KDF’s ground-up new construction expertise and renovation turnaround stories that comprise the company’s portfolio exemplify a true focus on
quality and building community. KDF has financed more than 25 prior affordable housing projects with CSCDA.

**Public Agency Approval:**

**TEFRA Hearing:** February 25, 2020 – City of Salinas – unanimous approval

**CDLAC Approval:** October 16, 2019

**Public Benefits:**

- 75% of the units will be rent restricted for 55 years.
  - 86% (141 units) restricted to 60% or less of area median income households.
  - 14% (23 units) restricted to 50% or less of area median income households.
  - Two manager units.
- The Project is in walking distance to parks, recreational facilities, public schools, grocery stores and other retail establishments.

**Sources and Uses:**

**Sources of Funds:**

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<td>Tax-Exempt Seller Note</td>
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<td>City of Salinas Loan</td>
<td>$ 1,188,344</td>
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<td>GP Equity</td>
<td>$ 1,206,239</td>
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<td>Tax Credit Equity</td>
<td>$ 4,328,939</td>
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<td>Deferred Developer Fee</td>
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<td><strong>Total Sources</strong></td>
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**Uses of Funds:**

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<td><strong>Total Uses</strong></td>
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Finance Partners:

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

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

Private Placement Purchaser: Citibank, N.A.

Finance Terms:

Rating: Unrated
Term: 35 years
Method of Sale: Private Placement
Estimated Closing: April 15, 2020

CSCDA Policy Compliance:

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

DOCUMENTS: (as attachments)

1. CSCDA Resolution (Attachment A)

COMMISSION ACTION RECOMMENDED BY THE EXECUTIVE DIRECTOR:

CSCDA’s Executive Director recommends that the Commission adopt the resolution, which:

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. 20H-__

A RESOLUTION OF THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY AUTHORIZING THE EXECUTION AND DELIVERY OF MULTIFAMILY HOUSING REVENUE OBLIGATIONS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED $35,000,000 FOR THE FINANCING OF A MULTIFAMILY RENTAL HOUSING PROJECT TO BE GENERALLY KNOWN AS SALINAS POINTE 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 OBLIGATIONS.

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

WHEREAS, Salinas Pointe 2019 LP, a California limited partnership, and entities related thereto (collectively, the “Borrower”), has requested that the Authority execute and deliver its California Statewide Communities Development Authority Multifamily Housing Revenue Construction/Permanent Note (Salinas Pointe Apartments) 2020 Series L-1 (the “Construction/Permanent Note”), its California Statewide Communities Development Authority Multifamily Housing Revenue Construction Note (Salinas Pointe Apartments) 2020 Series L-2 (the “Construction Note” and collectively, the “Notes”) and issue its California Statewide Communities Development Authority Multifamily Housing Revenue Bonds (Salinas Pointe Apartments) 2020 Tax-Exempt Subordinate Series L-S (the “Subordinate Bonds” and, together with the Notes, the “Obligations”) to assist in the financing of the acquisition, rehabilitation and development of a 220-unit multifamily housing rental development located in the City of Salinas, County of Monterey, California, and known as Salinas Pointe Apartments (the “Project”);

WHEREAS, on October 16, 2019, the Authority received an allocation in the amount of $35,000,000 (such amount as finally approved, the “Allocation Amount”) from the California Debt Limit Allocation Committee in connection with the Project;

WHEREAS, the City of Salinas is a Program Participant (as defined in the Agreement) of the Authority and has authorized the execution and delivery of the Obligations in an amount that is not materially less than the amount authorized under this Resolution;
WHEREAS, the Authority is willing to execute and deliver the Obligations in an aggregate principal amount not to exceed $35,000,000, provided that the portion of such Obligations executed and delivered as federally tax-exempt obligations shall not exceed the Allocation Amount, and to loan the proceeds thereof to the Borrower to assist in providing financing for the Project, which will allow the Borrower to reduce the cost of the Project and to assist in providing housing for low and very low income persons;

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

WHEREAS, the Subordinate Bonds will be privately placed with KDF Los Padres, L.P., a California limited partnership, or an affiliate thereof (the “Subordinate Bonds Purchaser”), as the initial purchaser of the Subordinate Bonds, in accordance with the Authority’s private placement policy;

WHEREAS, pursuant to Section 5852.1 of the California Government Code, the Authority, as a conduit financing provider, has received certain representations and good faith estimates from the Borrower and has disclosed such good faith estimates as set forth in Exhibit A attached hereto; 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, execution and delivery of the Obligations, and such documents are now in substantial form and appropriate instruments to be executed and delivered for the purposes intended:

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

2. Borrower Loan Agreement (the “Borrower Loan Agreement”) to be entered into between the Authority and Borrower;

3. Regulatory Agreement and Declaration of Restrictive Covenants (the “Regulatory Agreement”) to be entered into among the Authority, the Borrower and Wilmington Trust, National Association, as trustee for the Subordinate Bonds (the “Subordinate Bonds Trustee”);

4. Indenture of Trust (the “Subordinate Indenture”) to be entered into between the Authority and the Subordinate Bonds Trustee, relating to the Subordinate Bonds;

5. Financing Agreement (the “Subordinate Financing Agreement”) to be entered into among the Authority, the Subordinate Bonds Trustee and the Borrower, relating to the Subordinate Bonds; and

6. Contingency Draw-Down Agreement (the “Contingency Draw-Down Agreement”) to be entered into by the Funding Lender and the Borrower.

NOW, THEREFORE, BE IT RESOLVED by the members of the Commission, as follows:
Section 1. The recitals set forth above are true and correct, and the members of the Commission hereby find them to be so.

Section 2. Pursuant to the JPA Law, the Funding Loan Agreement and the Subordinate Indenture, and in accordance with the Housing Law, the Authority is hereby authorized to execute and deliver the Obligations in one or more series. The Obligations shall be designated as (i) “California Statewide Communities Development Authority Multifamily Housing Revenue Construction/Permanent Note (Salinas Pointe Apartments) 2020 Series L-1,” (ii) “California Statewide Communities Development Authority Multifamily Housing Revenue Construction Note (Salinas Pointe Apartments) 2020 Series L-2,” and (iii) “California Statewide Communities Development Authority Multifamily Housing Revenue Bonds (Salinas Pointe Apartments) 2020 Tax-Exempt Subordinate Series L-S,” including, if and to the extent necessary, one or more sub-series, with appropriate modifications and series and sub-series designations as necessary, in an aggregate principal amount not to exceed $35,000,000; provided that the aggregate principal amount of any tax-exempt Obligations executed and delivered shall not exceed the Allocation Amount. The Notes shall be executed and delivered and the Subordinate Bonds shall be issued in the form set forth in and otherwise in accordance with the Funding Loan Agreement and the Subordinate Indenture, respectively, and 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 Authorized Signatory and the Subordinate Bonds shall be attested to by the manual or facsimile signature of the Secretary of the Authority or the manual signature of any Authorized Signatory. The Notes and the Subordinate Bonds shall be secured in accordance with the terms of the Funding Loan Agreement and the Subordinate Indenture, respectively, presented to this meeting, as hereinafter approved. Payment of the principal and purchase price of, and prepayment premium, if any, and interest on, the Notes and the Subordinate Bonds shall be made solely from amounts pledged thereto under the Funding Loan Agreement and the Subordinate Indenture, respectively, and the Obligations shall not be deemed to constitute a debt or liability of the Authority or any Program Participant or Member of the Commission of the Authority (each, a “Member”).

Section 3. The Funding Loan Agreement in the form presented at this meeting is hereby approved. Any Member, or any other person as may be designated and authorized to sign for the Authority pursuant to a resolution adopted thereby (including, without limitation, the administrative delegates duly authorized pursuant to Resolution No. 20R-1 of the Authority, adopted on January 23, 2020) (together with the Members, each such person is referred to herein individually as an “Authorized Signatory”), acting alone, is authorized to execute by manual signature and deliver the Funding Loan Agreement, with such changes and insertions therein as may be necessary to cause the same to carry out the intent of this Resolution and as are approved by counsel to the Authority, such approval to be conclusively evidenced by the delivery thereof. The date, maturity date or dates (which shall not extend beyond April 1, 2065), interest rate or rates (which shall not exceed 12%), interest payment dates, denominations, form, registration privileges, manner of execution, place of payment, terms of prepayment and other terms of the Notes shall be as provided in the Funding Loan Agreement as finally executed.

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

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

Section 6. The Subordinate Indenture 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 Subordinate 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 April 1, 2065), 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 Subordinate Bonds shall be as provided in the Subordinate Indenture as finally executed.

