



CSCDA
CALIFORNIA STATEWIDE COMMUNITIES
DEVELOPMENT AUTHORITY



**AGENDA OF THE
REGULAR MEETING OF THE
CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY**

January 30, 2014

10:00 a.m.

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

27788 Hidden Trail Road
Laguna Hills, CA 92653

County of Monterey
168 West Alisal Street
Salinas, CA 93901

City of Walnut Creek
1666 North Main St.
Walnut Creek, CA 94596

County of Yuba
915 8th Street, Suite 103
Marysville, CA 95901

- I. Call the Roll (alternates designate which member they are representing).
- II. Approve the Minutes of the January 16, 2014 Regular Meeting.
- III. Staff Updates.
- IV. Approve Consent Calendar.
- V. Approve the financing; all necessary actions; the execution and delivery of all necessary documents and authorize any member to sign all necessary financing documents for the following:
 - a. Standard Rio Vista, L.P. (Rio Vista Apartments), City of San Diego, County of San Diego; up to \$16 million in multi-family housing debt obligations. (Staff: Caitlin Lanctot)

This ___ page agenda was posted at 1100 K Street, Sacramento, California on _____, 2013 at __: __ m,
Signed _____. Please fax signed page to (925) 933-8457.

- VI. Discuss and approve CaliforniaFirst PACE Program Contract. (Staff: Caitlin Lanctot)
- VII. Discuss and approve engagement letter with Orrick Herrington and Sutcliffe LLP for issuer council services. (Chair: Larry Combs)
- VIII. Discuss and approve amendment of the Bond Issuance and Pledge Agreement in connection with the conversion of the Hemlock Family Apartments. (Staff: Caitlin Lanctot)
- IX. Approve the following resolutions for Assessment District 14-02 (City of Chula Vista, County of San Diego) related to the upcoming Statewide Community Infrastructure Program (SCIP) project: (Staff: Caitlin Lanctot)
 - a. A resolution of intention to finance the payment of development impact fees, including approval of proposed boundary map;
 - b. A resolution preliminarily approving engineer's reports, setting public hearing of protests and providing property owner ballots for Statewide Community Infrastructure Program Assessment District.
- X. Approve a resolution approving a form of deposit and reimbursement agreement for the proposed SCIP Assessment Districts. (Staff: Caitlin Lanctot)
- XI. Public Comment.
- XII. Adjourn.



**CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY
CONSENT CALENDAR**

1. Induce the following projects:
 - a. Neighborhood Partners, LLC (Heritage Commons Phase II), City of Dixon, County of Solano; issue up to \$9 million in multi-family housing debt obligations.
 - b. Tuolumne Road Partners, LP (Tuolumne Apartments), City of Tuolumne, County of Tuolumne; issue up to \$6.5 million in multi-family housing debt obligations.
2. Approve the following invoices for payment:
 - a. David Taussig & Associates, Invoice#1312173.

Thursday, January 30, 2014

Note: Persons requiring disability-related modification or accommodation to participate in this public meeting should contact (925) 933-9229, extension 225.

Item II

Approve the Minutes of the January 16, 2014 Regular Meeting.

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

League of California Cities
1400 K Street, Sacramento, California

January 16, 2014

MINUTES

Commission chair Larry Combs called the meeting to order at 10:01 am.

I. Roll Call

Commission members present: Larry Combs, Dan Mierzwa, Terry Schutten, and Dwight Stenbakken. Alternate Commissioner Ron Holly, representing Tim Snellings, participated by conference telephone.

Others present included: Chris McKenzie, Norman Coppinger and Perry Stottlemeyer, League of California Cities; Mike LaPierre and Scott Carper, CSCDA; Laura Labanieh Campbell, CSAC Finance Corporation, Catherine Bando, CSCDA Executive Director; and Jade Turner-Bond, State Treasurer's Office. Caitlin Lanctot, CSCDA; Patricia Eichar, Orrick, Herrington & Sutcliffe; and Greg Stepanicich, Richards Watson & Gershon participated by conference telephone.

II. Approval of minutes—December 19, 2013

The commission approved the minutes for the regular meeting held December 19, 2013.

Motion by Mierzwa; second by Schutten; unanimously approved by roll-call vote.

III. Discuss and approve agreement with Catherine W. Bando for Executive Director

Commission chair Larry Combs explained that some commissioners, along with Chris McKenzie and Matt Cate, interviewed candidates for the new Executive Director position. The committee selected Catherine for the position.

Motion to approve by Schutten; second by Stenbakken; unanimously approved by roll-call vote.

IV. Staff updates

Two items, VI a and IX, are being pulled from this agenda and will be discussed at the next meeting on the 30th.

Additionally, Scott Carper notified the commissioners that James Hamill is leaving CSCDA for another opportunity. Tomorrow is his last day. Commission chair Larry Combs read a letter of thanks, to be sent to James, regarding his 13 years of outstanding service.

V. Approval of consent calendar

1. Approve the following invoices for payment:
 - a. Wells Fargo Bank invoice #1009355
2. Induce the following projects:
 - a. LIH Liberty Village, LP (Liberty Village Apartments), City of Richmond, County of Contra Costa; issue up to \$15,000,000 in multi-family housing debt obligations.

Motion to approve by Stenbakken; second by Schutten; unanimously approved by roll-call vote.

VI. Approve the financing, all necessary actions, the execution and delivery of all necessary documents and authorize any member to sign all necessary financing documents for the following:

- a. Item pulled from agenda (deferred until next meeting).
- b. Henry Mayo Newhall Hospital, City of Santa Clarita, County of Los Angeles; issue up to \$8,000,000 in tax-exempt industrial development obligations and up to \$3,000,000 in taxable industrial development obligations.

Motion by Mierzwa; second by Schutten; unanimously approved by roll-call vote.

VII. Conduct proceedings with respect to the Statewide Community Infrastructure Program (SCIP) Assessment District 14-01 City of Rocklin, County of Placer.

Commission chair Larry Combs opened the meeting to the public at 10:11 am. There was no public comment. Meeting continued until February 20, 2014 at California State Association of Counties' office at 1100 K Street, Sacramento, California, without objection.

VIII. Discuss and approve amendment to Regulatory Agreement revising annual Issuer Fee amount and payment dates subsequent to the date of conversion to the permanent loan amount for Long Beach Senior Artists' Colony project.

Caitlin explained that on February 3, 2011, CSCDA issued \$29,000,000 in multifamily housing revenue bonds 2010 series K for the Long Beach Senior Artists' Colony project. The bonds financed acquisition and construction of 161 apartments for seniors in Long Beach.

The developer, Meta Housing Corporation, will be partially redeeming the bonds and converting to the permanent loan on January 23. The permanent lender, California Community Reinvestment Corporation, has requested that the Authority amend the Regulatory Agreement to reference the decrease in annual fees per the Authority's fee schedule, and to modify the semi-annual payment dates to agree with the actual payment dates of June 1 and December 1.

Staff recommends these changes be made to the Regulatory Agreement.

Motion to adopt staff recommendation by Stenbakken; second by Mierzwa; unanimously approved by roll-call vote.

IX. Item pulled from agenda (deferred until next meeting).

X. Public Comment

Jade Turner-Bond requested a copy of the agreement with Catherine Bando (Executive Director).

XI. Adjournment

Commission chair Larry Combs adjourned the meeting at 10:17 am.

Submitted by: Perry Stottlemeyer, League of California Cities staff

*The next regular meeting of the commission is scheduled for
Thursday, January 30, at 10:00 a.m.
in CSAC's office at 1100 K Street, Sacramento, California.*

Item IV

Approve Consent Calendar

1. Induce the following projects:
 - a. Neighborhood Partners, LLC (Heritage Commons Phase II), City of Dixon, County of Solano; issue up to \$9 million in multi-family housing debt obligations.
 - b. Tuolumne Road Partners, LP (Tuolumne Apartments), City of Tuolumne, County of Tuolumne; issue up to \$6.5 million in multi-family housing debt obligations.

Applicant Information

Primary Contact E-mail: lukewatkins@sbcglobal.net

Name of Developer: **Neighborhood Partners, LLC**

TIN or EIN: **68-0414450**

Primary Contact

First Name: **Luke**

Last Name: **Watkins**

Title: **Principal**

Address:

Street: **2745 Portage Bay East**

Suite:

City: **Davis**

State: **California**

Zip: **95616**

Phone: **(530) 400-2927**

Ext:

Fax:

Email: **lukewatkins@sbcglobal.net**

Borrower Description:

☐ Same as developer ?

Name of Borrowing Entity: **Yet to be determined LPA**

Type of Entity:

☐ For-profit Corporation

☐ Non-profit Corporation

☒ Partnership

☐ Other (specify)

☐ Will you be applying for State Volume Cap?

Date Organized: **7/1/14**

No. of Multi-Family Housing Projects Completed in the Last 10 Years: **5**

No. of Low Income Multi-Family Housing Projects Completed in the Last 10 Years: **5**

Primary Billing Contact

Organization: **Neighborhood Partners, LLC**

First Name: **Luke**

Last Name: **Watkins**

Title: **Principal**

Address

Street: **2745 Portage Bay East**

Suite:

City: **Davis**

State: **California**

Zip: **95616**

Phone: **(530) 400-2927**

Ext:

Fax:

Email: **lukewatkins@sbcglobal.net**

Project Information

Project Information

Project Name: **Heritage Commons Phase 2**

New Project Name(optional):

Facility Information

Facility #1

Facility Name: **Heritage Commons Phase 2**

Facility Bond Amount: \$7,000,000.00

Project Address:

Street: **193 Heritage Lane**

City: **Dixon**

State: **California**

Zip: **95620**

County: **Solano**

Is Project located in an unincorporated part of the County? ☐ Y ☒ N

Total Number of Units:

Market: **0**

Restricted: **60**

Total: **60**

Lot size: **2.49 acres**

Amenities:

community building

Type of Construction (i.e., Wood Frame, 2 Story, 10 Buildings):

wood frame, three story, 7 buildings

Type of Housing:

☒ New Construction

☐ Acquisition/Rehab

Facility Use:

☐ Family

☒ Senior

Is this an Assisted Living Facility? ☐

Has the City or County in which the project is located been contacted? If so, please provide name, title, telephone number and e-mail address of the person contacted:

First Name: **Dave**

Last Name: **Dowswell**

Title: **Community Development Director**

Phone: **(707) 678-7000**

Ext:

Fax:

Email: **ddowswell@ci.dixon.ca.us**

Public Benefit Info:

Percentage of Units in Low Income Housing: **100**

Percentage of Area Median Income(AMI) for Low Income Housing Units: **50**

Total Number of Management Units: **1**

#	Bedrooms (Unit Size)	%AMI	No. of restricted units	Restricted rent	Market rent	Expected savings
1.	1 Bedroom	40	49	547.00	937.00	390.00
2.	1 Bedroom	50	10	691.00	937.00	246.00

Note: Restricted Rent must be least 10% lower than Market Rent and must be lower than the HUD Rent limit.

Government Information

Project/Facility is in:

Congressional District #:	State Senate District #:	State Assembly District #:
10	5	8

Financing Information

Financing Information

Maturity 2 Years

Interest Rate Mode:

☒ Fixed

☐ Variable

Type of Offering:

☐ Public Offering

☒ Private Placement

☐ New Construction

☐ Acquisition of Existing Facility

☐ Refunding

(Refunding only) Will you be applying for State Volume Cap? ☐ Yes ☐ No

Is this a transfer of property to a new owner? ☐ Yes ☐ No

Construction Financing:

☐ Credit Enhancement

☒ None

☐ Letter of Credit

☐ Other (specify)

Name of Credit Enhancement Provider or Private Placement Purchaser:

Permanent Financing:

☐ Credit Enhancement

☒ None

☐ Letter of Credit

☐ Other (specify)

Name of Credit Enhancement Provider or Private Placement Purchaser:

Expected Rating:

☒ Unrated

Moody's:

S&P:

Fitch:

Projected State Allocation Pool:

☐ General ☐ Mixed Income ☒ Rural

Will the project use Tax-Credit as a source of funding? ☒ Y ☐ N

Sources and Uses

Sources and Uses

Construction Sources:

Tax-Exempt Bond Proceeds:	<u>\$7,000,000.00</u>
Taxable Bond Proceeds:	<u>\$</u>
Tax Credits:	<u>\$631,356.00</u>
Developer Equity:	<u>\$</u>
Other Funds (Describe):	
HCD HOME	<u>\$2,100,000.00</u>
AHP (First Northern Bank)	<u>\$1,500,000.00</u>
Costs Deferred to Perm.	<u>\$1,322,644.00</u>
	<u>\$</u>
	<u>\$</u>
Total Sources:	<u>\$12,554,000.00</u>

Uses:

Land Acquisition:	<u>\$</u>
Building Acquisition:	<u>\$</u>
Construction or Remodel:	<u>\$7,160,000.00</u>
Cost of Issuance:	<u>\$129,050.00</u>
Capitalized Interest:	<u>\$285,000.00</u>
Reserves:	<u>\$80,000.00</u>
Other Uses (Describe):	
Architecture	<u>\$458,000.00</u>
Contingency	<u>\$520,730.00</u>
Construction Fees	<u>\$2,187,220.00</u>
Legal Fees	<u>\$130,000.00</u>
Developer Fee	<u>\$1,604,000.00</u>
Total Uses:	<u>\$12,554,000.00</u>

Financing Team Information

Bond Counsel

Firm Name: Orrick

Primary Contact

First Name: Justin

Last Name: Cooper

Title: Attorney

Address:

Street: 400 Capitol Mall

Suite: 3000

City: Sacramento

State: California

Zip: 95814

Phone: (916) 447-9200

Ext:

Fax:

Email: jcooper@orrick.com

Bank/Underwriter/Bond Purchaser

Firm Name: Wells Fargo Bank

Primary Contact

First Name: Jeff

Last Name: Bennett

Title: Senior Vice President

Address:

Street: 45 Fremont Street

Suite: 9th Floor

City: San Francisco

State: California

Zip: 94105

Phone: (415) 396-0966

Ext:

Fax: (415) 975-7343

Email: Jeff.A.Bennett@wellsfargo.com

Financial Advisor

Firm Name:

Primary Contact

First Name:

Last Name:

Title:

Address:

Street:

Suite:

City:

State:

Zip:

Phone:

Ext:

Fax:

Email:

Rebate Analyst

Firm Name:

Primary Contact

First Name:

Last Name:

Title:

Address:

Street:

Suite:

City:

State:

Zip:

Phone:

Ext:

Fax:

Email:

Applicant Information

Primary Contact E-mail: mboettger@themichaelsorg.com

Name of Developer: **The Michaels Development Co., I, LP, a New Jersey limited partnership**
TIN or EIN: **22-2882621**

Primary Contact

First Name: **Michael**
Title: **Vice President**

Last Name: **Boettger**

Address:

Street: **2020 W. Kettleman Lane**

City: **Lodi**

Phone: **(209) 370-1559**

Email: **mboettger@themichaelsorg.com**

State: **California**

Ext:

Suite:

Zip: **95242**

Fax: **209-334-5387**

Borrower Description:

☐ Same as developer ?

