



CSCDA
CALIFORNIA STATEWIDE COMMUNITIES
DEVELOPMENT AUTHORITY



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

October 11, 2012

10:00 a.m.

California State Association of Counties

1100 K Street

Sacramento, California

3252 Southern Hills Drive
Fairfield, CA 94534

27788 Hidden Trail Road
Laguna Hills, CA 92677

County of Butte
7 County Center Drive
Oroville, CA 95965

- I. Call the Roll (alternates designate which member they are representing).
- II. Approve the Minutes of the September 27, 2012 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. California Shock Trauma Air Rescue (CALSTAR), City of Gilroy, County of Santa Clara; unincorporated County of Sacramento; unincorporated County of Contra Costa; City of Auburn, County of Placer; City of Ukiah, County of Mendocino; City of Salinas, County of Monterey; City of South Lake Tahoe, County of El Dorado; City of Santa Maria, County of Santa Barbara; City of Vacaville, County of Solano; up to \$55 million in 501(C)(3) non-profit revenue notes.

This ___ page agenda was posted at 1100 K Street, Sacramento, California on _____, 2012 at ___: ___ m,
Signed _____ . Please fax signed page to (925) 933-8457.

- VI. Discuss and approve proposed revision to the CSCDA issuance policies relating to the placement of non-rated securities within a professional investment management firm for Western University.
- VII. Discuss and approve HB Capital Contract Amendment.
- VIII. Public Hearing for Fancher Creek CFD 12-01.
- IX. Public Comment.
- X. Adjourn.

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**CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY
CONSENT CALENDAR**

1. Induce the following projects:
 - a. Gilroy Park Investors, LP (Gilroy Park Apartments), City of Gilroy, County of Santa Clara; issue up to \$10 million in multi-family housing debt obligations.
 - b. Grand Plaza Seniors, LP (Grand Plaza Senior Apartments), City of Los Angeles, County of Los Angeles; issue up to \$31 million in multi-family housing debt obligations.
 - c. ROEM Development Corporation (Orvieto B Apartments), City of San Jose, County of Santa Clara; issue up to \$28 million in multi-family housing debt obligations.
 - d. ROEM Development Corporation (Ajisai Apartments), City of San Jose, County of Santa Clara; issue up to \$28 million in multi-family housing debt obligations.

2. Approve the following invoices for payment:
 - a. Burke, Williams & Sorensen, LLP Invoice #159407.
 - b. Burke, Williams & Sorensen, LLP Invoice #159408.
 - c. Burke, Williams & Sorensen, LLP Invoice #159409.
 - d. Burke, Williams & Sorensen, LLP Invoice #159410.
 - e. Burke, Williams & Sorensen, LLP Invoice #159411.
 - f. Burke, Williams & Sorensen, LLP Invoice #159412.
 - g. Burke, Williams & Sorensen, LLP Invoice #159413.
 - h. Burke, Williams & Sorensen, LLP Invoice #159414.

Thursday, October 11, 2012

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 September 27, 2012 Regular Meeting.

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

California State Association of Counties
1100 K Street, Sacramento, California

September 27, 2012

MINUTES

Commission Chair Larry Combs called the meeting to order at 10:00 a.m.

I. Roll Call

Commission members present: Larry Combs and Terry Schutten. Commission members participating by conference telephone: Tim Snellings (participated in items I through VI) and Alternate Commissioners Irwin Bornstein representing Commissioner Kevin O'Rourke and Dan Mierzwa representing Commissioner Tim Snellings (beginning at item VII).

Others present included: James Hamill, Caitlin Lanctot, and Scott Carper, CSCDA staff; Dan Harrison, League of California Cities; Matt Morgan, Community Hospital of the Monterey Peninsula; Sarkis Garabedon, Piper Jaffray; Jody Hill-Mischel, Kaufman Hall; Michele Dulik, Sidley Austin; and Mark Paxson, State Treasurer's Office.

II. Approval of Minutes—September 13, 2012

The commission approved the minutes for the meeting held September 13, 2012.