Section 7. The Subordinate Financing 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 Subordinate Financing 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 8. The Contingency Draw-Down Agreement in the form presented at this meeting is hereby approved.

Section 9. The Authority is hereby authorized to execute and deliver the Notes to the Funding Lender pursuant to the terms and conditions of the Funding Loan Agreement.

Section 10. The Authority is hereby authorized to issue and sell the Subordinate Bonds to the Subordinate Bonds Purchaser pursuant to the terms and conditions of the Subordinate Indenture.

Section 11. The Subordinate Bonds, when executed, shall be delivered to the Subordinate Bonds Trustee for authentication. The Subordinate Bonds Trustee is hereby requested and directed to authenticate the Subordinate Bonds by executing the certificate of authentication of the Subordinate Bonds Trustee appearing thereon, and to deliver the Subordinate Bonds, when duly executed and authenticated, to the Subordinate Bonds Purchaser 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 Subordinate Bonds Trustee. Such instructions shall provide for the delivery of the Subordinate Bonds to the Subordinate Bonds Purchaser in accordance with the Subordinate Indenture upon payment of the purchase price thereof.
Section 12. All actions heretofore taken by the officers and agents of the Authority with respect to the financing of the Project and the issuance, execution and delivery of the Obligations are hereby approved, ratified and confirmed, and any Authorized Signatory, acting alone, is hereby authorized and directed, for and in the name and on behalf of the Authority, to do any and all things and take any and all actions and execute and deliver any and all certificates, agreements and other documents, including but not limited to a tax certificate, loan related documents, an assignment of any deed of trust, a termination of regulatory agreement, an endorsement, allonge or assignment of any note and such other documents as described in the Funding Loan Agreement, the Subordinate Indenture and the other documents herein approved, which they, or any of them, may deem necessary or advisable in order to consummate the lawful issuance, execution and delivery of the Obligations 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 13. All consents, approvals, notices, orders, requests and other actions permitted or required by any of the documents authorized by this Resolution, whether before or after the execution and delivery of the Obligations, 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 Obligations or any prepayment or redemption of the Obligations, may be given or taken by any Authorized Signatory, as appropriate, without further authorization by the Commission, and each such officer is hereby authorized and directed to give any such consent, approval, notice, order or request and to take any such action that such officer may deem necessary or desirable to further the purposes of this Resolution and the financing of the Project; provided such action shall not create any obligation or liability of the Authority other than as provided in the Funding Loan Agreement, the Subordinate Indenture and other documents approved herein.

This Resolution shall take effect upon its adoption.
PUBLIC DISCLOSURES RELATING TO CONDUIT REVENUE OBLIGATIONS

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

1. Name of Borrower: SALINAS POINTE 2019 LP

2. Authority Meeting Date: 3/19/2020

3. Name of Obligations: Salinas Pointe Apartments

4. X Private Placement Lender or Bond Purchaser, __ Underwriter or __ Financial Advisor (mark one) engaged by the Borrower provided the Borrower with the required good faith estimates relating to the Obligations [as follows / attached as Schedule A]:

   [(A)  The true interest cost of the Obligations, which means the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for Obligations (to the nearest ten-thousandth of one percent): 4.08%.

   (B)  The finance charge of the Obligations, which means the sum of all fees and charges paid to third parties: $757,457.

   (C)  The amount of proceeds received by the public body for sale of the Obligations less the finance charge of the Obligations described in subparagraph (B) and any reserves or capitalized interest paid or funded with proceeds of the Obligations: $29,642,542.

   (D)  The total payment amount, which means the sum total of all payments the Borrower will make to pay debt service on the Obligations plus the finance charge of the Obligations described in subparagraph (B) not paid with the proceeds of the Obligations (which total payment amount shall be calculated to the final maturity of the Obligations): $48,478,564.

5. The good faith estimates [provided above / attached as Schedule A] were ___ presented to the governing board of the Borrower, or ___ presented to the official or officials or committee designated by the governing board of the Borrower to obligate the Borrower in connection with the Obligations or, in the absence of a
governing board, ___ presented to the official or officials of the Borrower having
authority to obligate the Borrower in connection with the Obligations (mark one).

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

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

Dated: March 5, 2020
Agenda Item No. 5e

Agenda Report

DATE: March 19, 2020

TO: CSCDA COMMISSIONERS

FROM: Cathy Bando, Executive Director

PROJECT: Hallmark House Apartments

PURPOSE: Approve the Financing of Rental Affordable Housing Project Located in the City of Redwood City, County of San Mateo

AMOUNT: Not to Exceed $25,000,000

EXECUTIVE SUMMARY:

Hallmark House Apartments (the “Project”) is the acquisition and rehabilitation of 72 units of rental affordable housing located in the City of Redwood City. 100% of the units will remain rent restricted for low-income residents.

PROJECT DESCRIPTION:

- Acquisition and rehabilitation of a 72-unit affordable rental housing facility located at 531 Woodside Road in the City of Redwood City.
- 0.63 acre site.
- One four-story residential building, pool and laundry rooms.
- Consists of 71 studio and one-bedroom units, and one manager unit.

PROJECT ANALYSIS:

Background on Applicant:

KDF Communities LLC, a California limited liability company, is an affordable housing development company based in Newport Beach, California that was founded in 1996. Since that time, KDF has emerged as one of the largest developers and owners of affordable family and senior housing developments in California. KDF has been involved in the construction, acquisition and rehabilitation of more than 5,300 affordable rental units in 44 properties throughout California. KDF’s success is evident through its long-term city and financial relationships that support the team’s commitment to quality and integrity. KDF’s ground-up new construction expertise and renovation turnaround stories that comprise the company’s portfolio exemplify a true focus on
quality and building community. KDF has financed more than 25 prior affordable housing projects with CSCDA.

**Public Agency Approval:**

**TEFRA Hearing:** February 10, 2020 – City of Redwood City – unanimous approval

**CDLAC Approval:** October 16, 2019

**Public Benefits:**

- 100% of the units will be rent restricted for 55 years.
  - 69% (49 units) restricted to 60% or less of area median income households.
  - 31% (22 units) restricted to 50% or less of area median income households.
  - One Manager unit.
- The Project is in walking distance to parks, recreational facilities, public schools, grocery stores and other retail establishments.

**Sources and Uses:**

**Sources of Funds:**
- Tax-Exempt Bonds: $22,000,000
- City of Redwood City Loan: $650,000
- Tax Credit Equity: $3,253,488
- Income: $523,140
- Deferred Developer Fee: $1,328,979
- Total Sources: $27,755,607

**Uses of Funds:**
- Acquisition: $7,400,000
- Construction Costs: $13,016,728
- Architecture & Engineering: $317,600
- Capitalized Interest/Loan Fees: $2,070,266
- Operating Reserve: $322,065
- Developer Fee: $2,839,000
- Costs of Issuance: $150,000
- Soft Costs: $1,639,948
- Total Uses: $27,755,607

**Finance Partners:**

- Bond Counsel: Orrick, Herrington & Sutcliffe, LLP, San Francisco
- Authority Counsel: Orrick, Herrington & Sutcliffe, LLP, Sacramento
- Private Placement Purchaser: Citibank, N.A.
Finance Terms:

Rating: Unrated
Term: 35 years
Method of Sale: Private Placement
Estimated Closing: April 15, 2020

CSCDA Policy Compliance:

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

DOCUMENTS: (as attachments)

1. CSCDA Resolution (Attachment A)

COMMISSION ACTION RECOMMENDED BY THE EXECUTIVE DIRECTOR:

CSCDA’s Executive Director recommends that the Commission adopt the resolution, which:

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. 20H-__

A RESOLUTION OF THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY AUTHORIZING THE EXECUTION AND DELIVERY OF MULTIFAMILY HOUSING REVENUE OBLIGATIONS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED $25,000,000 FOR THE FINANCING OF A MULTIFAMILY RENTAL HOUSING PROJECT TO BE GENERALLY KNOWN AS HALLMARK HOUSE 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 OBLIGATIONS.