Name of Borrowing Entity: **Tuolumne road Partners, LP, a California limited partnership**

Type of Entity:

☐ For-profit Corporation

☒ Partnership

☐ Non-profit Corporation

☐ Other (specify)

☐ Will you be applying for State Volume Cap?

Date Organized: **6/12/2012**

No. of Multi-Family Housing Projects Completed in the Last 10 Years: **65**

No. of Low Income Multi-Family Housing Projects Completed in the Last 10 Years: **65**

Primary Billing Contact

Organization: **The Michaels Development Co., I, LP, a New Jersey limited partnership**

First Name: **Michael**

Last Name: **Boettger**

Title: **Vice President**

Address

Street: **2020 W. Kettleman Lane**

City: **Lodi**

Phone: **(209) 370-1559**

Email: **mboettger@themichaelsorg.com**

State: **California**

Ext:

Suite:

Zip: **95242**

Fax: **209-334-5387**

Project Information

Project Information

Project Name: **Tuolumne Apartments**

New Project Name(optional): **Same**

Facility Information

Facility #1

Facility Name: **Tuolumne Apartments**

Facility Bond Amount: **\$6,500,000.00**

Project Address:

Street: **18400 Tuolumne Road**

City: **Tuolumne**

State: **California**

Zip: **95379**

County: **Tuolumne**

Is Project located in an unincorporated part of the County? ☒ Y ☐ N

Total Number of Units:

Market: **1**

Restricted: **51**

Total: **52**

Lot size: **3.04 acres**

Amenities:

Laundry Building (to be demolished)

Type of Construction (i.e., Wood Frame, 2 Story, 10 Buildings):

Wood frame, 1 and 2 story, 5 buildings

Type of Housing:

☐ New Construction

☒ Acquisition/Rehab

Facility Use:

☒ Family

☐ Senior

Is this an Assisted Living Facility? ☐

Has the City or County in which the project is located been contacted? If so, please provide name, title, telephone number and e-mail address of the person contacted:

First Name: **Sheila**

Last Name: **Shanahan**

Title: **Housing Program Coordinator**

Phone: **209-533-6904**

Ext:

Fax:

Email: **sshanahan@co.tuolumne.ca.us**

Public Benefit Info:

Percentage of Units in Low Income Housing: **100**

Percentage of Area Median Income(AMI) for Low Income Housing Units: **50**

Total Number of Management Units: **1**

#	Bedrooms (Unit Size)	%AMI	No. of restricted units	Restricted rent	Market rent	Expected savings
1.	1 Bedroom	50	23	581.00	805.00	224.00
2.	2 Bedrooms	50	23	710.00	873.00	163.00
3.	1 Bedroom	60	1	705.00	805.00	100.00

4.	2 Bedrooms	60	4	748.00	873.00	125.00
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Note: Restricted Rent must be least 10% lower than Market Rent and must be lower than the HUD Rent limit.

Government Information

Project/Facility is in:

Congressional District #:	State Senate District #:	State Assembly District #:
4	14	25

Financing Information

Financing Information

Maturity **30** Years

Interest Rate Mode:

☒ Fixed

☐ Variable

Type of Offering:

☐ Public Offering

☒ Private Placement

☐ New Construction

☐ Acquisition of Existing Facility

☐ Refunding

(Refunding only) Will you be applying for State Volume Cap? ☐ Yes ☐ No

Is this a transfer of property to a new owner? ☐ Yes ☐ No

Construction Financing:

☐ Credit Enhancement

☒ None

☐ Letter of Credit

☐ Other (specify)

Name of Credit Enhancement Provider or Private Placement Purchaser: TBD

Permanent Financing:

☐ Credit Enhancement

☒ None

☐ Letter of Credit

☐ Other (specify)

Name of Credit Enhancement Provider or Private Placement Purchaser: TBD

Expected Rating:

☒ Unrated

Moody's:

S&P:

Fitch:

Projected State Allocation Pool:

☐ General ☐ Mixed Income ☒ Rural

Will the project use Tax-Credit as a source of funding? ☒ Y ☐ N

Sources and Uses

Sources and Uses

Construction Sources:

Tax-Exempt Bond Proceeds:	<u>\$5,857,649.00</u>
Taxable Bond Proceeds:	<u>\$</u>
Tax Credits:	<u>\$647,680.00</u>
Developer Equity:	<u>\$622,553.00</u>
Other Funds (Describe):	
Existing Project Capital Reserves	<u>\$185,000.00</u>
	<u>\$</u>
	<u>\$</u>
	<u>\$</u>
	<u>\$</u>
Total Sources:	<u>\$7,312,882.00</u>

Uses:

Land Acquisition:	<u>\$247,500.00</u>
Building Acquisition:	<u>\$1,614,500.00</u>
Construction or Remodel:	<u>\$2,959,838.00</u>
Cost of Issuance:	<u>\$151,650.00</u>
Capitalized Interest:	<u>\$204,828.00</u>
Reserves:	<u>\$141,748.00</u>
Other Uses (Describe):	
A	<u>\$131,000.00</u>
Relocation (Temporary)	<u>\$87,500.00</u>
Legal	<u>\$222,000.00</u>
Developer Fee	<u>\$822,553.00</u>
Other soft cost incl. contingencies	<u>\$729,765.00</u>
Total Uses:	<u>\$7,312,882.00</u>

Financing Team Information

Bond Counsel

Firm Name: Orrick Herrington

Primary Contact

First Name: Justin

Last Name: Cooper

Title: Attorney at Law

Address:

Street: 405 Howard Street

Suite:

City: San Francisco

State: California

Zip: 94105

Phone: 415-773-5908

Ext:

Fax:

Email: jcooper@orrick.com

Bank/Underwriter/Bond Purchaser

Firm Name: TBD

Primary Contact

First Name: TBD

Last Name: TBD

Title: TBD

Address:

Street: TBD

Suite:

City: TBD

State: California

Zip: 94105

Phone: 415-773-5908

Ext:

Fax:

Email: jcooper@orrick.com

Financial Advisor

Firm Name: None

Primary Contact

First Name: None

Last Name: None

Title: None

Address:

Street: None

Suite:

City: None

State: California

Zip: 95242

Phone: 209-370-1559

Ext:

Fax:

Email: mboettger@themichaelsorg.com

Rebate Analyst

Firm Name:

Primary Contact

First Name:

Last Name:

Title:

Address:

Street:

Suite:

City:

State:

Zip:

Phone:

Ext:

Fax:

Email:

Item IV

Approve Consent Calendar

2. Approve the following invoices for payment:
 - a. David Taussig & Associates, Invoice#1312173.

DAVID TAUSSIG & ASSOCIATES

Public Finance and Urban Economics

5000 Birch Street, Ste. 6000 • Newport Beach, CA 92660

Phone: 949-955-1500 • Fax: 949-955-1590

James Hamill
Calif. Statewide Community Development
Authority
2999 Oak Road, Suite 710
Walnut Creek, CA 94596

December 31, 2013

Invoice No: 1312173

Project 13-11980.000 CSCDA/Orinda Wilder Project-Admin

Dear Mr. Hamill:

This invoice is submitted for professional consulting services in association with the special tax administration of California Statewide Communities Development Authority CFD No. 2007-01 (Orinda Wilder Project) for fiscal year 2013-14. Please remit invoice payment payable to David Taussig and Associates, Inc.

PAYMENT IS DUE UPON RECEIPT. AN INTEREST CHARGE OF 1.2% PER MONTH WILL BE APPLIED TO INVOICES 30 DAYS PAST DUE.

Professional Services through December 31, 2013

Professional Services	Hours	Rate	Amount
Vice President			
Morgan, Shayne			
12/12/2013 Finalized SB 165 report, answered property owner phone calls.	.50	185.00	92.50
12/17/2013 Answered property owner phone calls.	.25	185.00	46.25
12/23/2013 Prepared sample prepayment notice for APN 273-310-006, distributed and discussed with M. Ashby.	.75	185.00	138.75
12/30/2013 Answered property owner phone calls.	.25	185.00	46.25
Totals	1.75		323.75

Additional Fees

Out-of-pocket Expenses	9.71
Total Additional Fees	9.71

Total this Invoice \$333.46

Outstanding Invoices

Number	Date	Balance
1311069	11/30/2013	594.52
Total		594.52

Item V

Approve the financing; all necessary actions; the execution and delivery of all necessary documents and authorize any member to sign all necessary financing documents for the following:

- a. Standard Rio Vista, L.P. (Rio Vista Apartments), City of San Diego, County of San Diego; up to \$16 million in multi-family housing debt obligations. (Staff: Caitlin Lancot)

SUMMARY AND APPROVALS

DATE: JANUARY 30, 2014

APPLICANT: STANDARD RIO VISTA, L.P./STANDARD PROPERTY COMPANY

AMOUNT: UP TO \$16,000,000 OF TAX-EXEMPT MULTI-FAMILY HOUSING REVENUE BONDS

PURPOSE: FINANCE THE ACQUISITION AND REHABILITATION OF RIO VISTA APARTMENTS LOCATED AT 1190 WEST SAN YSIDRO BLVD IN SAN DEIGO, CA

CSCDA PROGRAM: HOUSING

Background:

The proposed project, Rio Vista Apartments (the "Project"), is a 161-unit property located in San Diego, California. The Project application was filed on September 6, 2011 and induced on September 15, 2011.

Summary:

Standard Rio Vista, L.P. (the "Borrower") has requested CSCDA to issue and deliver multifamily housing revenue obligations in the anticipated principal amount of \$16,000,000 (the "Bonds") for the purpose of financing the acquisition and rehabilitation of the Project. The Project will continue to provide 94 two-bedroom/one bath units, 26 two-bedroom/two bath units and 41 three-bedroom/two bath units to low-income families in the San Ysidro community of San Diego.

The Project is comprised of 12 two-story apartments buildings and one single story clubhouse spread out over nearly 10 acres. This Project offers residents a swimming pool with jacuzzi, laundry facility, leasing center and clubhouse, and two children's playgrounds. On-site services provided at no charge to the residents of the project will include an after school youth program and an adult education and empowerment program.

Renovations will include interior upgrades in the bathrooms and kitchens consisting of some combination of new flooring, appliances, cabinetry, countertops, light fixtures and paint. In an effort to maximize efficiency and lower utility costs to residents, solar panels will be installed and existing water heaters will be replaced with a more energy efficient and cost effective model. The exterior of the building will receive a facelift that will enhance the curb appeal of the property. In addition, the renovations will include several green building features such as energy star windows, roof, appliances, lighting, and fixtures such as ceiling fans.

The rehabilitation is expected to begin in February 2014 and take approximately 12 months to complete.

The Borrower has previously constructed or rehabilitated over 50 multifamily and senior housing properties. This is their first financing with CSCDA.

Public Benefit:

- Project Affordability
 - 100% of the Project's units will be income restricted:
 - 16 units reserved for tenants whose income is at or below 50% AMI
 - 143 units reserved for tenants whose income is at or below 60% AMI
 - 2 managers units
 - The term of the income and rental restrictions for the Project will be at least 55 years
- Site Amenities
 - The Project is located within a Public Transit Corridor
 - The Project is located within ½ mile of a park
 - The Project is located within ¼ mile of a neighborhood market
 - The Project is located within ¼ mile of a public school
 - The Project will provide after school programs to residents
 - The Project will offer instructor-led educational, health and wellness or skill building classes to residents
- Economic Benefits
 - Based upon \$30,993,877.00 Project costs using a 1.8 multiplier the Project produces approximately \$55,788,978.60 total economic activity, and at 2.1 jobs per unit produces approximately 338 jobs. (Multipliers based on June 2010 study by Blue Sky Consulting Group and Center for Housing Policy on impact of housing in California using IMPLAN system.)