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

III. Staff Updates.

The two TRIP projects, items V.C. and V.D. were pulled from the agenda.

IV. Approval of Consent Calendar

The commission corrected the invoice number of the Orrick invoice and approved the consent calendar as amended consisting of the following items:

- A. Inducement of a project for Pacific Housing, Inc. (Park Villas Apartments), City of National City, County of San Diego; issue up to \$34 million in multi-family housing debt obligations.

- B. Approve the following invoices for payment:
1. Orrick, Herrington & Sutcliffe, L.L.P Invoice #1381582.
 2. Salinas Trustee Fee, US Bank Invoice #3132287.

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

V. Financing Approvals

The commission approved resolutions approving the financing; all necessary actions; the execution and delivery of all necessary documents and authorized any member or authorized signatory to sign all necessary financing documents of the following projects:

- A. Community Hospital of the Monterey Peninsula (CHOMP), City of Monterey, County of Monterey; up to \$35,000,000 in 501(c)(3) non-profit revenue bonds

Motion by Schutten; second by Snellings; unanimously approved by roll-call vote

- B. AEALAS, Inc. (Albert Einstein Academy for Letters, Arts, and Sciences), City of Santa Clarita, County of Los Angeles; up to \$6,500,000 in 501(c)(3) non-profit revenue bonds.

Motion by Schutten; second by Bornstein; unanimously approved by roll-call vote

- C. Total Road Improvement Program (TRIP) for City of Barstow, postponed.
- D. Total Road Improvement Program (TRIP) for City of Chico, postponed.

VI. State Controller's Office Annual Report

The commission approved the annual report that will be filed before tomorrow's deadline with the State Controller's Office.

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

VII. Issuance Policies: Non-Rated Securities with Investment Management Firm

The commission discussed a requested exception to its issuance policies on behalf of RPM Capital Management LLC and requested that Orrick analyze risks to CSCDA and other concerns raised by commission members such as use of power of attorney, minimum denominations (from a sophisticated investor perspective as

well as for practical administration), and that the commission's general counsel then review the Orrick analysis and advise the commission prior to taking action on the recommendation.

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

VIII. Public Comments. There were none.

IX. Adjournment

Commission Chair Larry Combs adjourned the meeting at 10:25 a.m.

Submitted by: Daniel B. Harrison, Assistant to the Secretary

UPDATED LOCATION FOR THE NEXT MEETING

*The next meeting of the commission is scheduled for
Thursday, October 11, at 10:00 a.m.
in the CSAC Office at 1100 K Street, Sacramento, CA.*

Item IV

Approve Consent Calendar

1. Induce the following projects:
 - a. Gilroy Park Investors, LP (Gilroy Park Apartments), City of Gilroy, County of Santa Clara; issue up to \$10 million in multi-family housing debt obligations.



Building Communities, Investing in Local Government Since 1988

Housing Bond Application

APPLICANT INFORMATION

Application Number:	2012078
Name of Developer:	CBM RJE, Inc.
Primary Contact:	Cameo Townzen
Title:	Development Coordinator
Address:	1010 Racquet Club Drive, Suite 103 Auburn, CA 95603
Telephone Number:	(530) 745-3243
Fax Number:	(530) 888-7931
E-mail:	cameot@cbmgroup.net

BORROWER DESCRIPTION

Type of Entity:	<input type="checkbox"/> For-profit Corporation	<input type="checkbox"/> Non-profit Corporation
	<input type="checkbox"/> Municipality	<input checked="" type="checkbox"/> Partnership
	<input type="checkbox"/> Other (specify): _____	
For Non-profits only: Will you be applying for State Volume Cap? No		
Name of Borrowing Entity: Gilroy Park Investors, a California Limited Partnership		
Date Established: 9/20/2012		
Number of Multi-Family Housing Projects Completed in the Last 10 Years: 10		
Number of Low Income Multi-Family Housing Projects Completed in the Last 10 Years: 10		

PRINCIPAL FINANCE TEAM INFORMATION

UNDERWRITER/PLACEMENT AGENT		BOND COUNSEL	
Firm:	TBD	Firm:	TBD
Contact:		Contact:	
Address:		Address:	
Telephone:		Telephone:	
Fax:		Fax:	
E-mail:		E-mail:	