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

WHEREAS, Hallmark 2017 LP, a California limited partnership, and entities related thereto (collectively, the “Borrower”), has requested that the Authority execute and deliver its California Statewide Communities Development Authority Multifamily Housing Revenue Construction/Permanent Note (Hallmark House Apartments) 2020 Series J-1 (the “Construction/Permanent Note”), its California Statewide Communities Development Authority Multifamily Housing Revenue Construction Note (Hallmark House Apartments) 2020 Series J-2 (the “Construction Note” and collectively, the “Notes”) and issue its California Statewide Communities Development Authority Multifamily Housing Revenue Bonds (Hallmark House Apartments) 2020 Tax-Exempt Subordinate Series J-S (the “Subordinate Bonds” and, together with the Notes, the “Obligations”) to assist in the financing of the acquisition, rehabilitation and development of a 72-unit multifamily housing rental development located in the City of Redwood City, County of San Mateo, California, and known as Hallmark House Apartments (the “Project”);

WHEREAS, on October 16, 2019, the Authority received an allocation in the amount of $22,000,000 (such amount as finally approved, the “Allocation Amount”) from the California Debt Limit Allocation Committee in connection with the Project;

WHEREAS, the City of Redwood City is a Program Participant (as defined in the Agreement) of the Authority and has authorized the execution and delivery of the Obligations in an amount that is not materially less than the amount authorized under this Resolution;
WHEREAS, the Authority is willing to execute and deliver the Obligations in an aggregate principal amount not to exceed $25,000,000, provided that the portion of such Obligations executed and delivered as federally tax-exempt obligations shall not exceed the Allocation Amount, and to loan the proceeds thereof to the Borrower to assist in providing financing for the Project, which will allow the Borrower to reduce the cost of the Project and to assist in providing housing for low and very low income persons;

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

WHEREAS, the Subordinate Bonds will be privately placed with KDF Hallmark 2017 LP, a California limited partnership, or an affiliate thereof (the “Subordinate Bonds Purchaser”), as the initial purchaser of the Subordinate Bonds, in accordance with the Authority’s private placement policy;

WHEREAS, pursuant to Section 5852.1 of the California Government Code, the Authority, as a conduit financing provider, has received certain representations and good faith estimates from the Borrower and has disclosed such good faith estimates as set forth in Exhibit A attached hereto; 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, execution and delivery of the Obligations, and such documents are now in substantial form and appropriate instruments to be executed and delivered for the purposes intended:

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

2. Borrower Loan Agreement (the “Borrower Loan Agreement”) to be entered into between the Authority and Borrower;

3. Regulatory Agreement and Declaration of Restrictive Covenants (the “Regulatory Agreement”) to be entered into by and among the Authority, the Borrower and Wilmington Trust, National Association, as trustee for the Subordinate Bonds (the “Subordinate Bonds Trustee”);

4. Indenture of Trust (the “Subordinate Indenture”) to be entered into between the Authority and the Subordinate Bonds Trustee, relating to the Subordinate Bonds;

5. Financing Agreement (the “Subordinate Financing Agreement”) to be entered into among the Authority, the Subordinate Bonds Trustee and the Borrower, relating to the Subordinate Bonds; and

6. Contingency Draw-Down Agreement (the “Contingency Draw-Down Agreement”) to be entered into by the Funding Lender and the Borrower.

NOW, THEREFORE, BE IT RESOLVED by the members of the Commission, as follows:
Section 1. The recitals set forth above are true and correct, and the members of the Commission hereby find them to be so.

Section 2. Pursuant to the JPA Law, the Funding Loan Agreement and the Subordinate Indenture, and in accordance with the Housing Law, the Authority is hereby authorized to execute and deliver the Obligations in one or more series. The Obligations shall be designated as (i) “California Statewide Communities Development Authority Multifamily Housing Revenue Construction/Permanent Note (Hallmark House Apartments) 2020 Series J-1,” (ii) “California Statewide Communities Development Authority Multifamily Housing Revenue Construction Note (Hallmark House Apartments) 2020 Series J-2,” and (iii) “California Statewide Communities Development Authority Multifamily Housing Revenue Construction Note (Hallmark House Apartments) 2020 Series J-3,” including, if and to the extent necessary, one or more sub-series, with appropriate modifications and series and sub-series designations as necessary, in an aggregate principal amount not to exceed $25,000,000; provided that the aggregate principal amount of any tax-exempt Obligations executed and delivered shall not exceed the Allocation Amount. The Notes shall be executed and delivered and the Subordinate Bonds shall be issued in the form set forth in and otherwise in accordance with the Funding Loan Agreement and the Subordinate Indenture, respectively, and 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 Authorized Signatory (as defined below) and the Subordinate Bonds shall be attested to by the manual or facsimile signature of the Secretary of the Authority or the manual signature of any Authorized Signatory. The Notes and the Subordinate Bonds shall be secured in accordance with the terms of the Funding Loan Agreement and the Subordinate Indenture, respectively, presented to this meeting, as hereinafter approved. Payment of the principal and purchase price of, and prepayment premium, if any, and interest on, the Notes and the Subordinate Bonds shall be made solely from amounts pledged thereto under the Funding Loan Agreement and the Subordinate Indenture, respectively, and the Obligations shall not be deemed to constitute a debt or liability of the Authority or any Program Participant or Member of the Commission of the Authority (each, a “Member”).

Section 3. The Funding Loan Agreement in the form presented at this meeting is hereby approved. Any Member, or any other person as may be designated and authorized to sign for the Authority pursuant to a resolution adopted thereby (including, without limitation, the administrative delegatees duly authorized pursuant to Resolution No. 20R-1 of the Authority, adopted on January 23, 2020) (together with the Members, each such person is referred to herein individually as an “Authorized Signatory”), acting alone, is authorized to execute by manual signature and deliver the Funding Loan Agreement, with such changes and insertions therein as may be necessary to cause the same to carry out the intent of this Resolution and as are approved by counsel to the Authority, such approval to be conclusively evidenced by the delivery thereof. The date, maturity date or dates (which shall not extend beyond April 1, 2065), interest rate or rates (which shall not exceed 12%), interest payment dates, denominations, form, registration privileges, manner of execution, place of payment, terms of prepayment and other terms of the Notes shall be as provided in the Funding Loan Agreement as finally executed.

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

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

Section 6. The Subordinate Indenture 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 Subordinate 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 April 1, 2065), 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 Subordinate Bonds shall be as provided in the Subordinate Indenture as finally executed.

Section 7. The Subordinate Financing 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 Subordinate Financing 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 8. The Contingency Draw-Down Agreement in the form presented at this meeting is hereby approved.

Section 9. The Authority is hereby authorized to execute and deliver the Notes to the Funding Lender pursuant to the terms and conditions of the Funding Loan Agreement.

Section 10. The Authority is hereby authorized to issue and sell the Subordinate Bonds to the Subordinate Bonds Purchaser pursuant to the terms and conditions of the Subordinate Indenture.

Section 11. The Subordinate Bonds, when executed, shall be delivered to the Subordinate Bonds Trustee for authentication. The Subordinate Bonds Trustee is hereby requested and directed to authenticate the Subordinate Bonds by executing the certificate of authentication of the Subordinate Bonds Trustee appearing thereon, and to deliver the Subordinate Bonds, when duly executed and authenticated, to the Subordinate Bonds Purchaser 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 Subordinate Bonds Trustee. Such instructions shall provide for the delivery of the Subordinate Bonds to the Subordinate Bonds Purchaser in accordance with the Subordinate Indenture upon payment of the purchase price thereof.
Section 12. All actions heretofore taken by the officers and agents of the Authority with respect to the financing of the Project and the issuance, execution and delivery of the Obligations are hereby approved, ratified and confirmed, and any Authorized Signatory, acting alone, is hereby authorized and directed, for and in the name and on behalf of the Authority, to do any and all things and take any and all actions and execute and deliver any and all certificates, agreements and other documents, including but not limited to a tax certificate, loan related documents, an assignment of any deed of trust, a termination of regulatory agreement, an endorsement, allonge or assignment of any note and such other documents as described in the Funding Loan Agreement, the Subordinate Indenture and the other documents herein approved, which they, or any of them, may deem necessary or advisable in order to consummate the lawful issuance, execution and delivery of the Obligations 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 13. All consents, approvals, notices, orders, requests and other actions permitted or required by any of the documents authorized by this Resolution, whether before or after the execution and delivery of the Obligations, 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 Obligations or any prepayment or redemption of the Obligations, may be given or taken by any Authorized Signatory, as appropriate, without further authorization by the Commission, and each such officer is hereby authorized and directed to give any such consent, approval, notice, order or request and to take any such action that such officer may deem necessary or desirable to further the purposes of this Resolution and the financing of the Project; provided such action shall not create any obligation or liability of the Authority other than as provided in the Funding Loan Agreement, the Subordinate Indenture and other documents approved herein.