Agency Approvals:

TEFRA Hearing: June 25, 2013, San Diego County, unanimous approval
CDLAC Approval: Anticipated on January 29, 2014

Estimated Sources and Uses:**Sources:**

Tax Exempt Bond Proceeds	\$16,000,000	51.62%
Taxable Debt Proceeds	\$6,000,000	19.36%
LIHTC Equity	\$8,418,000	27.16%
Deferred Developer Fee	<u>\$575,877</u>	<u>1.86%</u>
Total Sources	\$30,993,877	100.00%

Uses:

Acquisition Cost	\$22,100,000	71.30%
Hard Construction Costs	\$3,519,901	11.36%
Architect & Engineering Fees	\$55,000	0.18%
Contractor Overhead & Profit	\$454,987	1.47%
Developer Fee	\$2,500,000	8.07%
Cost of Issuance	\$1,577,611	5.09%
Other Soft Costs (Marketing, Etc.)	<u>\$786,378</u>	<u>2.54%</u>

Total Uses

\$30,993,877

100.00%

Finance Team:

- Bond Counsel: Orrick, Herrington & Sutcliffe, LLP, San Francisco
- Authority Counsel: Orrick, Herrington & Sutcliffe, LLP, Sacramento
- Lender: Citibank, N.A.

Financing Structure:

The fixed short term cash collateralized bonds will be purchased by Citibank and have a term of 18 months. The cash collateral for the bonds will be structured through a HUD 223(f) loan serviced by Dougherty Mortgage, LLC. Dougherty will provide the permanent financing for a term of 30 years at an estimated 4.9% interest rate.

By using \$16,000,000 in CSCDA Bonds the Project is able to leverage an additional \$14,993,877 in other resources, for a ratio of 1.07 to 1.

Policy Compliance:

The Project complies with the following policies:

- CSCDA General Policies
- CSCDA Issuance Policies
- CDLAC's Qualified Residential Rental Program Requirements

Financing Approval:

Based on the overall public benefits as outlined in the California Debt Limit Allocation Committee resolution, as described on the attached Exhibit A, approval of the issuance of Bonds by the County of San Diego, and conformance to the CSCDA Issuance Policies, the Commission shall approve the Resolution as submitted to the Commission, which:

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

Attachments:

1. 2013 application
2. County of San Diego TEFRA Resolution

Applicant Information

Primary Contact E-mail: sgarchik@standardproperty.com

Name of Developer: **Standard Property Company/Jackson Square Properties**

TIN or EIN: **80-0279656**

Primary Contact

First Name: **Sydne**

Last Name: **Garchik**

Title: **Director of Operations**

Address:

Street: **1801 Avenue of the Stars**

Suite: **515**

City: **Los Angeles**

State: **California**

Zip: **90067**

Phone: **310-553-5711**

Ext:

Fax: **310-551-1666**

Email: **sgarchik@standardproperty.com**

Borrower Description:

☐ Same as developer ?

Name of Borrowing Entity: **Standard Rio Vista LP**

Type of Entity:

☐ For-profit Corporation

☐ Non-profit Corporation

☒ Partnership

☐ Other (specify)

☐ Will you be applying for State Volume Cap?

Date Organized: **12/1/2011**

No. of Multi-Family Housing Projects Completed in the Last 10 Years: **50**

No. of Low Income Multi-Family Housing Projects Completed in the Last 10 Years: **10**

Primary Billing Contact

Organization: **Standard Property Company/Jackson Square Properties**

First Name: **Sydne**

Last Name: **Garchik**

Title: **Director of Operations**

Address

Street: **1801 Avenue of the Stars**

Suite: **515**

City: **Los Angeles**

State: **California**

Zip: **90067**

Phone: **310-553-5711**

Ext:

Fax: **310-551-1666**

Email: **sgarchik@standardproperty.com**

Project Information

Project Information

Project Name: **Rio Vista Apartments**

New Project Name(optional): **N/A**

Facility Information

Facility #1

Facility Name: **Rio Vista Apartments**

Facility Bond Amount: **\$17,000,000.00**

Project Address:

Street: **1190 West San Ysidro Blvd**

City: **San Ysidro**

State: **California**

Zip: **92173**

County: **San Diego**

Is Project located in an unincorporated part of the County? ☐ Y ☒ N

Total Number of Units:

Market:

Restricted: **161**

Total: **161**

Lot size: **10 acres**

Amenities:

clubhouse, leasing office, picnic area, playground, basketball court, swimming pool, laundry facilities

Type of Construction (i.e., Wood Frame, 2 Story, 10 Buildings):

13 Buildings, 12 Of Which Are The Residential Buildings With Stucco Exterior, And One Of Which Houses The Clubhouse

Type of Housing:

☐ New Construction

☒ Acquisition/Rehab

Facility Use:

☒ Family

☐ Senior

Is this an Assisted Living Facility? ☐

Has the City or County in which the project is located been contacted? If so, please provide name, title, telephone number and e-mail address of the person contacted:

First Name:

Last Name:

Title:

Phone:

Ext:

Fax:

Email:

Public Benefit Info:

Percentage of Units in Low Income Housing: 100

Percentage of Area Median Income(AMI) for Low Income Housing Units: 60

Total Number of Management Units: 4

#	Bedrooms (Unit Size)	%AMI	No. of restricted units	Restricted rent	Market rent	Expected savings
1.						

Note: Restricted Rent must be least 10% lower than Market Rent and must be lower than the HUD Rent limit.

Government Information

Project/Facility is in:

Congressional District #:	State Senate District #:	State Assembly District #:
51	40	79

Financing Information

Financing Information

Maturity 35 Years

Interest Rate Mode:

☒ Fixed

☐ Variable

Type of Offering:

☐ Public Offering

☒ Private Placement

☐ New Construction

☐ Acquisition of Existing Facility

☐ Refunding

(Refunding only) Will you be applying for State Volume Cap? ☐ Yes ☐ No

Is this a transfer of property to a new owner? ☐ Yes ☐ No

Construction Financing:

☒ Credit Enhancement

☐ None

☐ Letter of Credit

☐ Other (specify) :Cash Collateralized Bonds

Name of Credit Enhancement Provider or Private Placement Purchaser: Citibank

Permanent Financing:

☐ Credit Enhancement

☐ None

☐ Letter of Credit

☐ Other (specify)

Name of Credit Enhancement Provider or Private Placement Purchaser:

Expected Rating:

☐ Unrated

Moody's:

S&P:

Fitch:

AAA

Projected State Allocation Pool:

☒ General ☐ Mixed Income ☐ Rural

Will the project use Tax-Credit as a source of funding? ☒ Y ☐ N

Sources and Uses

Sources and Uses

Construction Sources:

Tax-Exempt Bond Proceeds:	<u>\$17,000,000.00</u>
Taxable Bond Proceeds:	<u>\$</u>
Tax Credits:	<u>\$5,236,397.00</u>
Developer Equity:	<u>\$</u>
Other Funds (Describe):	
HUD FHA Permanent Financing	<u>\$5,000,000.00</u>
Deferred Developer Fee	<u>\$2,500,000.00</u>
	<u>\$</u>
	<u>\$</u>
	<u>\$</u>
Total Sources:	<u>\$29,736,397.00</u>

Uses:

Land Acquisition:	<u>\$1,105,000.00</u>
Building Acquisition:	<u>\$20,995,000.00</u>
Construction or Remodel:	<u>\$3,108,105.00</u>
Cost of Issuance:	<u>\$376,500.00</u>
Capitalized Interest:	<u>\$112,242.00</u>
Reserves:	<u>\$161,000.00</u>
Other Uses (Describe):	
HUD Loan Costs	<u>\$858,776.00</u>
Credit Costs	<u>\$186,081.00</u>
Closing Costs	<u>\$333,693.00</u>
Developer Fee	<u>\$2,500,000.00</u>
	<u>\$</u>
Total Uses:	<u>\$29,736,397.00</u>

Financing Team Information

Bond Counsel

Firm Name: Orrick, Herrington

Primary Contact

First Name: Tom

Last Name: Downey

Title: Special Counsel

Address:

Street: 405 Howard St.

City: San Francisco

State: California

Suite:

Zip: 94105

Phone: (415) 773-5965

Ext:

Fax: (415) 773-5759

Email: tdowney@orrick.com

Bank/Underwriter/Bond Purchaser

Firm Name: Dougherty Mortgage LLC

Primary Contact

First Name: Paul

Last Name: Weissman

Title: Vice President

Address:

Street: 16775 Addison Road

City: Addison

State: Texas

Suite: 470

Zip: 75001

Phone: (303) 504-6239

Ext:

Fax:

Email: pweissman@doughertymarkets.com

Financial Advisor

Firm Name:

Primary Contact

First Name:

Last Name:

Title:

Address:

Street:

Suite:

City:

State:

Zip:

Phone:

Ext:

Fax:

Email:

Rebate Analyst

Firm Name:

Primary Contact

First Name:

Last Name:

Title:

Address:

Street:

Suite:

City:

State:

Zip:

Phone:

Ext:

Fax:

Email:

RESOLUTION NO. 13-072

RESOLUTION APPROVING THE ISSUANCE OF OBLIGATIONS BY THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY RELATING TO THE FINANCING OF RIO VISTA APARTMENTS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$20,000,000 AND CERTAIN OTHER MATTERS RELATING THERETO

RESOLVED, by the Board of Supervisors (the "Board") of the County of San Diego (the "County") as follows:

WHEREAS, pursuant Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (the "Act"), certain public agencies (the "Members") have entered into an Amended and Restated Joint Exercise of Powers Agreement Relating to the California Statewide Communities Development Authority, dated as of June 1, 1988 (the "Agreement") in order to form the California Statewide Communities Development Authority (the "Authority"), for the purpose of promoting economic, cultural and community development, and in order to exercise any powers common to the Members, including the issuance of bonds, notes or other evidences of indebtedness;

WHEREAS, the County is a member of the Authority;

WHEREAS, the Authority intends to execute and deliver tax-exempt obligations in one or more series issued from time to time in a principal amount not to exceed \$20,000,000 (the "Obligations") at the request of Standard Property Company/Jackson Square Properties, on behalf of and together with its successors or assigns or any limited partnership or limited liability company established by Standard Property Company/Jackson Square Properties (the "Developer"), for the purpose, among other things, of making a loan to the Developer, the proceeds of which shall be used by the Developer to finance the acquisition, rehabilitation and development of a 161-unit multifamily housing rental facility known as Rio Vista Apartments located at 1190 West San Ysidro Boulevard, San Ysidro, California 92173 (the "Project"); and

WHEREAS, the Obligations will be considered to be "qualified exempt facility bonds" under Section 142(a) of the Internal Revenue Code of 1986, as amended (the "Code"), and Section 147(f) of the Code requires that the "applicable elected representative" with respect to the County hold a public hearing on and approve the execution and delivery of the Obligations; and

WHEREAS, the Authority has determined that the Board is an "applicable elected representative" for purposes of holding such hearing;

WHEREAS, notice of such public hearing has been duly given as required by the Code and the Board has heretofore held such public hearing at which all interested persons were given an opportunity to be heard on all matters relative to the financing of the Project and the Authority's issuance of the Bonds therefor; and

WHEREAS, it is in the public interest and for the public benefit that the Board of Supervisors, as the elected representatives of the County, the host jurisdiction of such facilities, approve the execution and delivery by the Authority of the Obligations;

NOW, THEREFORE, BE IT RESOLVED, by the Board of Supervisors of the County of San Diego, as follows:

Section 1. The Board hereby finds and determines that the foregoing recitals are true and correct.

Section 2. The Board hereby approves the issuance of the Bonds by the Authority. It is the purpose and intent of the Board that this Resolution constitute approval of the issuance of the Bonds (a) by the "applicable elected representative" of the governmental unit having jurisdiction over the area in which the Project is located in accordance with section 147(f) of the Code, and (b) by the Board in accordance with section 4 of the Agreement.

Section 3. The execution and delivery of the Obligations shall be subject to approval by the Authority of all financing documents relating thereto to which the Authority is a party.

Section 4. The adoption of this Resolution shall not obligate the County or any department thereof to (i) provide any financing to acquire or rehabilitate the Project; (ii) approve any application or request for or take any other action in connection with any planning approval, permit or other action necessary for the acquisition, rehabilitation or operation of the Project; (iii) make any contribution or advance any funds whatsoever to the Authority; or (iv) take any further action with respect to the Authority or its membership therein.

Section 5. All other proper officers and officials of the County are hereby authorized and directed to execute such other agreements, documents and certificates, and to perform such other acts and deeds, as may be necessary or convenient to effectuate the purposes of this Resolution and the transaction approved hereby.

Section 6. This resolution shall take effect immediately.

* * * * *

APPROVED AS TO FORM AND LEGALITY
THOMAS E. MONTGOMERY, COUNTY COUNSEL

BY: RACHEL H. WITT, SENIOR DEPUTY

ON MOTION of Supervisor D. Roberts, seconded by Supervisor Jacob, the above Resolution was passed and adopted by the Board of Supervisors, County of San Diego, State of California, on this 25th day of June, 2013, by the following vote:

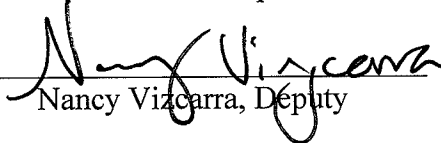
AYES: Cox, Jacob, D. Roberts, R. Roberts, Horn

- - -

STATE OF CALIFORNIA)
County of San Diego)^{SS}

I hereby certify that the foregoing is a full, true and correct copy of the Original Resolution entered in the Minutes of the Board of Supervisors.