Section 14. This Resolution shall take effect upon its adoption.
PUBLIC DISCLOSURES RELATING TO CONDUIT REVENUE OBLIGATIONS

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

1. Name of Borrower:  HALLMARK 2017 LP

2. Authority Meeting Date:  3/19/2020

3. Name of Obligations:  Hallmark House Apartments

4. X Private Placement Lender or Bond Purchaser, __ Underwriter or __ Financial Advisor (mark one) engaged by the Borrower provided the Borrower with the required good faith estimates relating to the Obligations [as follows / attached as Schedule A]:

   [(A) The true interest cost of the Obligations, which means the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for Obligations (to the nearest ten-thousandth of one percent): 4.05%.

   (B) The finance charge of the Obligations, which means the sum of all fees and charges paid to third parties: $586,002.

   (C) The amount of proceeds received by the public body for sale of the Obligations less the finance charge of the Obligations described in subparagraph (B) and any reserves or capitalized interest paid or funded with proceeds of the Obligations: $21,413,997.

   (D) The total payment amount, which means the sum total of all payments the Borrower will make to pay debt service on the Obligations plus the finance charge of the Obligations described in subparagraph (B) not paid with the proceeds of the Obligations (which total payment amount shall be calculated to the final maturity of the Obligations): $34,287,637.

5. The good faith estimates [provided above / attached as Schedule A] were ____ presented to the governing board of the Borrower, or ____ presented to the official or officials or committee designated by the governing board of the Borrower to obligate the Borrower in connection with the Obligations or, in the absence of a
governing board, ___ presented to the official or officials of the Borrower having authority to obligate the Borrower in connection with the Obligations (mark one).

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

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

Dated: March 5, 2020
DATE: March 19, 2020
TO: CSCDA COMMISSIONERS
FROM: Cathy Bando, Executive Director
PROJECT: Huntington Pointe Apartments
PURPOSE: Approve the Financing of Rental Affordable Housing Project Located in the City of Huntington Beach, County of Orange
AMOUNT: Not to Exceed $30,000,000

EXECUTIVE SUMMARY:

Huntington Pointe Apartments (the “Project”) is the acquisition and rehabilitation of 104 units of rental affordable housing located in the City of Huntington Beach. 100% of the units will remain rent restricted for low-income residents.

PROJECT DESCRIPTION:

- Acquisition and rehabilitation of a 104-unit affordable rental housing facility located at 18992 Florida Street in the City of Huntington Beach.
- 2.9 acre site.
- 14 two-story residential buildings, pool, clubhouse, playground and laundry rooms.
- Consists of 103 studio, one and two-bedroom units and one manager unit.

PROJECT ANALYSIS:

Background on Applicant:

KDF Communities LLC, a California limited liability company, is an affordable housing development company based in Newport Beach, California that was founded in 1996. Since that time, KDF has emerged as one of the largest developers and owners of affordable family and senior housing developments in California. KDF has been involved in the construction, acquisition and rehabilitation of more than 5,300 affordable rental units in 44 properties throughout California. KDF’s success is evident through its long-term city and financial relationships that support the team’s commitment to quality and integrity. KDF’s ground-up new construction expertise and renovation turnaround stories that comprise the company’s portfolio exemplify a true focus on
quality and building community. KDF has financed more than 25 prior affordable housing projects with CSCDA.

**Public Agency Approval:**

*TEFRA Hearing:* June 3, 2019 – City of Huntington Beach – unanimous approval

*CDLAC Approval:* October 16, 2019

**Public Benefits:**

- 100% of the units will be rent restricted for 55 years.
  - 80% (82 units) restricted to 60% or less of area median income households.
  - 20% (21 units) restricted to 50% or less of area median income households.
  - One Manager unit.
- The Project is in walking distance to parks, recreational facilities, public schools, grocery stores and other retail establishments.

**Sources and Uses:**

**Sources of Funds:**
- Tax-Exempt Bonds: $22,500,000
- Tax-Exempt Seller Note: $1,700,000
- City Loan: $1,700,000
- GP Equity: $567,200
- Tax Credit Equity: $3,664,654
- Income: $1,361,902
- Deferred Developer Fee: $1,777,878
- Total Sources: $33,271,634

**Uses of Funds:**
- Acquisition: $23,300,000
- Construction Costs: $3,448,420
- Architecture & Engineering: $124,100
- Relocation: $132,000
- Capitalized Interest/Loan Fees: $1,668,478
- Operating Reserve: $356,904
- Developer Fee: $3,699,000
- Costs of Issuance: $150,000
- Soft Costs: $392,732
- Total Uses: $33,271,634
Finance Partners:

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

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

Private Placement Purchaser: R4 Capital, Inc.

Finance Terms:

Rating: Unrated

Term: 35 years

Method of Sale: Private Placement

Estimated Closing: April 15, 2020

CSCDA Policy Compliance:

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

DOCUMENTS: (as attachments)

1. CSCDA Resolution (Attachment A)

COMMISSION ACTION RECOMMENDED BY THE EXECUTIVE DIRECTOR:

CSCDA’s Executive Director recommends that the Commission adopt the resolution, which:

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. 20H-__

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 $30,000,000 FOR THE FINANCING OF A MULTIFAMILY RENTAL HOUSING PROJECT GENERALLY KNOWN AS HUNTINGTON POINTE 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 and execute and deliver revenue notes for the purpose of financing, among other things, the acquisition, construction, rehabilitation and development of multifamily rental housing projects in accordance with Chapter 7 of Part 5 of Division 31 of the California Health and Safety Code (the “Housing Law”);

WHEREAS, Huntington Pointe 2019 LP, a California limited partnership, and entities related thereto (collectively, the “Borrower”), has requested that the Authority issue and sell its California Statewide Communities Development Authority Multifamily Housing Revenue Bonds (Huntington Pointe Apartments) 2020 Series N-1 (the “Series N-1 Bonds”) and California Statewide Communities Development Authority Multifamily Housing Revenue Bonds (Huntington Pointe Apartments) 2020 Series N-2 (the “Series N-2 Bonds” and, together with the Series N-1 Bonds, the “Bonds”) to assist in the financing of the acquisition, rehabilitation and development of an 104-unit multifamily rental housing development located in the City of Huntington Beach (the “City”), County of Orange, California, and known as Huntington Pointe Apartments (the “Project”);

WHEREAS, the Authority received an allocation in the amount of $24,200,000 (the “Allocation Amount”), on October 16, 2019, from the California Debt Limit Allocation Committee (“CDLAC”) in connection with the Project;

WHEREAS, the City is a Program Participant (as defined in the Agreement) of the Authority and has authorized the issuance of the Bonds in an amount that is not materially less than the amount authorized under this Resolution;
WHEREAS, the Authority is willing to issue its Bonds in an amount not to exceed $30,000,000, provided that the aggregate portion of such Bonds issued as federally tax-exempt obligations shall not exceed the Allocation Amount, and to loan the proceeds thereof to the Borrower to assist in providing financing for the Project, which will allow the Borrower to reduce the cost of the Project and to assist in providing housing for low income persons;

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

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

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

2. Loan Agreement (the “Loan Agreement”), to be entered into between the Authority and the Borrower;

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

4. Bond Purchase Agreement (the “Purchase Agreement”), to be entered into among the Authority, the Borrower, R4 California Tax-Exempt Bond Partners II LP, as purchaser of the Series N-1 Bonds (the “Series N-1 Purchaser”) and Pacific Western Bank, as purchaser of the Series N-2 Bonds (the “Series N-2 Purchaser” and, together with the Series N-1 Purchaser, the “Purchasers”).

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

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

Section 2. Pursuant to the JPA Law and the Indenture, and in accordance with the Housing Law, the Authority is hereby authorized to issue one or more series of Bonds. The Bonds shall be designated as “California Statewide Communities Development Authority Multifamily Housing Revenue Bonds (Huntington Pointe Apartments) 2020 Series N-1” and “California Statewide Communities Development Authority Multifamily Housing Revenue Bonds (Huntington Pointe Apartments) 2020 Series N-2” with appropriate modifications and series and sub-series designations as necessary, in an aggregate principal amount not to exceed $30,000,000; provided that the aggregate principal amount of any tax-exempt Bonds issued shall not exceed the Allocation Amount. The Bonds shall be issued in the form set forth in and otherwise in accordance with the Indenture, and 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 Authorized Signatory (as
defined below), and shall be attested to by the manual or 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 Indenture, 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 Indenture, and the Bonds shall not be deemed to constitute a debt or liability of the Authority or any Program Participant or any Member of the Commission of the Authority (each, a “Member”).

Section 3. The Indenture in the form presented at this meeting is hereby approved. Any Member, or any other person as may be designated and authorized to sign for the Authority pursuant to a resolution adopted thereby (including, without limitation, the administrative delegates duly authorized pursuant to Resolution No. 20R-1 of the Authority, adopted on January 23, 2020) (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 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 April 1, 2065), interest rate or rates (which shall not exceed 12%), interest payment dates, denominations, form, registration privileges, manner of execution, place of payment, terms of redemption and other terms of the Bonds shall be as provided in the Indenture as finally executed.