THOMAS J. PASTUSZKA
Clerk of the Board of Supervisors

By: 
Nancy Vizcarra, Deputy



No. 13-072

06/25/2013 (6)

RESOLUTION NO. 014H-__

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 \$16,000,000 FOR THE FINANCING OF A MULTIFAMILY RENTAL HOUSING PROJECT GENERALLY KNOWN AS RIO VISTA 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, Standard Rio Vista 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 161-unit multifamily rental housing development located in the City of San Diego (San Ysidro), County of San Diego, California and known as Rio Vista Apartments (the “Project”);

WHEREAS, on January 15, 2014, the Authority received a private activity bond allocation in the amount of \$16,000,000 (the “Allocation Amount”) from the California Debt Limit Allocation Committee (“CDLAC”) in connection with the Project;

WHEREAS, the County of San Diego 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 \$16,000,000 aggregate principal amount of its Multifamily Housing Revenue Bonds (Rio Vista Apartments) 2014 Series B (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, the Bonds will be privately placed with Citibank, N.A., or an affiliate thereof (the “Purchaser”), as the initial purchaser of the Bonds, in accordance with the Authority’s private placement policy;

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 Wells Fargo Bank, National Association, as trustee (the “Trustee”);

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

(3) Bond Purchase Agreement (the “Purchase Agreement”), to be entered into among the Authority, the Borrower, and the Purchaser;

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

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

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

Section 2. Pursuant to the JPA Law 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 (Rio Vista Apartments) 2014 Series B” with appropriate modifications and series and sub-series designations as necessary, in an aggregate principal amount not to exceed \$16,000,000; 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. 13R-20 of the Authority, adopted on September 5, 2013) (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 February 1, 2059), 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 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 6. 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 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, a subordination or intercreditor agreement, any endorsement and/or assignment of the deed of trust 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.

PASSED AND ADOPTED by the California Statewide Communities Development Authority this January 30, 2014.

The undersigned, an Authorized Signatory of the California Statewide Communities Development Authority, DOES HEREBY CERTIFY that the foregoing resolution was duly adopted by the Commission of the Authority at a duly called meeting of the Commission of the Authority held in accordance with law on January 30, 2014.

By _____
Authorized Signatory

Item VII

Discuss and approve engagement letter with Orrick Herrington and Sutcliffe LLP for issuer council services. (Chair: Larry Combs)



ORRICK, HERRINGTON & SUTCLIFFE LLP
THE ORRICK BUILDING
405 HOWARD STREET
SAN FRANCISCO, CALIFORNIA 94105-2669

tel +1-415-773-5700
fax +1-415-773-5759

WWW.ORRICK.COM

January 1, 2014

rogerdavis@orrick.com
Direct Dial
(415) 773-5758

Members of the Commission
of California Statewide Communities
Development Authority
1100 K Street, Suite 101
Sacramento, CA 95814

Re: Memorandum of Understanding and Contract for Legal Services

Ladies and Gentlemen:

Our organizations, Orrick, Herrington & Sutcliffe LLP ("Orrick"), and the California Statewide Communities Development Authority ("CSCDA"), have worked together closely for two decades. Let me take this opportunity to say again how proud we are of CSCDA's accomplishments, of the work we have done for CSCDA since its inception, and of the contributions we have been able to make together to numerous public entities, nonprofit corporations and others, financing public projects or public purpose private projects throughout the State.

The following is a listing of the services provided by Orrick as special counsel to CSCDA. Section I covers Special Counsel services, other than Issuer Counsel and Bond Counsel. Section II covers Issuer Counsel. Section III discusses Bond Counsel. The sections that follow those sections cover miscellaneous matters and compensation.

I. Special Counsel Services. Subject to the limitations and exclusions described below, Orrick will perform the following legal services for CSCDA as special counsel:

A. General Administration

- (1) Prepare and periodically update standard CSCDA document provisions pertaining to indemnification, limitation of liability, payment of fees and certain other matters for inclusion in bond, note or certificates of participation (collectively, "Bonds") transactions (although we would not be responsible for monitoring use of these provisions in the actual Bond documents.



ORRICK

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- (2) Maintain transcript files of transactions for which Orrick acted as bond counsel.
- (3) Provide informal advice on legislative matters (exclusive of lobbying) and on practice, procedure and policy matters (although without research, drafting or legal responsibility as to final form or implementation). The intent is to make available to CSCDA (including its executive director and program administrator, referred to herein as "CSCDA Staff") the broad range of Orrick's existing expertise that can be readily accessed by CSCDA and responded to by Orrick without substantial additional effort or exposure on Orrick's part. More extensive or formal advice and responsibility is covered by subsection D below.
- (4) Make, upon request, periodic reports/presentations to the Commissioners about developments in the law that affect CSCDA operations, opportunities or potential exposure.

B. Legislative Services

- (1) Advise regarding legislation, regulation or judicial actions that could affect CSCDA

C. New Programs/Ventures

- (1) Development of new financing programs
- (2) Work with CSCDA Staff to develop new products

D. Services provided only on request (or as specifically provided below)

- (1) *Financing programs where Orrick will not be Bond Counsel*
 - (i) Special tax counsel with respect to the industrial development bond program (assuming an appropriate available tax lawyer, and with the understanding that as special counsel we will have no responsibility for validity of the bonds or any other aspect of the program).



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- (ii) Assistance in development of new financing programs where Orrick will not be Bond Counsel.
 - (iii) Responding to CSCDA questions about the general design or specific aspects of transactions or programs where some other firm will be Bond Counsel.
- (2) *Post-Bond issuance services:*
 - (i) Responding to questions from CSCDA Staff, borrowers or other parties after the Bonds have been issued (covered by II.E.).
 - (ii) Representing CSCDA in connection with any inquiry, investigation, audit or other proceeding of the IRS, SEC, FBI, AG or other federal or state regulatory agency (assuming, of course, we have no conflict of interest that is not or cannot be waived). In such event, CSCDA waives any actual or potential conflict-of-interest that may be deemed to arise from our role as Special Counsel, Issuer Counsel, or Bond Counsel to CSCDA, or as Underwriter's Counsel, Borrower Counsel or otherwise in the matter subject to such inquiry, investigation, audit or other proceeding. CSCDA will engage Orrick to represent it in all audits, backed by borrower indemnification, whether or not borrower has engaged separate counsel. In situations in which there is no separate borrower indemnification or such indemnification is nonperforming or inadequate for any reason, engagement and compensation will be decided on a case by case basis.
 - (iii) Representing CSCDA in any litigation brought by or against or otherwise involving CSCDA (assuming we have no conflict of interest that is not or cannot be waived).
- (3) *Compliance matters*



ORRICK

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- (i) Advise CSCDA on legal authority for actions taken by CSCDA not in connection with a transaction for which we are Bond Counsel or Issuer Counsel and not covered by our services in such capacities.
- (4) *Other services not described above*
 - (i) Answer specific legal questions.
 - (ii) Provide other specific legal services.

The services described in subsection D will be provided only if specifically requested by CSCDA or CSCDA Staff. In order to avoid any ambiguity about matters for which we will be responsible, such requests must be in writing (and confirmed in writing) if they pertain to items D(1)(i) or D(2)(iii), but otherwise may be made orally or in writing. In the case of an oral request, although written confirmation is not required, either party may request written confirmation of the services to be provided. For all purposes hereof, all requests, instructions or agreements of CSCDA Staff shall be considered to be for and on behalf of and binding upon CSCDA.

II. Services to be provided as special counsel to CSCDA in connection with the issuance of Bonds for the specified purposes described below ("Issuer Counsel"). Subject to the limitations and exclusions described below, Orrick will provide the following services as Issuer Counsel to CSCDA on all CSCDA financings (except small issue IDB's, Cal Lease and other small issues handled by Gilmore & Bell pursuant to present CSCDA policy):

- A. Prepare inducement resolution and TEFRA notice (or review same if prepared by Bond Counsel and provided to us specifically for our review; legal responsibility, however, remaining with Bond Counsel in all cases).
- B. Prepare resolution (or review resolution prepared by Bond Counsel) approving the Bond documents and official statement (although, of course, we shall have no responsibility for such Bond documents, unless we are also Bond Counsel or for the official statement unless we are underwriters (or disclosure) counsel and then only in those respective capacities and to the extent set forth



Commissioner of California
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in our Bond Counsel opinion or underwriters (or disclosure) counsel opinion, whichever is applicable).

- C. Render the Issuer Counsel opinion (in standard Orrick form).
- D. Check use of CSCDA standard provisions in the Bond documents (see I.A.(1) above).
- E. Responding to questions about or requests from CSCDA Staff or Borrower for changes, comments, waivers, releases or opinions relating to prior issues.

III. Bond Counsel and Ancillary Services. Orrick will be Bond Counsel whenever requested by the borrower and on all programs developed by Orrick or authorized by legislation suggested or drafted by Orrick. In addition, CSCDA will engage Orrick as its primary outside counsel in connection with IRS audits, SEC inquiries and similar regulatory actions (see I.D.(2)(ii) above), and will select Orrick's subsidiary BLX Group whenever there is a need for services of the type offered by BLX Group, and such selection is in whole or in part the choice of CSCDA.

IV. Miscellaneous. Unless this letter is specifically amended or supplemented to add additional services, Orrick's services will be limited to those specifically described above, and, in the case of Section I.D. services, to those specifically requested by CSCDA or CSCDA Staff as described above. Please note that these services do not contemplate any responsibility for whether or how our advice is or is not followed by CSCDA, or for the work of any bond counsel, general counsel to CSCDA or other counsel except ourselves as explicitly set forth herein, or for any entity other than CSCDA (such as any related corporation), or for any aspect of the Cal Lease Program or the Equipment Only Program or (except to the extent separately agreed pursuant to item I.D.(1)(i) above) the Industrial Development Bond Program. Also, as always, we will be relying in CSCDA and CSCDA Staff to assure that all meetings of the CSCDA, including agendas for and actions taken at such meetings, are in compliance with the Ralph M. Brown Act. Without undertaking responsibility, Orrick will use its best efforts to inform CSCDA, CSCDA Staff and CSCDA general counsel of any amendments to the Ralph M. Brown Act pertaining to notice, quorum or agenda applicable to meetings of CSCDA related to work for which Orrick is responsible in accordance with this letter.



O R R I C K

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V. Compensation. In the more than a decade and a half since the time our 1998 contract was entered into, the amount of time required of Orrick to provide the services discussed above has increased very substantially as the amount and complexity of the activities of CSCDA and its portfolio of completed transactions has increased very substantially. Meanwhile our hourly billing rates have increased by over 100%. The only source of compensation for our Section I and II services, with rare exceptions, has been the Issuer Counsel fees. The Issuer Counsel fees have remained the same for the entire period. As a result, a significant (six figures annually) gap emerged between our cost of providing these services and the compensation we receive for them. We believe, and know that you do as well, that the Issuer Counsel fee cannot be increased nearly enough to address these imbalances without deterring borrowers from using CSCDA. Accordingly, our fee for Issuer Counsel services described in Section II will remain the same as it has been; a minimum fee of \$7,500 per transaction, subject to upward adjustment for matters requiring unusual additional work by Issuer Counsel, payable at and, wherever possible, as a condition to bond closing. This fee may be waived, at Orrick's discretion, when Orrick is also bond counsel. In general, the Issuer Counsel fee will not be waived when Orrick is also underwriter counsel. Post-issuance work arising in connection with transactions for which Orrick was Issuer Counsel will be charged at Orrick's discretion in consultation with CSCDA. In addition, in order to address the gap referred to above, Orrick will be paid \$11,083 per month (which may be paid quarterly at \$33,250 if CSCDA prefers), which is the same amount paid since 2010 and roughly the same since 2006. With respect to new financing programs designed with or for CSCDA by Orrick, additional ongoing fees will be individually set for each program.

The reference to CSCDA includes any related entities controlling or controlled by CSCDA or its board (for example, California Statewide Financing Authority), now in existence or hereafter created, unless otherwise agreed, but does not include US Communities or CalTrust.

Fees for the Bond Counsel and Ancillary Services discussed in Section III will be individually set for each transaction or engagement.

Notwithstanding anything above, services outside of the normal day-to-day services covered above (for example, without limiting the generality of the foregoing, services described in Section I.D.(1)(i), (2)(ii), (2)(iii) or (4), bankruptcy proceedings, major research projects, creation of new authorities or nonprofit corporations, special projects like prevailing wage, OPEB trusts and AB 811 and similar programs) will be separately compensated at fees to be determined in connection with each matter.



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VI. Other. From time-to-time one or more lead attorneys will be appointed by Orrick, subject to approval of CSCDA through its CSCDA Staff. The responsibilities of the lead attorneys will be to

- A. serve as the central repository for CSCDA's standard document provisions and for our understanding of CSCDA's policies and procedures, to which other Orrick attorneys working as Bond Counsel or Issuer Counsel on CSCDA transactions can refer (such other attorneys, being responsible for consulting one of the lead attorneys and applying the document provisions, policies and procedures).
- B. coordinate the Orrick services described in this letter, by performing some and referring others to other Orrick attorneys or legal assistants as they deem appropriate.
- C. communicate changes in CSCDA policy or procedure that they deem appropriate to the other attorneys regularly working on CSCDA matters.

I will continue to function as overall relationship attorney for Orrick and CSCDA and to be available to CSCDA at such times and for such matters as it may request.

As you know, one of the strengths that Orrick brings to the relationship with CSCDA is the size and diversity of its practice, in public finance and in other practice areas. We regularly perform legal services for many private and public entities in connection with a wide variety of matters. For example, we have represented, are representing or may in the future represent other public entities (including members of CSCDA, other conduit issuers that can perform some or all of the same functions as CSCDA, and public entity borrowers from CSCDA), underwriters (including virtually all of the underwriters of CSCDA bonds), banks that serve as trustees or credit providers or direct purchasers of CSCDA bonds, other bond investors, bond insurers, rating agencies, developers, corporations, and others that may be borrowers from CSCDA of bond proceeds, developers, insurers, financial and other consultants/advisors, accountants, investment product providers/brokers, swap or hedge providers and others who may have a role or interest in a financing undertaken by CSCDA or that may be involved with CSCDA in some other matter. It is Orrick's belief, and the foregoing services are provided with the understanding, that no conflict-of-interest exists or would exist (outside of the context of litigation or negotiation of contracts in which CSCDA is a true party in interest rather than a conduit), even if Orrick is representing both the CSCDA (as conduit Bond issuer) and another



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party (such as a borrower, credit provider, bond purchaser or underwriter) in the same transaction at or prior to Bond closing or any party after the Bond closing (including in rebate, continuing disclosure or other post-issuance compliance matters, investments etc.). CSCDA agrees and consents to the foregoing relationships and waives any conflict of interest that may exist or arise.

This arrangement and all legal services to be rendered under it may be terminated at any time by written notice from either party to the other, with or without cause (provided that if termination is without cause, such termination shall, at the election of the party receiving the termination notice, not be effective for 60 days after such notice). In that event, all CSCDA files (or copies) maintained by Orrick shall, at the option of CSCDA, become the property of CSCDA and shall be delivered to it or to any party it may designate; provided that Orrick shall have no liability for any subsequent use of such documents. In the event of termination, Orrick shall be paid for all satisfactory work to the effective date of such termination plus any ongoing fees described in Section V of this letter through the end of the second calendar quarter following the quarter in which the effective date of such termination occurs, unless the termination is made by CSCDA for cause, in which event compensation, if any, shall be adjusted in light of the particular facts and circumstances involved in the termination.

This letter supersedes all prior letters and understandings of the matters covered. We hope this letter serves its intended purpose, which is to enhance the mutually positive relationship between Orrick and CSCDA and the services provided by Orrick to CSCDA, and to update and clarify what those services are and the terms (including compensation) upon which they are to be provided. We look forward to continuing this highly valued relationship and to providing the services needed and requested by CSCDA.

Very truly yours,

Roger L. Davis



ORRICK

Commissioner of California
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ACCEPTED AND AGREED TO:

CALIFORNIA STATEWIDE COMMUNITIES
DEVELOPMENT AUTHORITY

By: _____
Title: _____
Date: _____

Item VIII

Discuss and approve amendment of the Bond Issuance and Pledge Agreement in connection with the conversion of the Hemlock Family Apartments. (Staff: Caitlin Lanctot)

SUMMARY AND APPROVALS

DATE: JANUARY 30, 2014

PROJECT: HEMLOCK FAMILY APARTMENTS

PURPOSE: APPROVE FIRST AMENDMENT TO BOND ISSUANCE AND PLEDGE AGREEMENT

PROGRAM: HOUSING

Background:

CSCDA issued \$8,858,497 Multifamily Housing Revenue Bonds 2011 Series BB (the “Bonds”) on October 21, 2011 for the Hemlock Family Apartments project (the “Project”). The Bonds financed the acquisition and construction of 77 apartments for families in Moreno Valley, California. MV Hemlock Limited Partnership, LP (the “Borrower”) is converting to the permanent loan and would like to increase the outstanding loan amount by approximately \$100,000. The increase requires an amendment to the Bond Issuance and Pledge Agreement to revise the aggregate principal amount of Bonds to remain outstanding subsequent to the conversion date.

The Project will remain in compliance with all of CSCDA’s issuance policies after the modifications.

Recommendations:

It is recommended that this Commission approve the Resolution as submitted to the Commission, which:

1. Approves the First Amendment to Bond Issuance and Pledge Agreement related to the Hemlock Family Apartments multifamily housing revenue bonds; and
2. Authorizes any member of the Commission or Authorized Signatory to sign all necessary documents.

RESOLUTION NO. 014H-__

A RESOLUTION OF THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY AUTHORIZING THE EXECUTION OF AND DELIVERY OF A FIRST AMENDMENT TO BOND ISSUANCE AND PLEDGE AGREEMENT AND VARIOUS OTHER DOCUMENTS RELATED THERETO; RATIFYING ANY ACTION HERETOFORE TAKEN AND APPROVING RELATED MATTERS IN CONNECTION THEREWITH

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, pursuant to the Housing Law, the Authority has heretofore issued \$8,858,497 aggregate principal amount of its Multifamily Housing Revenue Bonds (Hemlock Family Apartments Project), 2011 Series BB pursuant to the provisions of that certain Bond Issuance and Pledge Agreement (the “Bond Issuance and Pledge Agreement”), dated as of October 1, 2011, by and between the Authority and Wells Fargo Bank, National Association, as initial bondowner representative (the “Bondowner Representative”), and loaned the proceeds thereof to MV Hemlock Limited Partnership, a California limited partnership (the “Borrower”) to assist in providing financing for a multifamily rental housing development located in the City of Moreno Valley, California (the “Project”), which allowed the Borrower to reduce the cost of the Project and to assist in providing housing for low income persons;

WHEREAS, the Borrower has requested that the Authority amend the Bond Issuance and Pledge Agreement to revise the aggregate principal amount of Bonds to remain outstanding subsequent to the Conversion Date (as defined in the Bond Issuance and Pledge Agreement).

NOW, THEREFORE, BE IT RESOLVED by the members of the Commission of the Authority (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 Housing Law and the Bond Issuance and Pledge Agreement, a First Amendment to Bond Issuance and Pledge Agreement by and between the Authority and the Bondowner Representative (the “First Amendment”), in substantially 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. 13R-20 of the Authority, adopted on September 5, 2013) (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 First Amendment, 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 3. 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 required to be executed in connection with the First Amendment, which they, or any of them, may deem necessary or advisable in order to effectuate the purposes hereof and of the documents herein approved in accordance with this resolution and resolutions heretofore adopted by the Authority.

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

PASSED AND ADOPTED by the California Statewide Communities Development Authority this January 30, 2014.

The undersigned, an Authorized Signatory of the California Statewide Communities Development Authority, DOES HEREBY CERTIFY that the foregoing resolution was duly adopted by the Commission of the Authority at a duly called meeting of the Commission of the Authority held in accordance with law on January 30, 2014.

By _____
Authorized Signatory

Item IX

Approve the following resolutions for Assessment District 14-02 (City of Chula Vista, County of San Diego) related to the upcoming Statewide Community Infrastructure Program (SCIP) project:
(Staff: Caitlin Lanctot)

- a. A resolution of intention to finance the payment of development impact fees, including approval of proposed boundary map;
- b. A resolution preliminarily approving engineer's reports, setting public hearing of protests and providing property owner ballots for Statewide Community Infrastructure Program Assessment District.

SUMMARY AND APPROVALS

PROGRAM:	STATEWIDE COMMUNITY INFRASTRUCTURE PROGRAM (“SCIP”)
PURPOSE:	NO. 14-02 CITY OF CHULA VISTA, COUNTY OF SAN DIEGO ASSESSMENT DISTRICT 1. RESOLUTION OF INTENTION TO FINANCE THE PAYMENT OF DEVELOPMENT IMPACT FEES & CAPITAL IMPROVEMENTS, INCLUDING APPROVAL OF PROPOSED BOUNDARY MAP 2. RESOLUTION PRELIMINARILY APPROVING ENGINEER’S REPORT, SETTING PUBLIC HEARING OF PROTESTS AND PROVIDING PROPERTY OWNER BALLOTS FOR STATEWIDE COMMUNITY INFRASTRUCTURE PROGRAM ASSESSMENT DISTRICTS.
PRIMARY ACTIVITY:	FINANCE THE PAYMENT OF DEVELOPMENT IMPACT FEES AND IMPROVEMENTS FOR PUBLIC IMPROVEMENTS UNDER THE STATEWIDE COMMUNITY INFRASTRUCTURE PROGRAM (“SCIP”)

SCIP has received an application in the city of Chula Vista, County of San Diego to finance the payment of certain development impact fees & capital improvements.

The amount of bonds to be issued will not exceed \$1,000,000 with a proposed closing date in May of 2014. There will be two assessment districts formed in the county of San Diego. The Commission is being requested to approve the following:

- The resolution of intention to finance development impact fees & capital improvements including the boundary map prepared by the assessment engineer, David Taussig & Associates;
- Preliminary approval of the engineers report and setting of the public hearing of protests and mailing of ballots.
- Setting of the public hearing of protests for March 20, 2014.

Orrick, Herrington & Sutcliffe and CSCDA staff have reviewed the boundary map, preliminary engineer’s report and the resolutions have been prepared by Orrick.

Attachment 1 contains the preliminary engineer’s report & Attachment 2 contains copies of the resolutions and their attachments. All final approvals for the issuance of bonds would be brought back to this Commission in the coming months after all proceedings have been completed.

Mar Vista – City of Chula Vista

The payment of development impact fees levied by the City of Chula Vista upon parcels within the District includes sewer participation, traffic signal, park acquisition / development and water fees. Impact fees total \$327,434. The capital improvements include drainage, water / wastewater & traffic fees. Improvements total \$91,496.

Approvals:

Based upon the resolutions submitted and reviewed it is requested that this Commission:

1. Approve all necessary actions and documents;
2. Authorize any member of the Commission or Authorized Signatory to sign all necessary documents; and
3. Set the public hearing for March 20, 2014 at 10:00 a.m. at the California State Associations of Counties.

RESOLUTION NO. _____

RESOLUTION OF INTENTION OF THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY TO FINANCE CAPITAL IMPROVEMENTS AND THE PAYMENT OF DEVELOPMENT IMPACT FEES FOR PUBLIC IMPROVEMENTS IN THE PROPOSED STATEWIDE COMMUNITY INFRASTRUCTURE PROGRAM ASSESSMENT DISTRICT NO. 14-02 (CITY OF CHULA VISTA, COUNTY OF SAN DIEGO, CALIFORNIA), APPROVING A PROPOSED BOUNDARY MAP, MAKING CERTAIN DECLARATIONS, FINDINGS AND DETERMINATIONS CONCERNING RELATED MATTERS, AND AUTHORIZING RELATED ACTIONS IN CONNECTION THEREWITH

WHEREAS, under the authority of the Municipal Improvement Act of 1913 (the “1913 Act”), being Division 12 (commencing with Sections 10000 and following) of the California Streets and Highways Code (the “Code”), the Commission (the “Commission”) of the California Statewide Communities Development Authority (the “Authority”) intends to finance, through its Statewide Community Infrastructure Program, certain capital improvements (the “Improvements”) and the payment of certain development impact fees for public improvements (the “Improvement Fees”) as described in Exhibit A attached hereto and by this reference incorporated herein, all of which are of benefit to the proposed Statewide Community Infrastructure Program Assessment District No. 14-02 (City of Chula Vista, County of San Diego, California) (the “Assessment District”); and

WHEREAS, the Commission finds that the land specially benefited by the financing of the Improvements and the Improvement Fees is shown within the boundaries of the map entitled “Proposed Boundaries of California Statewide Communities Development Authority Statewide Community Infrastructure Program Assessment District No. 14-02, City of Chula Vista, County of San Diego, California,” a copy of which map is on file with the Secretary and presented to this Commission meeting, and determines that the land within the exterior boundaries shown on the map shall be designated “Statewide Community Infrastructure Program Assessment District No. 14-02 (City of Chula Vista, County of San Diego, California)”;

WHEREAS, the City of Chula Vista is a member of the Authority and has approved the adoption on its behalf of this Resolution of Intention and has consented to the levy of the assessments in the Assessment District;

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, and the Commission so finds and determines.
2. Pursuant to Section 2961 of the Special Assessment Investigation, Limitation and Majority Protest Act of 1931 (the “1931 Act”), being Division 4 (commencing with Section

2800) of the Code, the Commission hereby declares its intent to comply with the requirements of the 1931 Act by complying with Part 7.5 thereof.

3. The Commission has designated a registered, professional engineer as Engineer of Work for this project, and hereby directs said firm to prepare the report containing the matters required by Sections 2961(b) and 10204 of the Code, as supplemented by Section 4 of Article XIIIID of the California Constitution.

4. The proposed boundary map of the Assessment District is hereby approved and adopted. Pursuant to Section 3111 of the Code, the Secretary of the Authority is directed to file a copy of the map in the office of the County Recorder of the County of San Diego within fifteen (15) days of the adoption of this resolution.