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

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

Section 6. The Authority is hereby authorized to sell the Bonds to the Purchasers 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 7. 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 Trustee appearing thereon, and to deliver the Bonds, when duly executed and authenticated, to or at the direction of the Purchasers, 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 in accordance with the Purchase Agreement upon payment of the purchase price thereof.

Section 8. All actions heretofore taken by the officers and agents of the Authority with respect to the financing of the Project and the sale and issuance of the Bonds are hereby approved, ratified and confirmed, and any Authorized Signatory, acting alone, is hereby authorized and directed, for and in the name and on behalf of the Authority, to do any and all things and take any and all actions and execute and deliver any and all certificates, agreements and other documents, including but not limited to a tax certificate, loan-related documents, an assignment of any deed of trust, a termination of regulatory agreement, a subordination or intercreditor agreement, an endorsement, allonge or assignment of any note and such other documents as described in the Indenture, 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 9. All consents, approvals, notices, orders, requests and other actions permitted or required by any of the documents authorized by this Resolution, whether before or after the issuance of the Bonds, including without limitation any of the foregoing that may be necessary or desirable in connection with any default under or amendment of such documents, any transfer or other disposition of the Project, any addition or substitution of security for the Bonds or any redemption of the Bonds, may be given or taken by any Authorized Signatory, as appropriate, without further authorization by the Commission, and each such officer is hereby authorized and directed to give any such consent, approval, notice, order or request and to take any such action that such officer may deem necessary or desirable to further the purposes of this Resolution and the financing of the Project; provided such action shall not create any obligation or liability of the Authority other than as provided in the Indenture, and other documents approved herein.

Section 10. This Resolution shall take effect upon its adoption.
PUBLIC DISCLOSURES RELATING TO CONDUIT REVENUE OBLIGATIONS

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

1. Name of Borrower: Huntington Pointe 2019 LP

2. Authority Meeting Date: March 19, 2020

3. Name of Obligations: Huntington Pointe Apartments
   California Statewide Communities Development Authority Multifamily Housing Revenue Bonds (Huntington Pointe Apartments) 2020 Series N-1 and 2020 Series N-2

4. X Private Placement Lender or Bond Purchaser, __ Underwriter or __ Financial Advisor (mark one) engaged by the Borrower provided the Borrower with the required good faith estimates relating to the Obligations as follows:

   (A) The true interest cost of the Obligations, which means the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for Obligations (to the nearest ten-thousandth of one percent): 3.25%.

   (B) The finance charge of the Obligations, which means the sum of all fees and charges paid to third parties: $525,050.

   (C) The amount of proceeds received by the public body for sale of the Obligations less the finance charge of the Obligations described in subparagraph (B) and any reserves or capitalized interest paid or funded with proceeds of the Obligations: $23,474,950.

   (D) The total payment amount, which means the sum total of all payments the Borrower will make to pay debt service on the Obligations plus the finance charge of the Obligations described in subparagraph (B) not paid with the proceeds of the Obligations (which total payment amount shall be calculated to the final maturity of the Obligations): $43,688,916.

5. The good faith estimates provided above were ___ presented to the governing board of the Borrower, or ___ presented to the official or officials or committee
designated by the governing board of the Borrower to obligate the Borrower in connection with the Obligations or, in the absence of a governing board, presented to the official or officials of the Borrower having authority to obligate the Borrower in connection with the Obligations (mark one).

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

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

Dated: March 13, 2020
DATE: March 19, 2020
TO: CSCDA COMMISSIONERS
FROM: Cathy Bando, Executive Director
PROJECT: Apple Tree Village Apartments
PURPOSE: Approve the Financing of Rental Affordable Housing Project Located in the City of Los Angeles, County of Los Angeles
AMOUNT: Not to Exceed $35,000,000

EXECUTIVE SUMMARY:

Apple Tree Village Apartments (the “Project”) is the acquisition and rehabilitation of 125 units of rental affordable housing located in the City of Los Angeles. 100% of the units will remain rent restricted for low-income residents.

PROJECT DESCRIPTION:

- Acquisition and rehabilitation of a 125-unit affordable rental housing facility located at 9229 N. Sepulveda Blvd. in the City of Los Angeles.
- 1.52 acre site.
- One residential building, community room, courtyard, parking and laundry rooms.
- Consists of 122 two and three-bedroom units and three manager units.

PROJECT ANALYSIS:

Background on Applicant:

ABS Properties, Inc., (“ABS”) is an innovative boutique development firm whose lightning-quick responses allow it to thrive in today’s ever-changing real-estate environment. ABS’ commitment and professionalism has driven its growth and reputation over the past 10+ years as a premier development firm in the City of Los Angeles. ABS has entered into developments ranging from large multi-family to mixed-income projects totaling over 600 units.

Just as commitment to quality has served to propel the precipitous growth of ABS, commitment to community is fundamental to the firm. ABS is aware of the community that it serves and works closely with notable non-profit community partners such as Grant AME, Ward AME, the
Hollywood 7th Day Adventist Church, Hollywood Arts, PATH, Palms Residential Care Facility, Search for the Involvement of Filipino Americans (SIPA) and Levitt Pavilion for the Performing Arts MacArthur Park Los Angeles. The ABS team through its involvement in civic affairs, charitable work, and support for the arts play an active role in promoting the growth and revitalization of communities. This is the first ABS financing with CSCDA.

**Public Agency Approval:**

**TEFRA Hearing:** April 5, 2019 – City of Los Angeles – unanimous approval

**CDLAC Approval:** October 16, 2019

**Public Benefits:**

- 100% of the units will be rent restricted for 55 years.
  - 100% (122 units) restricted to 50% or less of area median income households.
  - Three manager units.
- The Project is in walking distance to parks, recreational facilities, public schools, grocery stores and other retail establishments.

**Sources and Uses:**

**Sources of Funds:**

- Tax-Exempt Bonds: $25,000,000
- Tax-Exempt Seller Note: $2,562,003
- GP Equity: $462,941
- Tax Credit Equity: $9,436,134
- Income: $2,112,971
- Deferred Developer Fee: $3,314,992
- Total Sources: $42,889,041

**Uses of Funds:**

- Acquisition: $23,572,567
- Construction Costs: $6,409,851
- Architecture & Engineering: $323,000
- Relocation: $1,100,000
- Capitalized Interest/Loan Fees: $5,230,349
- Operating Reserve: $460,105
- Developer Fee: $5,442,304
- Costs of Issuance: $130,000
- Soft Costs: $220,865
- Total Uses: $42,889,041
Finance Partners:

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

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

Private Placement Purchaser: Deutsche Bank

Finance Terms:

Rating: Unrated
Term: 35 years
Method of Sale: Private Placement
Estimated Closing: April 5, 2020

CSCDA Policy Compliance:

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

DOCUMENTS: (as attachments)

1. CSCDA Resolution (Attachment A)

COMMISSION ACTION RECOMMENDED BY THE EXECUTIVE DIRECTOR:

CSCDA’s Executive Director recommends that the Commission adopt the resolution, which:

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. _____

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 $35,000,000 FOR THE FINANCING OF A MULTIFAMILY RENTAL HOUSING PROJECT GENERALLY KNOWN AS APPLE TREE VILLAGE APARTMENTS; DETERMINING AND PRESCRIBING CERTAIN MATTERS AND APPROVING AND AUTHORIZING THE EXECUTION OF AND DELIVERY OF VARIOUS DOCUMENTS RELATED THERETO; RATIFYING ANY ACTION HERETOFORE TAKEN AND APPROVING RELATED MATTERS IN CONNECTION WITH THE BONDS

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

WHEREAS, ABS Sepulveda LP, a California limited partnership, and entities related thereto (collectively, the “Borrower”), has requested that the Authority issue and sell revenue bonds to assist in the financing of the acquisition, rehabilitation and development of a 125-unit multifamily rental housing development located in the City of Los Angeles (the “City”), County of Los Angeles, California, and known as Apple Tree Village Apartments (the “Project”);

WHEREAS, on October 16, 2019, the Authority received an allocation of private activity bond volume cap for the Project in the amount of $25,000,000 (the “Allocation Amount”) from the California Debt Limit Allocation Committee (“CDLAC”);

WHEREAS, the City 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 $35,000,000 aggregate principal amount of its Multifamily Housing Revenue Bonds (Apple Tree Village Apartments) 2020 Series R (the “Tax-Exempt Bonds”) and its Multifamily Housing Revenue Bonds (Apple Tree Village Apartments) 2020 Series R-T (the “Taxable Bonds” and together with the Tax-Exempt Bonds, the “Bonds”), provided that the aggregate portion of such Bonds issued as federally tax-exempt obligations shall not exceed the Allocation Amount, 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, pursuant to Section 5852.1 of the California Government Code, the Authority, as a conduit financing provider, has received certain representations and good faith estimates from the Borrower and has disclosed such good faith estimates as set forth on Exhibit A attached hereto;

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 (the “Indenture”), to be entered into between the Authority and U.S. Bank National Association, as trustee (the “Trustee”);

(2) Loan Agreement (the “Loan Agreement”), to be entered into between the Authority and the Borrower;

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

(4) Bond Purchase Agreement (the “Purchase Contract”) to be entered into among the Authority, the Borrower and Stern Brothers & Co., as placement agent (the “Placement Agent”), relating to the initial sale of the Bonds, with the acknowledgment and consent of the purchaser thereof.