5. The Commission determines that the cost of financing the Improvements and the payment of the Improvement Fees shall be specially assessed against the lots, pieces or parcels of land within the Assessment District benefiting from the financing of the Improvements and payment of the Improvement Fees. The Commission intends to levy a special assessment upon such lots, pieces or parcels in accordance with the special benefit to be received by each such lot, piece or parcel of land, respectively, from the financing of the Improvements and the payment of the Improvement Fees.

6. The Commission intends, pursuant to subparagraph (f) of Section 10204 of the Code, to provide for an annual assessment upon each of the parcels of land in the proposed assessment district to pay various costs and expenses incurred from time to time by the Authority and not otherwise reimbursed to the Authority which result from the administration and collection of assessment installments or from the administration or registration of the improvement bonds and the various funds and accounts pertaining thereto.

7. Bonds representing unpaid assessments, and bearing interest at a rate not to exceed twelve percent (12%) per annum, will be issued in the manner provided by the Improvement Bond Act of 1915 (Division 10 of the Code), and the last installment of the bonds shall mature not to exceed thirty (30) years from the second day of September next succeeding twelve (12) months from their date.

8. The procedure for the collection of assessments and advance retirement of bonds under the Improvement Bond Act of 1915 shall be as provided in Part 11.1 thereof.

9. Neither the Authority nor any member agency thereof will obligate itself to advance available funds from its or their own funds or otherwise to cure any deficiency which may occur in the bond redemption fund. A determination not to obligate itself shall not prevent the Authority or any such member agency from, in its sole discretion, so advancing funds.

10. The amount of any surplus remaining in the improvement fund after completion of the Improvements and payment of the Improvement Fees and all other claims shall be distributed in accordance with the provisions of Section 10427.1 of the Code.

11. To the extent any Improvement Fees are paid to the Authority in cash with respect to property within the proposed Assessment District prior to the date of issuance of the bonds,

the amounts so paid shall be reimbursed from the proceeds of the bonds to the property owner or developer that made the payment.

PASSED AND ADOPTED by the California Statewide Communities Development Authority this January 30, 2014.

I, the undersigned, an Authorized Signatory of the California Statewide Communities Development Authority, DO HEREBY CERTIFY that the foregoing resolution was duly adopted by the Commission of the Authority at a duly called meeting of the Commission of the Authority held in accordance with law on January 30, 2014.

By _____
Authorized Signatory
California Statewide Communities
Development Authority

EXHIBIT A

DESCRIPTION OF WORK

The payment of development impact fees levied by the City of Chula Vista upon parcels within the District, which are authorized to be financed pursuant to the Municipal Improvement Act of 1913 and as to which the owners of the applicable parcels have applied for participation in SCIP, as more particularly described below.

PAYMENT OF IMPACT FEES

1. Sewer Participation
2. Traffic Signal
3. Park Acquisition and Development
4. Other Development Impact Fees under Municipal Code Section 3.55.090
5. San Diego County Water Authority Capacity Charge
6. Sweetwater Authority Fees

CAPITAL IMPROVEMENTS

1. Drainage
2. Water and Wastewater
3. Traffic / Surface

PRELIMINARY

ENGINEER'S REPORT

**CALIFORNIA STATEWIDE COMMUNITIES
DEVELOPMENT AUTHORITY**



**ASSESSMENT DISTRICT No. 14-02
CITY OF CHULA VISTA, COUNTY OF SAN DIEGO**

BEGINNING FISCAL YEAR 2014-2015

INTENT MEETING: JANUARY 30, 2014

PUBLIC HEARING: MARCH 20, 2014

Prepared by

DAVID TAUSSIG & ASSOCIATES, INC.
2250 Hyde Street, 5th Floor
San Francisco, California 94109
(800) 969-4382

Newport Beach
San Francisco
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Riverside
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**CALIFORNIA STATEWIDE COMMUNITIES
DEVELOPMENT AUTHORITY**

Scott Carper
California Statewide Communities Development Authority

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UNDERWRITER
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BOND COUNSEL
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PROGRAM ADMINISTRATOR
Daniel Chang
BLX Group, LLC

ASSESSMENT ENGINEERING
David Taussig
Steve Runk, P.E.
Nathan D. Perez, Esq.
David Taussig & Associates, Inc.

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APPENDICES

Appendix A: ASSESSMENT ROLL

The undersigned respectfully submits the enclosed Engineer's Report as directed by the Commission of the California Statewide Communities Development Authority.

Date: _____, 2014

David Taussig & Associates

By: _____
Steve Runk, P.E.
License Number: C23473

I HEREBY CERTIFY that the enclosed Engineer's Report, together with the Assessment and Assessment Diagram thereto attached, was filed with me on the _____ day of _____, 2014.

By: _____
Assistant to Secretary of the Authority,
California Statewide Communities
Development Authority

I HEREBY CERTIFY that the enclosed Engineer's Report, together with the Assessment and Assessment Diagram thereto attached, was approved and confirmed by the Commission of the California Statewide Communities Development Authority on the _____ day of _____, 2014.

By: _____
Assistant to Secretary of the Authority,
California Statewide Communities
Development Authority

I HEREBY CERTIFY that the enclosed Engineer's Report, together with the Assessment and Assessment Diagram thereto attached, was recorded in my office on the _____ day of _____, 2014.

By: _____
Superintendent of Streets of the Authority,
California Statewide Communities
Development Authority

David Taussig & Associates, Inc., Assessment Engineer for the California Statewide Communities Development Authority (the "Authority") (Statewide Communities Infrastructure Program) Assessment District No. 14-02 (City of Chula Vista, County of San Diego, California) hereinafter referred to as "District," makes this report (hereinafter "Engineer's Report" or "Report"), as directed by the Commission of the Authority, in accordance with the Resolution of Intention, Resolution No. 14-____, and pursuant to Section 10204 of the Streets and Highways Code (Municipal Improvement Act of 1913) and Article XIID of the California Constitution, which was added in November 1996 through the passage of Proposition 218 by voters of the State of California.

The fees which are the subject of this Report are briefly described as follows:

A. Impact Fees

- 1 Sewer Participation Fee (*Municipal Code Section 13.14.020*) – Sewer impact fee imposed by the City of Chula Vista to fund sewer expansion projects needed to serve new development.
- 2 Traffic Signal Fee (*Municipal Code Section 15.51.020*) – Traffic Signal Fee imposed by the City of Chula to fund the installation of traffic signals in the public streets of the city in accordance with the council policy as adopted by Resolution No. 9221.
- 3 Park Acquisition & Development (PAD) Fees (*Municipal Code Section 17.10.050*) – Park Acquisition & Development (PAD) Fees imposed by the City of Chula Vista to generate revenue to fund park facilities required for new development.
- 4 Other Development Impact Fees (*Municipal Code Section 3.55.090*) – Other Development Impact Fees imposed by the City of Chula Vista for the City's Western Territory to fund improvements needed to serve new development.
- 5 Sweetwater Authority Impact Fees (*Resolution 84-8, Updated 1993*) – Water capacity charges imposed by the Sweetwater Authority ("Authority") to obtain a water meter from a member agency for the use of water received by the member agency from the Authority. Fees also imposed by the Authority for long-term reservoir management activities to protect water quality, including, but not limited to, vegetation removal along bottom of reservoirs, sediment control, and maintenance of patrol roads.

B. Capital Improvements

- 1 Drainage Improvements – Funding for capital improvements including, but not limited to, facilities for the collection and disposal of storm waters and for flood control purposes, as well as supporting improvements and related facilities such as construction and installation of storm drains and flood water detention/retention systems of the Mar Vista development.
- 2 Water & Wastewater Improvements – Funding for capital improvements including, but not limited to, facilities for the water system such as construction, installation, and relocation of water pipes and mains, as well as supporting improvements and related facilities to meet the potable and non-potable water needs of the Mar Vista development.
- 3 Traffic / Surface Improvements – Funding for capital improvements for, streets, and public ways, including supporting improvements such as of grading, paving, curbs, gutters, sidewalks, site utilities, street name signs, and survey monuments associated with the Mar Vista development.

C. Reimbursement for Capital Improvements

Future negotiations and agreements between the City of Chula Vista (“City”) and the project developer may outline a mechanism whereby the developer of a “benefited” property would pay the City for that property’s share of the costs of certain public facilities. Such payments related to public facilities privately financed by the developer of Mar Vista would then be paid, when received by the City, to the developer of Mar Vista. Such payments related to public facilities financed by the District would be allocated to the parcels within the District in proportion to their respective original assessments as shown in this Report. As pertains to any of those parcels that the developer of Mar Vista may sell, those amounts would be paid to the developer of Mar Vista. As pertains to any such parcels still owned by the developer of Mar Vista, the City would use those amounts to partially prepay the assessments on those parcels pursuant to Streets and Highways Code Section 8766.5.

Bonds representing unpaid assessments, and bearing interest at a rate not to exceed twelve percent (12.00%) shall be issued in the manner provided by the Improvement Bond Act of 1915 (Division 10, Streets and Highways Code), and the last installment of the bonds shall not mature more than twenty-nine (29) years from the second day of September next succeeding twelve (12) months from their date.

This Report includes the following sections:

Plans and Specifications – Plans and specifications for improvements to be constructed. Plans and specifications are a part of this Report whether or not separately bound.

Cost Estimate – An estimate of the cost of the improvements.

Assessment Roll – An assessment roll, showing the amount to be assessed against each parcel of real property within this Assessment District and the names and addresses of the property owners. An Assessor’s Parcel number or other designation describes each parcel. Each parcel is also assigned an “assessment number” that links the Assessment Roll to the Assessment Diagram.

Method of Assessment – A statement of the method by which the Assessment Engineer determined the amount to be assessed against each parcel, based on special benefits to be derived by each parcel from the improvements.

Assessment Diagram – A diagram showing all of the parcels of real property to be assessed within this Assessment District. The diagram corresponds with the Assessment Roll by assessment number.

Maximum Annual Administrative Cost Add-on – Proposed maximum annual assessment per parcel for current costs and expenses.

Debt Limitation Report – A debt limitation report showing compliance with Part 7.5 of Division 4 of the Streets and Highways Code.

The plans, specifications, and studies of the improvements and impact fees for this District are voluminous and will not be bound in this Report, but by this reference are incorporated as if attached to this Report. The plans and specifications are on file with the City of Chula Vista and/or the County of San Diego, California.

Summary Cost Estimate

The estimated costs of the fees and improvements have been calculated and are shown on the following pages along with other bond financing costs. All fee information has been provided to DTA by the project proponents, the City of Chula Vista, and the SCIP Administrator.

Cost Estimate City of Chula Vista, County of San Diego - Mar Vista					
Description	Development Impact Fees	Special Benefit Apportioned to Project	Total Amount Due (\$)	Amounts Pre-paid by & Reimbursable to Developer	Amount Funded to Agency
Development Impact Fees					
Sewer Participation Fees	\$54,779	100.00%	\$54,779	\$0	\$54,779
Traffic Signal Fees	\$5,620	100.00%	\$5,620	\$0	\$5,620
Parkland Acquisition & Development (PAD) Fees	\$155,505	100.00%	\$155,505	\$0	\$155,505
Western Transportation Fees	\$43,806	100.00%	\$43,806	\$0	\$43,806
Sweetwater Authority Fees	\$55,314	100.00%	\$55,314	\$0	\$55,314
Connection Fees					
City Sewer Construction and Connection	\$12,411	100.00%	\$12,411	\$0	\$12,411
Subtotal	\$327,434	NA	\$327,434	\$0	\$327,434
Public Improvements					
Drainage Improvements	\$12,000	95.00%	\$11,400	\$0	\$11,400
Water & Wastewater Improvements	\$67,042	90.00%	\$60,338	\$0	\$60,338
Traffic & Surface Improvements	\$24,698	80.00%	\$19,758	\$0	\$19,758
Subtotal	\$103,740	NA	\$91,496	\$0	\$91,496
Professional Services					
Mar Vista					
Assessment Engineer	\$15,600	100.00%	\$15,600	\$0	\$15,600
Appraiser	\$5,000	100.00%	\$5,000	\$0	\$5,000
District Administration	\$5,000	100.00%	\$5,000	\$0	\$5,000
Subtotal	\$25,600	NA	\$25,600	\$0	\$25,600
Financing Costs					
Bond Reserve Fund	10.00%	NA	\$54,907	-	-
Capitalized Interest	4.00%	NA	\$21,963	-	-
Legal	1.00%	NA	\$5,491	-	-
Issuer	1.50%	NA	\$8,236	-	-
Underwriter	2.50%	NA	\$13,727	-	-
Contingency	0.04%	NA	\$220	-	-
Subtotal	19.04%	NA	\$104,544	-	-
Total Assessment			\$549,073		

An assessment of the total amount of the costs and expenses of the fees upon the subdivisions of land within the Assessment District, in proportion to the estimated special benefit to be received by the subdivisions from the Impact Fees and Improvements, is set forth upon the following Assessment Roll filed with and made part of this Report.

The Assessment Roll, shown below, lists the Assessor's Parcel numbers within this Assessment District by assessment number. The assessment numbers appearing on the Assessment Roll correspond with the subdivisions and parcels of land and their current numbers shown on the Boundary Map. The names and addresses of the property owners are as shown on the last equalized assessment roll for taxes or as known to the Secretary of the Authority.

All parcel information has been provided to DTA by the project proponents, the County of San Diego Assessor, and the SCIP Administrator.

Assessment Roll							
City of Chula Vista, County of San Diego - Mar Vista							
Asmt No.	Project	Assessor Parcel Number	Assessed Value	Acreage	Owner & Address	Preliminary Assessment	Final Assessment
1	Mar Vista	622-020-23-00	\$311,100	0.48	PFP LANSHIRE CHULA VISTA REAL ESTATE HOLDINGS LLC 4380 La Jolla Village Drive #250, San Diego, CA 92122	\$273,774	-
2	Mar Vista	622-020-24-00	\$178,948	0.49	PFP LANSHIRE CHULA VISTA REAL ESTATE HOLDINGS LLC 4380 La Jolla Village Drive #250, San Diego, CA 92122	\$275,299	-
Total			\$490,048	0.97		\$549,073	-

A. Background

Assessment District jurisprudence requires that assessments levied pursuant to the Municipal Improvement Act of 1913 be based on the “special benefit” properties receive from the Works of Improvement (i.e., Impact Fees and Capital Improvements). However, the law does not specify the method or formula that should be used to apportion the assessments in Assessment District proceedings. In addition, Article XIID of the California Constitution, added in November 1996 through the passage of Proposition 218 by voters of the State of California, requires, inter alia, that (i) only special benefits be assessable, (ii) no assessment may exceed the proportional special benefit conferred on the parcel assessed, and (iii) publicly owned parcels shall not be exempt from assessment unless clear and convincing evidence demonstrates that such publicly owned parcels receive no special benefits from the improvements for which the assessment is levied.

“Special benefit” is a particular and distinct benefit over and above general benefits conferred on real property located in the District or to the public at large. Importantly, the general enhancement of property value does not constitute special benefit. As such, this Engineer’s Report has been designed to comply with these requirements, as well as to incorporate recent California court decisions such as: *Silicon Valley Taxpayers Association, Inc. v. Santa Clara County Open Space Authority* (2008), *Beutz v. County of Riverside* (2010), *Golden Hills Neighborhood Association v. City of San Diego* (2011), and *Concerned Citizens v. West Point Fire Protection District* (2011).

Methodologically, it is necessary and essential to identify the special benefit that the Impact Fees, Capital Improvements, and related improvements will render to the properties within the District. It is also necessary that the properties receive a special and direct benefit as distinguished from benefit to the general public.

All costs associated with the financing of Impact Fees and Capital Improvements are to be fairly distributed among the lots and parcels within the District based upon the special benefit received by each lot and parcel. Additionally, in compliance with the California Constitution Article XIID Section 4, each lot’s and parcel’s assessment may not exceed the reasonable cost of the proportional special benefit conferred upon it. In sum, each of the properties benefiting from the Impact Fees, Capital Improvements, and related improvements proposed for Assessment District No. 14-02 will be assessed only for the special benefit conferred on such properties.

The Assessment Engineer is appointed for the purpose of analyzing the facts and determining the method and formula for apportionment of the assessment obligation to the benefited properties. For these proceedings, the Authority has retained the firm of David Taussig & Associates, Inc. as the Assessment Engineer.

The Assessment Engineer makes his or her recommendation for the method of apportionment in this Engineer’s Report for consideration at the public hearing. The final authority and action rests with the Authority after hearing all testimony and evidence presented at the public hearing and the tabulation of the assessment ballots. Upon

conclusion of the public hearing, the Authority must make the final action in determining that the assessment has been made in direct proportion to the special benefit received. Ballot tabulation will then be completed, and if a majority of ballots received, weighted by assessment amount, do not protest the assessment, then the Authority may establish the Assessment District.

B. Special Benefit

1. Development Impact Fees

Impact fees are a form of monetary exaction on new development which must be paid as a condition of development approval. Impact fees are neither taxes nor special assessments, nor are these fees permitted to cover ongoing operations and maintenance costs. Because impact fees are collected during the development approval process, the fees are typically paid by developers, builders, or other property owners that are seeking to develop property. In this manner, developers, builders, and property owners pay their “fair share” of needed capital facilities.

The authority of local governments to impose impact fees on development is derived from their police power to protect the health and welfare of citizens under the California Constitution (Article 11, Section 7). Furthermore, the California Mitigation Fee Act provides a prescriptive guide to establishing and administering impact fees based on constitutional and decisional law. Development impact fees were enacted under Assembly Bill 1600 by the California Legislature in 1987 and codified under California Government Code §66000 *et. seq.*, also referred to as the Mitigation Fee Act (the “Act” or “AB 1600”). Again, Government Code, §65913.8 precludes the use of development fees to fund maintenance or services, with limited exceptions for very small improvements and certain temporary measures needed by certain special districts.

The use of development impact fees to finance public facilities necessary to accommodate new growth is a concept that has been used by cities, counties, and public agencies throughout California. The rationale for charging impact fees is based on the premise that new development should pay its “fair share” of the costs associated with growth. Notably, certain fees levied for utility systems are considered capital charges for the privilege of connection to the utility system (hookup fees) and are charged under different legal authority. All capital impact fees and connection charges that are being paid to finance capital improvements and included in this Engineer’s Report provide direct and special benefit to the properties for which the development impact fees or connection charges are being paid by ultimately allowing for the orderly development of those parcels.

Additionally, it is critical that all fees meet the nexus requirements promulgated under AB 1600 to ensure that they are clearly justifiable and defensible. In order to impose a fee as a condition for a development project, the underlying methodology must accomplish the following:

- *Identify the purpose of the fee.*
- *Identify the use to which the fee is to be put. If the use is financing public facilities, the facilities must be identified.*
- *Determine how there is a reasonable relationship between the fee's use and the type of development project on which the fee is imposed.*
- *Determine how there is a reasonable relationship between the need for the public facility and the type of development project on which the fee is being imposed.*
 - *Implicit in these requirements is a stipulation that a public agency cannot impose a fee to cure existing deficiencies in public facilities or improve public facilities beyond what is required based on the specific impacts of new development.*

Accordingly, the finding and allocation of “special benefit” present in this Engineer’s Report is also predicated on the AB 1600 Nexus Studies previously developed for each of the fees outlined in Section III, under the principle that the above AB 1600 “fair share” requirements also comprehensively demonstrate “special benefit.” These AB 1600 Nexus Studies are voluminous and will not be bound in this Report, but by this reference are incorporated as if attached to this Report. The plans and specifications related to the public improvements funded by these impact and connection fees are on file with the City of Chula Vista, the County of San Diego, California, and/or associated public agencies in the region.

2. Capital Improvements

The construction of public infrastructure improvements is typically necessary as a condition of approval to develop a property. Where applicable, the developer is installing these public facilities, which are necessary for the ultimate completion of the projects. The capital improvements financed for the development project included within this Report provide direct and special benefit to the properties being assessed since they could not be developed with building structures without the installation of the District improvements.

a. Drainage Improvements

Stormwater, drainage, and flood control facilities are sized based upon estimated storm flows, which vary with the size of the tributary drainage area, slope, soil type, antecedent runoff condition, rainfall intensity, and impervious ground cover. Accordingly, special benefit related to stormwater facilities is calculated using drainage coefficients provided by the U.S. Department of Agriculture for each type of land use and building area coverage ratios, i.e., stormwater is apportioned relative to the various tributary drainage areas that

impact the property. However, because the Mar Vista project consists of only multi-family residential lots of approximately the same area, the relative contribution of runoff among the various lots is effectively the same.

On its face, the drainage improvements would provide 100% special benefit to Mar Vista residents, however it is arguable that the improvements mitigate potential flood conditions in the immediately adjacent vicinity by virtue of its runoff containment, and it is conceivable that future residents from neighboring communities may enjoy the use of the improvements. However, it is not possible to precisely quantify the possible mitigation of negative impacts to adjacent properties due to these improvements. Impacts such as increased maintenance, property damage, and/or personal inconvenience are dependent on such factors as storm event intensity, maintenance programs, and adjacent site improvements. Although such impacts are expected to be de minimus, a general benefit of 5% of the costs for drainage is assigned to drainage facilities.

b. Water & Wastewater

The primary determinant of sanitary sewer usage is the applicable per capita sewage generation rates. Because the Mar Vista development project consists only of multi-family land use, the relative contribution to total project sewer generation is equal among all lots. The mainline sewer pipes, connector pipes, and manholes are designed to convey sewage from the Mar Vista project only. It is not intended, nor possible by the approved construction plans, for the sewer facilities to serve any development outside of the Mar Vista project. However, typically the system design incorporates some excess capacity due to incremental sizing of pipes, pumps, and appurtenances. This excess capacity might be used in the future as the design and land uses dictate. Therefore, the general benefit assignment to the sewer system is 10%.

The primary determinant of water usage is the applicable per capita demand rates. Water improvements have been sized to meet the demands of only the new development. Because the Mar Vista development project consists only of multi-family land use, the relative contribution to total project water demand is equal among all lots. Because the water improvements are part of a water distribution network, as opposed to a stand-alone and independent water source and delivery system, the improvements would possibly provide the benefits of fire protection (hydrants, pressure distribution, etc.) and peak demand delivery through a more efficient network. Therefore, a small general benefit can be envisioned. Accordingly, a general benefit of 10% of the improvement cost is assigned to potable and non-potable water.

c. Transportation Improvements

Road usage is typically computed on the basis of anticipated trip generation. Any traffic analysis or impact study would need to assume a reasonable trip generation rate for each intended land use to not only determine accumulated

traffic volumes but also the relative impact of each proposed land use on proposed mitigations. However, because the Mar Vista development project proposes only one land use, multi-family residential, all lots have the same relative impact as any other lot in the development.

Ultimately, there will be a general benefit related to these improvements. Given uncertainty regarding future land development, DTA very conservatively and generously assigned general benefit to the roadway and street system improvements of 20%.

C. Apportionment

The initial assessments for this development will be apportioned between the two (2) existing Assessor's Parcels on which the development is located based on gross acreage. The assessments for the District may be subject to further apportionment since the property may experience lot line adjustments and/or subdivisions as properties are sold or lots and parcels are created. Upon recordation of subdivision, parcel or lot line adjustment maps, the assessment for the newly created parcels will be apportioned as described on the following pages.

1. Benefiting Properties within the District

At the time this Report was prepared, the development comprising this District consisted of two (2) Assessor's Parcels 622-020-23-00 and 620-020-24-00, which encompass a current total gross acreage of 0.97 acres. The proposed development will consist solely of twenty-one (21) multi-family units, and it is the Assessment Engineer's understanding that the assessments will ultimately be apportioned pro rata on those units/lots.

Each parcel will have certain improvements funded through SCIP and will be assessed for such improvements financed through the District. If building plans change or the existing parcels are not subdivided as planned, the assessment will be allocated to each new assessor's parcels in proportion to the original assessment based on the acreage of each assessor's parcel.

2. Benefit Analysis

Development Impact Fees

The method of apportionment established for the development reflects the proportional special benefit that each property receives from the levied development impact fees. The impact fees are imposed on a per lot basis and the fees are in turn based on a Nexus study that also incorporates the principles of strict proportionality and fairness and is required to identify and apportion only direct benefits related to the benefit area defined. The per parcel fee, by definition, is the fair share contribution of the parcel to mitigate the impact of that parcel on the defined public

facilities. Therefore, with regard to this assessment, the impact fee component of this assessment is considered to be 100% special benefit.

The assessments for this development will be placed onto the currently existing Assessor's Parcels on which the development is located pro rata, across the twenty-one (21) residential units.

Capital Improvement

The method of apportionment established for the Mar Vista development reflects the proportional special benefit that the property receives from the improvements. For this residential development, it has been determined that the benefit to each of the twenty-one (21) multi-family residential units is identical and that the most appropriate allocation of special benefit assessment is to assign to each property an amount equal to the total assessment amount associated with the multi-family residential property divided by the total number of approved multi-family residential units within the District, or one equivalent benefit unit ("EBU") for each proposed multi-family residential unit.

The construction of the improvements associated with the Mar Vista development provides a direct and special benefit to the properties in the development, for the ultimate purposes of ingress/egress, access, utility service, and drainage. The lots in the development could not be created nor the special benefit enjoyed by the ultimate lot owners without the construction of these improvements, which were required in order for the property to be developed.

Because all future lots and parcels within the development which are proposed to have buildings constructed on them benefit from the District improvements, they will be assessed for the portion of the specific costs of the improvements that are attributable to them. Lots or areas which are designed as common lots for parking, landscaping, and/or ingress and egress for the site, and which service the lots with building or storage uses within the development and which are not expected to have buildings located on them, will not be assessed.