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

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

Section 2. Pursuant to the JPA Law and the Indenture, and in accordance with the Housing Law, the Authority is hereby authorized to issue one or more series of Bonds. The Bonds shall be designated as “California Statewide Communities Development Authority Multifamily Housing Revenue Bonds (Apple Tree Village Apartments) 2020 Series R” and “California Statewide Communities Development Authority Multifamily Housing Revenue Bonds (Apple Tree Village Apartments) 2020 Series R-T” with appropriate modifications and series and sub-series designations as necessary, in an aggregate principal amount not to exceed $35,000,000; provided that the aggregate principal amount of any tax-exempt Bonds issued shall not exceed the Allocation Amount. The Bonds shall be issued in the form set forth in and otherwise in accordance with the Indenture, 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 Indenture, 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 Indenture, and the Bonds shall not be deemed to constitute
a debt or liability of the Authority or any Program Participant or any Member of the Commission of the Authority (each, a “Member”).

Section 3. The Indenture in the form presented at this meeting is hereby approved. Any Member, or any other person as may be designated and authorized to sign for the Authority pursuant to a resolution adopted thereby (including, without limitation, the administrative delegates duly authorized pursuant to Resolution No. 20R-1 of the Authority, adopted on January 23, 2020) (together with the Members, each such person is referred to herein individually as an “Authorized Signatory”), acting alone, is authorized to execute by manual or facsimile signature, and to deliver to the Trustee, the 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 principal amount, date, maturity date or dates (which shall not extend beyond April 1, 2065), interest rate or rates (which shall not exceed 12%), interest payment dates, denominations, form, registration privileges, manner of execution, place of payment, terms of redemption and other terms of the Bonds shall be as provided in the Indenture as finally executed.

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

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

Section 6. The Authority is hereby authorized to sell the Bonds to the Placement Agent or its designee pursuant to the terms and conditions of the Purchase Contract. The form, terms and provisions of the Purchase Contract in the form presented at this meeting are hereby approved and any Authorized Signatory, acting alone, is authorized to execute by manual signature and deliver the Purchase Contract 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 7. 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 Trustee appearing thereon, and to deliver the Bonds, when duly executed and authenticated, to or at the direction of the Placement Agent, in accordance with written instructions executed and delivered on behalf of the Authority by an Authorized Signatory, which 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 Placement Agent in accordance with the Purchase Contract upon payment of the purchase price thereof.
Section 8. All actions heretofore taken by the officers and agents of the Authority with respect to the financing of the Project and the sale and issuance of the Bonds are hereby approved, ratified and confirmed, and any Authorized Signatory, acting alone, is hereby authorized and directed, for and in the name and on behalf of the Authority, to do any and all things and take any and all actions and execute and deliver any and all certificates, agreements and other documents, including but not limited to a tax certificate, a subordination or intercreditor agreement, any endorsement, allonge and/or assignment of any note or the deed of trust and such other documents as described in the Indenture or the Purchase Contract, and the other documents herein approved, which they, or any of them, may deem necessary or advisable in order to consummate the lawful issuance and delivery of the Bonds and to effectuate the purposes thereof and of the documents herein approved in accordance with this resolution and resolutions heretofore adopted by the Authority and otherwise in order to carry out the financing of the Project.

Section 9. All consents, approvals, notices, orders, requests and other actions permitted or required by any of the documents authorized by this Resolution, whether before or after the issuance of the Bonds, including without limitation any of the foregoing that may be necessary or desirable in connection with any default under or amendment of such documents, any transfer or other disposition of the Project, any addition or substitution of security for the Bonds or any redemption of the Bonds, may be given or taken by any Authorized Signatory, as appropriate, without further authorization by the Commission, and each such officer is hereby authorized and directed to give any such consent, approval, notice, order or request and to take any such action that such officer may deem necessary or desirable to further the purposes of this Resolution and the financing of the Project; provided such action shall not create any obligation or liability of the Authority other than as provided in the 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 19th day of March 2020.

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 March 19, 2020.

By: ____________________________

Authorized Signatory
PUBLIC DISCLOSURES RELATING TO CONDUIT REVENUE OBLIGATIONS

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

1. Name of Borrower: ABS Sepulveda, LP

2. Authority Meeting Date: March 19, 2020

3. Name of Obligations: $25,000,000 Tax-Exempt Multifamily Housing Revenue Bonds
   (Apple Tree Village Apartments) 2020 Series R

   $5,000,000 Taxable Multifamily Housing Revenue Bonds
   (Apple Tree Village Apartments) 2020 Series R-T

4. _X_ Private Placement Lender or Bond Purchaser, __ Underwriter or __ Financial Advisor (mark one) engaged by the Borrower provided the Borrower with the required good faith estimates relating to the Obligations as follows:

   (A) The true interest cost of the Series R Obligations, which means the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for Series R Obligations (to the nearest ten-thousandth of one percent): 3.7569%.

   The true interest cost of the Series R-T Obligations, which means the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for Series R-T Obligations (to the nearest ten-thousandth of one percent): 4.2878%.

   (B) The finance charge of the Obligations, which means the sum of all fees and charges paid to third parties: $800,000.

   (C) The amount of proceeds received by the public body for sale of the Obligations less the finance charge of the Obligations described in subparagraph (B) and any reserves or capitalized interest paid or funded with proceeds of the Obligations: $26,133,715.

   (D) The total payment amount, which means the sum total of all payments the Borrower will make to pay debt service on the Series R Obligations plus
the finance charge of the Series R Obligations described in subparagraph (B) not paid with the proceeds of the Series R Obligations (which total payment amount shall be calculated to the final maturity of the Series R Obligations): $52,350,915.49.

The total payment amount, which means the sum total of all payments the Borrower will make to pay debt service on the Series R-T Obligations plus the finance charge of the Series R-T Obligations described in subparagraph (B) not paid with the proceeds of the Series R-T Obligations (which total payment amount shall be calculated to the final maturity of the Series R-T Obligations): $5,233,749.98.

5. The good faith estimates provided above were ___ presented to the governing board of the Borrower, or ___ presented to the official or officials or committee designated by the governing board of the Borrower to obligate the Borrower in connection with the Obligations or, in the absence of a governing board, ___ presented to the official or officials of the Borrower having authority to obligate the Borrower in connection with the Obligations (mark one).

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

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

Dated: March 13, 2020
Agenda Item No. 6

Agenda Report

DATE: March 19, 2020

TO: CSCDA COMMISSIONERS

FROM: Cathy Bando, Executive Director

PROJECT: Wagon Wheel (City of Oxnard) – Community Facilities District

PURPOSE: Consider resolution relating to the issuance of bonds for Community Facilities District No. 2018-01, Series 2020 (Wagon Wheel)

EXECUTIVE SUMMARY:

- On July 19, 2018 the Commission approved the following to initiate the formation of the Wagon Wheel CFD for the City of Oxnard: (1) a joint community facilities agreement; (2) a declaration of intention to levy a special tax; (3) a resolution to incur bond indebtedness; and (4) set the public hearing from September 6, 2018.

- On September 6, 2018 the Commission conducted the public hearing and adopted resolutions forming the District, and conducted the first reading of the Ordinance Levying a Special Tax.

- On September 20, 2018, the Commission conducted the second reading and adopted the Ordinance Levying a Special Tax.

The actions requested today are the final step for the issuance of bonds for the Wagon Wheel CFD No. 2018-01, Series 2020. The CFD is being formed to finance public facilities and fees and certain City ongoing operational costs of the City (“O&M Costs”) such as landscape/park/parkway maintenance, storm water quality device maintenance, flood protection improvements maintenance, among other costs.

The City approved the formation of the CFD by CSCDA on December 6, 2016.

BACKGROUND:

On January 27, 2009, the City approved a development agreement (“Development Agreement”) with Oxnard Village Investments LLC for the development of the former Wagon Wheel property. The Wagon Wheel development, which is currently underway, is a 58-acre property located along Highway 101 and Oxnard Blvd. The project consists of approximately 1,380 dwellings, composed of condominiums and apartment units.

The successor developer to Oxnard Village Investments LLC, Oxnard CRFL Partners, LLC (the “Developer”) has requested formation of a Community Facilities District (“CFD”) to finance public...
facilities and fees and certain City ongoing operational costs of the City ("O&M Costs") such as landscape/park/parkway maintenance, storm water quality device maintenance, flood protection improvements maintenance, among other costs. The Development Agreement provides for the formation of a Community Facilities Districts ("CFD") for both the O&M costs and also financing of developer impact fees and public infrastructure

Finance Partners:

Bond Counsel: Orrick, Herrington & Sutcliffe, LLP, Sacramento
Authority Counsel: Orrick, Herrington & Sutcliffe, LLP, San Francisco
Underwriter: RBC Capital Markets, San Francisco
Special Tax Consultant: DTA, Newport Beach

SB 450 Good Faith Estimates:

1. TIC: 3.495%
2. Sum of all fees and charges paid to third parties: $672,000
3. Net Proceeds: $14,266,115
4. Total Net Debt Service (+Annual Fees): $27,779,249

ESTIMATED SOURCES & USES:

Sources:
Bond Proceeds $ 15,000,000
Premium $ 1,358,064
$ 16,358,064

Uses:
Project Fund $ 14,266,115
Capitalized Interest $ 213,049
Debt Service Reserve Fund $ 1,206,400
Cost of Issuance $ 410,000
Underwriter Discount $ 262,500
$ 16,358,064

FINANCE TERMS:

Rating: Non-rated
Term: 30 years
Structure: Fixed Rate
Method of Sale: Public Offering
Estimated Closing: April 14, 2020
COMMISSION ACTION RECOMMENDED BY THE EXECUTIVE DIRECTOR:

CSCDA’s Executive Director recommends the following actions:

1. Resolution approving the issuance of the California Statewide Communities Development Authority Community Facilities District No. 2018-01 (Wagon Wheel), Special Tax Bonds, Series 2020; authorizing the execution and delivery of an indenture providing for the issuance of such bonds; approving a bond purchase contract providing for the sale of such bonds; approving an official statement; approving a continuing disclosure certificate; authorizing the sale of such bonds; and authorizing related actions and the execution of related documents in connection with the issuance, sale and delivery of such bonds.

Documents:
https://www.dropbox.com/sh/1mmjgo8e8iwy78c/AAA9txq0BhMDod5HFcrSBzCra?dl=0
Agenda Item No. 7

Agenda Report

DATE: March 19, 2020

TO: CSCDA COMMISSIONERS

FROM: Cathy Bando, Executive Director

PROJECT: Sand Creek – Community Facilities District

PURPOSE: 1. Consider the following resolution with respect to Community Facilities District No. 2019-02 (Sand Creek):

Resolution Rescinding Resolution Nos. 19SCIP78 and 19SCIP85 Relating to California Statewide Communities Development Authority Community Facilities District No. 2019-02 (Sand Creek), City of Antioch, County of Contra Costa, State of California and Improvement No. 1 Therein.

2. Conduct first reading of “Ordinance Rescinding Ordinance No. 19ORD-2 and Dissolving California Statewide Communities Development Authority Community Facilities District No. 2019-02 (Sand Creek), City of Antioch, County of Contra Costa, State of California and Improvement No. 1 Therein.”

EXECUTIVE SUMMARY:

On September 5, 2019 the Commission approved the formation of the Sand Creek Community Facilities District (CFD) 2019-02. After the formation the development team for Sand Creek changed the boundaries of the CFD, and thus require the previous formation be abandoned. At the March 5, 2020, the Commission approved a resolution of intention to form a new CFD for Sand Creek. The abandonment documents were not ready for the March 5th meeting requiring this matter be brought separately today.

COMMISSION ACTION RECOMMENDED BY THE EXECUTIVE DIRECTOR:

CSCDA’s Executive Director recommends the following actions and approving the following resolution and actions.

1. Resolution Rescinding Resolution Nos. 19SCIP78 and 19SCIP85 Relating to California Statewide Communities Development Authority Community Facilities District No. 2019-02 (Sand Creek), City of Antioch, County of Contra Costa, State of California and Improvement No. 1 Therein.”

2. Conduct first reading of “Ordinance Rescinding Ordinance No. 19ORD-2 and Dissolving California Statewide Communities Development Authority Community Facilities District No. 2019-02 (Sand
Creek), City of Antioch, County of Contra Costa, State of California and Improvement No. 1 Therein.”

Resolution & Ordinance:
https://www.dropbox.com/sh/bq09dctxfjs0v/AABdkwpq3nMtdqIDwLZPYfIRa?dl=0
DATE: March 19, 2020

TO: CSCDA COMMISSIONERS

FROM: Cathy Bando, Executive Director

PURPOSE: Consideration of a resolution adopting the inclusion of fire hardening measures as part of Open PACE.

SUMMARY:

SB 465, signed into law in 2018, provides the following:

*Expands, until January 1, 2029, Property Assessed Clean Energy (PACE) financing to allow cities and counties in Very High Fire Hazard Severity Zones (VHFHSZ) to authorize contractual assessments for property owners to finance wildfire safety improvements.*

“Wildfire safety improvements” to mean permanent wildfire resilience and safety improvements fixed to an existing residential, commercial, industrial, agricultural, or other real property. These improvements mean the components identified by the Department of Forestry and Fire Protection (CAL FIRE) at [www.readyforwildfire.org/Hardening-Your-Home/](http://www.readyforwildfire.org/Hardening-Your-Home/), as updated by CAL FIRE or at a subsequent Internet Web site.

Due to ongoing legal review of the legislation the Commission’s consideration of fire hardening measures was delayed.

The action requested today is to incorporate fire hardening measures into the CSCDA CaliforniaFirst program. The CSCDA Open PACE administrators have not requested such addition at this time. Sonoma County has implemented fire hardening measures into its PACE program.

A list of recommended fire hardening measures is attached. These measures are pursuant to the statewide CAL FIRE recommendations. (Attachment A)

RECOMMENDATION:

The Executive Director recommends adoption of the attached resolution incorporating fire hardening measures as part of the CaliforniaFirst program. (Attachment B)
The following wildfire safety improvements are allowed to be installed on Properties that are within a designated Very High Fire Hazard Severity Zone (http://egis.fire.ca.gov/FHSZ/). This list does not supersede or replace any local or state regulations. Improvements made for fire safety through PACE must meet or exceed all local building requirements and fire restrictions.

<table>
<thead>
<tr>
<th>Product Category</th>
<th>Product Type</th>
<th>Unit</th>
<th>Max Term</th>
<th>Qualifying Criteria</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fire Hardening</td>
<td>Roofing- Class A Covering</td>
<td>Sqft</td>
<td>25</td>
<td>All materials must be Class A fire-rated and installed per manufacturer's instructions.</td>
</tr>
<tr>
<td>Fire Hardening</td>
<td>Roofing- Class A by Assembly</td>
<td>Sqft</td>
<td>25</td>
<td>If Class A materials are not used, a covering or underlying material must be used to enhance fire performance to meet Class A specifications using ASTM Standard Test E-108.</td>
</tr>
<tr>
<td>Fire Hardening</td>
<td>Covered Rain Gutters</td>
<td>Linear Feet</td>
<td>10</td>
<td>Product must be covered or constructed so debris and vegetation does not accumulate in or around the gutter. Product must be composed of non-combustible materials and installed such that the leading edge of the roof is finished so that no sheathing is exposed.</td>
</tr>
<tr>
<td>Fire Hardening</td>
<td>Deck Replacement</td>
<td>Sqft</td>
<td>15</td>
<td>Replacement ONLY, new decks are not permitted. Replacement of deck structure or surface with non-combustible materials; base of deck should be enclosed and constructed from a non-combustible material.</td>
</tr>
<tr>
<td>Fire Hardening</td>
<td>Siding Replacement</td>
<td>Sqft</td>
<td>25</td>
<td>Product must replace existing wood or shingle siding with noncombustible or ignition-resistant material. Product shall be installed per the manufacturer's instructions and positioned to avoid gaps. Any voids shall be caulked or otherwise filled.</td>
</tr>
<tr>
<td>Fire Hardening</td>
<td>Windows</td>
<td>Quantity</td>
<td>25</td>
<td>Windows must be dual paned, with a tempered exterior pane. All frames and other materials must be constructed from noncombustible or ignition-resistant material.</td>
</tr>
<tr>
<td>Fire Hardening</td>
<td>Fence</td>
<td>Linear Feet</td>
<td>15</td>
<td>Product must be made from non-combustible material, ignition resistant wood or heavy timber construction; gates must be constructed entirely of non-combustible material. Wood slat fences are not permitted.</td>
</tr>
</tbody>
</table>
ATTACHMENT B