D. Conclusion

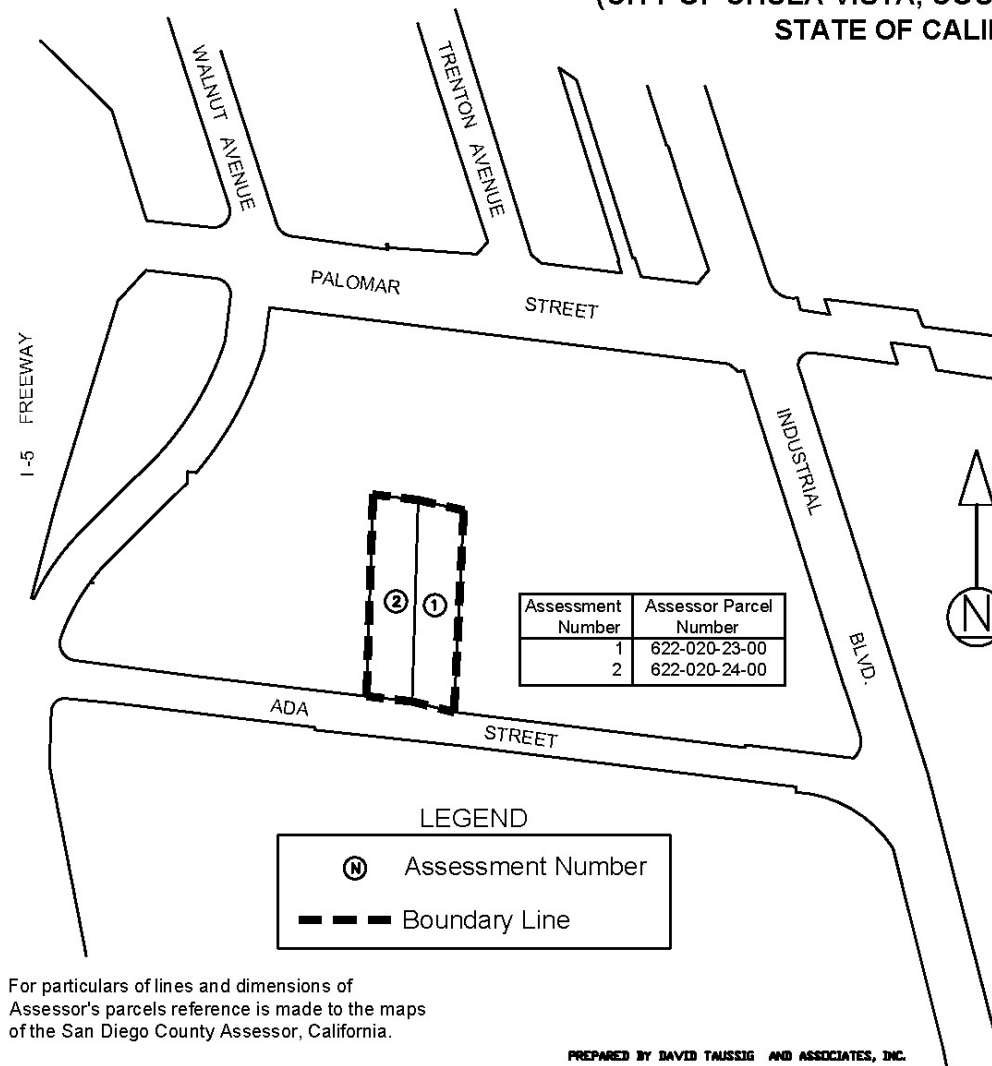
In conclusion, it is the Assessment Engineer's opinion that the assessments for the California Statewide Communities Development Authority (Statewide Communities Infrastructure Program) Assessment District No. 14-02 (City of Chula Vista, County of San Diego, California) are allocated in accordance with the direct and special benefit which the land receives from the Works of Improvement in compliance with the requirements of Article XIID of the California Constitution.

A Boundary Map showing the Assessment District, including the boundaries and dimensions of the parcels, lots, or subdivisions of land within the Assessment District as they existed at the time of the passage of the Resolution of Intention, is filed with and made a part of this Report and part of the assessment. Each of the subdivisions of land, parcels, or lots has been given a separate number on the Boundary Map that corresponds with the assessment number shown on the Assessment Roll.

The Assessment Diagram will be filed with the Final Engineer's Report at the time of the passage of the Resolution of Formation.

SHEET 1 OF 1

**PROPOSED BOUNDARIES OF
CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY
STATEWIDE COMMUNITIES INFRASTRUCTURE PROGRAM
ASSESSMENT DISTRICT NO. 14-02
(CITY OF CHULA VISTA, COUNTY OF SAN DIEGO)
STATE OF CALIFORNIA**



Filed this _____ day of _____, 2014, at the hour of _____ o'clock ____ m., in book _____ of Maps of Assessment and Community Facilities Districts at page _____ in the office of the Recorder of the County of San Diego, State of California.

By Deputy,
County Recorder, County of San Diego

Recorded in the office of the Superintendent of Streets of the Commission of the California Statewide Communities Development Authority on the _____ day of _____, 2014.

Superintendent of Streets
California Statewide Communities Development Authority

I hereby certify that the within map showing proposed boundaries of California Statewide Communities Development Authority, Statewide Communities Infrastructure Program, Assessment District No. 14-02 (City of Chula Vista, County of San Diego), State of California, was approved by the Commission of the California Statewide Communities Development Authority at a regular meeting thereof, held on the _____ day of _____, 2014, by its resolution No. _____.

Secretary of the Authority
California Statewide Communities Development Authority

In addition to or as a part of the assessment lien levied against each parcel of land within the District, each parcel of land shall also be subject to an annual administrative cost add-on to pay costs incurred by the Authority and not otherwise reimbursed which results from the administration and collection of assessments or from the administration or registration of any bonds and/or reserve or other related funds. The maximum total amount of such annual administrative cost add-on for the Assessment District will not exceed five percent (5.00%) of the initial annual principal and interest amount, subject to an increase annually by the positive change, if any, in the consumer price index (CPI) for the San Diego area. Each parcel's share of the administrative cost add-on shall be computed based on the parcel's proportionate share of its annual assessment.

(Compliance with Part 7.5 of Division 4 of the Streets and Highways Code)

Pursuant to Sections 2960, 2961 and 10200 of the Streets and Highways Code, the Commission of the California Statewide Communities Development Authority intends to comply with the requirements of the Special Assessment Investigation, Limitations and Majority Protest Act of 1931 by proceeding under Part 7.5 of Division 4 of the Streets and Highways Code.

We are not aware of any prior assessment liens for the properties located within California Statewide Communities Development Authority (Statewide Communities Infrastructure Program) Assessment District No. 14-02 (City of Chula Vista, County of San Diego, California).

The total confirmed assessment liens for California Statewide Communities Development Authority (Statewide Communities Infrastructure Program) Assessment District No. 14-02 (City of Chula Vista, County of San Diego, California) equals \$549,073.

The County of San Diego's assessed value of the parcels within California Statewide Communities Development Authority (Statewide Communities Infrastructure Program) Assessment District No. 14-02 (City of Chula Vista, County of San Diego, California) totals \$490,048.

One-half of the assessed value of the parcels within California Statewide Communities Development Authority (Statewide Communities Infrastructure Program) Assessment District No. 14-02 (City of Chula Vista, County of San Diego, California) totals \$245,024.

The value-to-lien based on the County of San Diego's assessed value for all properties located in the District is 0.89.

An appraisal is being performed by the firm of Seevers, Jordan and Ziegenmeyer (SJZ) for the appraised value of the parcels located within California Statewide Communities Development Authority (Statewide Communities Infrastructure Program) Assessment District No. 14-02 (City of Chula Vista, County of San Diego, California) and will be incorporated into the Final Engineer's Report.

[http://localhost/resources/Clients/SCIP/Chula Vista \(Mar Vista\)/Engineer's Report/CSCDA AD No 14-02 \(San Diego County - Chula Vista\) Engineer's Report \(Preliminary 01.23.2014\) v. 6.docx](http://localhost/resources/Clients/SCIP/Chula Vista (Mar Vista)/Engineer's Report/CSCDA AD No 14-02 (San Diego County - Chula Vista) Engineer's Report (Preliminary 01.23.2014) v. 6.docx)

Attachment 1

Assessment District No. 14-02
California Statewide Communities Development Authority
(Statewide Communities Infrastructure Program)
City of Chula Vista, County of San Diego

Assessment Roll

(Please See Section VI)



Public Finance
Public Private Partnerships
Urban Economics

2250 Hyde Street
5th Floor
San Francisco, CA 94109
Phone (800) 969-4382

RESOLUTION NO. 14R-_____

**RESOLUTION PRELIMINARILY APPROVING ENGINEER'S REPORT,
SETTING DATE FOR PUBLIC HEARING OF PROTESTS AND PROVIDING
FOR PROPERTY OWNER BALLOTS FOR CALIFORNIA STATEWIDE
COMMUNITIES DEVELOPMENT AUTHORITY STATEWIDE COMMUNITY
INFRASTRUCTURE PROGRAM ASSESSMENT DISTRICT NO. 14-02 (CITY
OF CHULA VISTA, COUNTY OF SAN DIEGO, CALIFORNIA)**

WHEREAS, at the direction of this Commission, David Taussig & Associates, as Engineer of Work for improvement proceedings in California Statewide Communities Development Authority Statewide Community Infrastructure Program Assessment District No. 14-02 (City of Chula Vista, County of San Diego, California) has filed with the Authority the report described in Section 10204 of the Streets and Highways Code (Municipal Improvement Act of 1913, hereafter in this resolution referred to as the "Act"), and containing the matters required by Article XIID of the California Constitution ("Article XIID"), and it is appropriate for this Commission to preliminarily approve said report and to schedule the public hearing of protests respecting said report.

NOW, THEREFORE, THE COMMISSION OF THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY HEREBY FINDS, DETERMINES AND RESOLVES as follows:

Section 1. The foregoing recital is true and correct, and this Commission so finds and determines.

Section 2. This Commission preliminarily approves the report without modification, for the purpose of conducting a public hearing of protests as provided in the Act, Article XIID, and Section 53753 of the California Government Code ("Section 53753"). Said report shall stand as the report for the purpose of all subsequent proceedings under the Act and Section 53753, except that it may be confirmed, modified, or corrected as provided in the Act.

Section 3. This Commission hereby sets 10:00 a.m., or as soon thereafter as the matter may be heard, on March 20, 2014 at the office of the California State Association of Counties, 1100 K Street, Sacramento, California, as the time and place for a public hearing of protests to the proposed financing of public capital improvements, the proposed levy of assessments, the amounts of individual assessments, and related matters as set forth in said report, and any interested person may appear and object to said financing of public capital improvements, or to the extent of said assessment district or to said proposed assessment.

Section 4. Staff is hereby directed to cause a notice of said public hearing to be given by mailing notices thereof, together with assessment ballots, in the time, form and manner provided by Section 53753, and upon the completion of the mailing of said notices and assessment ballots, staff is hereby directed to file with the Engineer of Work an affidavit setting forth the time and manner of the compliance with the requirements of law for mailing said notices and assessment ballots.

Section 5. David Taussig & Associates, Engineer of Work, 2250 Hyde Street, 5th Floor, San Francisco, California 94109, (415) 962-1480, is hereby designated to answer inquiries regarding the report and the protest proceedings.

PASSED AND ADOPTED by the California Statewide Communities Development Authority
this 30th day of January, 2014.

I, the undersigned, an Authorized Signatory of the California Statewide Communities Development Authority, DO HEREBY CERTIFY that the foregoing resolution was duly adopted by the Commission of the Authority at a duly called meeting of the Commission of the Authority held in accordance with law on January 30, 2014.

By _____
Authorize Signatory
California Statewide Communities
Development Authority

Item X

Approve a resolution approving a form of deposit and reimbursement agreement for the proposed SCIP Assessment Districts. (Staff: Caitlin Lanctot)

RESOLUTION NO. 14R-_____

**RESOLUTION OF THE COMMISSION OF THE CALIFORNIA STATEWIDE
COMMUNITIES DEVELOPMENT AUTHORITY
APPROVING A FORM OF DEPOSIT AND REIMBURSEMENT AGREEMENT FOR
THE PROPOSED CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT
AUTHORITY STATEWIDE COMMUNITIES INFRASTRUCTURE PROGRAM
ASSESSMENT DISTRICTS**

WHEREAS, under the authority of the Municipal Improvement Act of 1913 (the “1913 Act”), being Division 12 (commencing with Sections 10000 and following) of the California Streets and Highways Code (the “Code”), the Commission (the “Commission”) of the California Statewide Communities Development Authority (the “Authority”) intends to finance, through its Statewide Community Infrastructure Program, certain capital improvements and the payment of certain development impact fees for public improvements (together, the “Improvements”) through the creation of certain Statewide Community Infrastructure Program Assessment Districts to be formed in 2014 (the “Assessment Districts”); and

WHEREAS, a form of Deposit and Reimbursement Agreement between the Authority and each developer within the related Assessment Districts, is made available to the Commission; and

NOW, THEREFORE, BY IT RESOLVED by the Commission as follows:

Section 1. The foregoing recitals are true and correct, and this Commission so finds and determines.

Section 2. The form of Deposit and Reimbursement Agreement, by and between the Authority and each developer is hereby approved. Any member of the Commission of the Authority, the executive director of the Authority, or their administrative delegates duly authorized pursuant to Resolution No. 13R-20 of the Authority, adopted on September 5, 2013, is hereby authorized and directed to execute and deliver one or more Deposit and Reimbursement Agreement in substantially said form, with any changes therein as may be necessary after consultation with counsel to the Authority, such approval to be conclusively evidenced by the execution and delivery of the Deposit and Reimbursement Agreement.

Section 3. This resolution shall take effect immediately upon its passage.

PASSED AND ADOPTED by the California Statewide Communities Development Authority this 30th day of January, 2014.

I, the undersigned, an Authorized Signatory of the California Statewide Communities Development Authority, DO HEREBY CERTIFY that the foregoing resolution was duly adopted

by the Commission of the Authority at a duly called meeting of the Commission of the Authority held in accordance with law on January 30, 2014.

By _____
Authorized Signatory
California Statewide Communities
Development Authority