RESOLUTION NO. _____

RESOLUTION ACCEPTING AND RATIFYING AMENDED PROGRAM REPORT IMPLEMENTING SECTION 5899.4 (WILDFIRE SAFETY IMPROVEMENTS) OF CHAPTER 29 OF PART 3 OF DIVISION 7 OF THE STREETS AND HIGHWAYS CODE, AND OTHER RELATED MATTERS

ALL COVERED JURISDICTIONS

WHEREAS, the California Statewide Communities Development Authority ("California Communities") is authorized under the authority granted to California Communities pursuant to Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (beginning with Section 6500) in accordance with Chapter 29 of Part 3 of Division 7 of the Streets & Highways Code of the State of California (beginning with Section 5898.10) ("Chapter 29") to levy contractual assessments to finance the installation of certain improvements; and

WHEREAS, the Commission previously adopted resolutions for certain of its members (each, a "Covered Jurisdiction," and collectively, the "Covered Jurisdictions"), each entitled "Resolution Declaring Intention to Finance Installation of Distributed Generation Renewable Energy Sources, Energy Efficiency and Water Efficiency Improvements" (collectively, the "Resolutions of Intention"), to initiate proceedings under Chapter 29 in and for the territory within each Covered Jurisdiction (the "Program Area") to establish the CaliforniaFIRST program (the "Program"), pursuant to which California Communities would enter into contractual assessments to finance improvements authorized by Chapter 29 ("Authorized Improvements"); and

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

WHEREAS, the Superior Court of the State of California, County of Sacramento, entered the following default judgments with respect to the Program, which validated the Program formation proceedings, including the Resolutions Confirming Report (which permitted the Program Manager to “make such changes to the matters addressed by the Report, including but not limited to the list of Authorized Improvements… as such Program Manager determines are appropriate” in connection with implementation of the Program within the boundaries of each Covered Jurisdiction):

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

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

(iii) a default judgment rendered on October 17, 2014, by the Superior Court of the State of California, County of Sacramento, in the validation action entitled “California Statewide Communities Development Authority v. All Persons Interested in the Matter of California Communities’ ‘CaliforniaFIRST’ Property Assessed Clean Energy (‘PACE’) Program Established in Certain Counties and Cities, Including the Adoption of Resolutions and the Authorization of the Matters Therein, and all Bonds, Contracts, Contractual Assessments, and other Matters and Proceedings Related Thereto,” Case No. 34-2014-00166647;

WHEREAS, the Commission adopted Resolution No. 15R-59, entitled, “Resolution Declaring Intention to Finance Installation of Seismic Strengthening Improvements, Electric Vehicle Charging Infrastructure and Other Authorized Improvements and Other Related Matters,” on October 8, 2015, pursuant to which, among other things, the Commission ordered a public hearing to occur on the date hereof for the purpose of allowing interested persons to object to or inquire about a proposed program for financing of certain additional improvements authorized by Chapter 29, including all other improvements authorized by Chapter 29 from time to time thereafter, by contractual assessments; and

WHEREAS, after holding a duly noticed public hearing at which interested persons were allowed to object to or inquire about the proposed Program within the Program Area or any of the Program’s particulars, the Commission adopted Resolution No. 15R-64, entitled, “Resolution Confirming Amended and Restated Report Relating to Financing the Installation of Seismic Strengthening Improvements, Electric Vehicle Charging Infrastructure and Other Authorized Improvements and Other Related Matters” on November 19, 2015; and

WHEREAS, effective as of January 1, 2019, Chapter 29 authorizes the financing of certain wildfire safety improvements pursuant to Section 5899.4 thereof, and California Communities has amended and restated the Program Report (which is attached hereto as Exhibit A and referred to herein as the “Amended and Restated Report”) to implement the provisions of Section 5899.4; and

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

1. The above recitals are true and correct.

2. The Commission hereby accepts and ratifies the Amended and Restated Report and the component parts thereof, including each exhibit incorporated by reference therein. The Program Manager for the Program is hereby authorized to make such changes to the matters addressed by the Amended and Restated Report, including but not limited to the list of Authorized Improvements, the draft form of Assessment Contract attached thereto, and the plan for financing installation of the Authorized
Improvements, as the Program Manager determines are appropriate in connection with implementation of
the Program within the boundaries of the Covered Jurisdictions and without any further hearings or
approvals by this Commission.

3. The provisions of all the resolutions that the Commission has adopted, and other actions taken in
furtherance of those resolutions that the Commission has taken, with respect to the Program are hereby
ratified and incorporated in this Resolution by this reference except as superseded by this Resolution. All
actions heretofore taken by the officers and agents of California Communities with respect to the Program
and the matters contemplated by this Resolution and the Amended and Restated Report are hereby
approved, confirmed and ratified, and the proper officers of California Communities, including an
Authorized Signatory, are hereby authorized, for and in the name and on behalf of California
Communities, to do any and all things and take any and all actions and execute and deliver any and all
documents that they, or any of them, may deem necessary or advisable in order to consummate the
matters contemplated by this Resolution.

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

* * * * * * * * *

* * * * * * * * *
PASSED AND ADOPTED by the California Statewide Communities Development Authority this 20th day of March 2020.

I, the undersigned, an Authorized Signatory of the California Statewide Communities Development Authority, DO HEREBY CERTIFY that the foregoing resolution was duly adopted by the Commission of California Communities at a duly called meeting of the Commission of the California Communities held in accordance with law on March , 2020.

By: __________
Authorized Signatory
California Statewide Communities Development Authority
EXHIBIT A

AMENDED AND RESTATED REPORT

https://www.dropbox.com/sh/2s5zgi6zklypo0e/AAD2tqf4rFp5rrM02qxBhJga?dl=0
DATE: March 19, 2020
TO: CSCDA COMMISSIONERS
FROM: Cathy Bando, Executive Director
PURPOSE: Consideration of a Joint Exercise of Powers Agreement between CSCDA and the City of Orange

EXECUTIVE SUMMARY:

The City of Orange ("the City") has requested that CSCDA enter into a new joint exercise of powers agreement, creating the Orange City Public Facilities Financing Authority, to assist with the financing of a $34,000,000 fire station.

BACKGROUND:

The City is proposing the financing of a new Fire Station No. 1 Headquarters project estimated to be approximately $34,000,000. In light of the currently low interest rate environment, a bond financing is being contemplated and the bonds will be issued by a joint powers authority. In order to form a joint powers authority, the City needed to find an eligible public entity to be the counterparty to a joint exercise of powers agreement. The following is an outline of the financing:

- CSCDA will charge the City its standard fee of $10,000 for the arrangement, payable from bond proceeds upon the issuance of the proposed bonds.
- After City Council’s and CSCDA Commission approval, the City and CSCDA will enter into the Joint Powers Agreement to form OCPFFA. CSCDA will have no other role in the proposed bond financing.
- The governing board of OCPFFA will consist of members of the City Council. The administration and operation of the JPA will be provided by City staff. The City Manager, the City Clerk, the Treasurer and the Finance Director of the City will be, respectively, the Executive Director, the Secretary, the Treasurer and the Assistant Treasurer of OCPFFA.
• CSCDA will be the only other member to the joint powers authority. Standard limitations on liability and indemnification are contained in the Joint Powers Agreement between the City and CSCDA.

• CSCDA has previously entered into similar joint powers agreements to assist the San Bruno Park School District, Cameron Park Community Services District, San Dieguito Union High School District, the Alameda County Flood Control and Water Conservation District, Zone 7 and Mountain House Community Services District in connection with similar financings.

Richards, Watson Gershon will be serving as bond counsel.

RECOMMENDED ACTION:

CSCDA’s Executive Director recommends that the Commission approve the resolution to authorize CSCDA to enter into the joint exercise of powers agreement by and between CSCDA and the City of Orange.

Resolution and Joint Powers Agreement:
https://www.dropbox.com/sh/q7yduc9z8g17ahv/AACHCDJt64S6F8H1Ni0vay7ha?dl=0