Application Number: **2012078 - Gilroy Park Apartments**

Name of Borrower: **CBM RJE, Inc.**

PROJECT DESCRIPTION

Current Project Name: **Gilroy Park Apartments**

New Project Name:

Project Street Address: **260 Farrell Avenue**

City: **Gilroy** State: **CA** Zip Code: **95020**

County: **Santa Clara**

Is Project located in unincorporated part of the County? **No**

Total Number of Units: Market: **0** Restricted: **74** Total Units: **74**

Lot Size: **4.89 +/- acres**

Amenities: **POOL, TOT LOT**

Type of Construction (i.e., Wood Frame, 2 Story, 10 Buildings): **18 Residential Buildings: 2 Story, Garden Style Walk Up Flats. 1 Residential Building: 2 Story Townhomes all Residential Units Have Either A Balcony Or Patio 1 Lmo Building 1 Pool Equipment/bathroom Building all Buildings Are Wood Frame, Stucco, Comp Roof.**

Type of Housing: New Construction Family
 Acq/Rehab Senior Is this an Assisted Living Facility? _____

City or county contact information:

Contact Name: _____

Title: _____

Phone Number: _____ Ext. _____

Fax Number: _____

E-mail: _____

PUBLIC BENEFIT

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

Percentage of Area Median Income(AMI) for Low Income Housing Units: **50% and 60%**

Total Number of Management Units: **1**

Unit Size	% AMI	# of Restricted Units	Restricted Rent	Market Rent	Expected Savings
1 Bedroom	50	4	\$948	\$1,545	\$597
1 Bedroom	60	8	\$1,100	\$1,545	\$445
2 Bedrooms	50	12	\$1,134	\$1,629	\$495
2 Bedrooms	60	28	\$1,200	\$1,629	\$429
3 Bedrooms	50	6	\$1,308	\$1,802	\$494
3 Bedrooms	60	14	\$1,365	\$1,802	\$437
4 Bedrooms	50	1	\$1,448	\$2,114	\$666
4 Bedrooms	60	1	\$1,550	\$2,114	\$564

Remarks: **4 BEDROOM, 60% UNIT WILL BE THE NON-REVENUE MANAGER UNIT**

OTHER PUBLIC BENEFIT

SERVICES PROVIDED

- High-speed internet service in each affordable unit of an on-going nature for a minimum of 10 years.
- After school program of an on going nature for the minimum of 10 years.
- Educational classes (which are not the same as the after school program) for a minimum of 10 years.
- Licensed childcare providing 20 hours or more per week(Monday through Friday) to residents of the development.
- Contract for services, such as assistance with the daily living activities, or provision of senior counseling services.

ENVIRONMENT

Energy

Does the facility exceed Title 24 Standards? Yes No N/A

If Yes, by what percent? _____%

Does the facility have solar(PV) panels? Yes No N/A

If Yes, what is the size in kWh? _____

Does the facility purchase carbon credits? Yes No N/A

If Yes, what is the annual consumption? _____

Water

Does the facility provide any of the following:

Efficient Toilets? Yes No N/A

Water-saving showerheads? Yes No N/A

Drought tolerant landscaping? Yes No N/A

Other, specify: _____

Transportation

Does the entity provide carpooling or mass-transit subsidies? Yes No N/A

Does the entity maintain a fuel efficient fleet? Yes No N/A

Waste

Does the project provide recycling facilities? Yes No N/A

WORKFORCE

Employment Creation

Job Type/Description	During Construction	Post Construction
None	0	0

GOVERNMENTAL INFORMATION

Congressional District # State Senate District # State Assembly District #
15 13 28

Application Number: **2012078 - Gilroy Park Apartments**

Name of Borrower: **CBM RJE, Inc.**

FINANCING STRUCTURE

Type of Financing: Public Sale Private Placement Refunding

For Refundings only: Will you be applying for State Volume Cap? **No**

For Refundings only: Is this a transfer of property to a new owner? _____

Maturity: **18 Years**

Interest Rate Mode: Fixed Variable

CONSTRUCTION FINANCING:

Credit Enhancement: None Letter of Credit
 FNMA(Fannie Mae) Freddie Mac
 Bond Insurance Other (specify): _____

Name of Credit Enhancement Provider or Private Placement Purchaser: **N/A**

PERMANENT FINANCING:

Credit Enhancement: None Letter of Credit
 FNMA(Fannie Mae) Freddie Mac
 Bond Insurance Other (specify): _____

Name of Credit Enhancement Provider or Private Placement Purchaser: **N/A**

Expected Rating: Unrated S & P _____
 Moody's _____ Fitch _____

Projected State Allocation Pool: General Mixed Income Rural

Will the project use Tax-Credit as a source of funding?: **Yes**

SOURCES & USES

CONSTRUCTION SOURCES		USES	
Tax-Exempt Bond Proceeds:	\$8,261,152	Land Acquisition:	\$1,450,000
Taxable Bond Proceeds:		Building Acquisition:	\$6,050,000
Tax Credits:	\$2,632,893	Construction or Remodel:	\$1,896,460
Developer Equity:		Cost of Issuance:	\$315,060
Other Funds(Describe):		Capitalized Interest:	\$325,283
DDF	\$585,000	Reserves:	\$213,080
OPERATING INTEREST	\$342,283	Other Funds(Describe):	
_____	.....	DEVELOPER FEE	\$1,282,617
_____	.....	LEGAL & RECORDING	\$15,000
_____	.....	THIRD PARTY & CTCAC	\$105,828
TOTAL:	\$11,821,328	RE TAXES / INSURANCE	\$137,000
		PERMITS FEES RELOCATION	\$31,000
		TOTAL:	\$11,821,328

Application Number: **2012078 - Gilroy Park Apartments**

Name of Borrower: **CBM RJE, Inc.**

PRINCIPAL FINANCE TEAM INFORMATION (continued)

FINANCIAL ADVISOR		REBATE ANALYST	
Firm:	N/A	Firm:	TBD
Contact:		Contact:	
Address:		Address:	
Telephone:		Telephone:	
Fax:		Fax:	
E-mail:		E-mail:	

ADDITIONAL REQUIREMENT

Please provide the following as an additional attachment:

<u>Attachment</u>	<u>Description of Information</u>
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A	\$5,000 non-refundable* issuance fee deposit payable to "California Communities."
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*Refundable only if financing not approved.

MAILING ADDRESS

California Communities®
2033 N. Main St., Suite 700
Walnut Creek, CA 94596

Item IV

Approve Consent Calendar

1. Induce the following projects:
 - b. Grand Plaza Seniors, LP (Grand Plaza Senior Apartments), City of Los Angeles, County of Los Angeles; issue up to \$31 million in multi-family housing debt obligations.



Building Communities, Investing in Local Government Since 1988

Housing Bond Application

APPLICANT INFORMATION

Application Number: **2012080**
Name of Developer: **TRG Pacific Development, LLC**
Primary Contact: **Pamela Mikus**
Title: **Executive Vice President**
Address: **155 N. Riverview Drive, Suite 119
Anaheim Hills, CA 92808**
Telephone Number: **(714) 769-9047**
Fax Number: **(714) 276-6549**
E-mail: **sstrain@sabelhauslaw.com**

BORROWER DESCRIPTION

Type of Entity: For-profit Corporation Non-profit Corporation
 Municipality Partnership
 Other (specify): _____

For Non-profits only: Will you be applying for State Volume Cap? **No**

Name of Borrowing Entity: **Grand Plaza Seniors, LP**

Date Established: **TBD**

Number of Multi-Family Housing Projects Completed in the Last 10 Years: **20**

Number of Low Income Multi-Family Housing Projects Completed in the Last 10 Years: **5000+**

PRINCIPAL FINANCE TEAM INFORMATION

UNDERWRITER/PLACEMENT AGENT

Firm: **TBD**

Contact:

Address:

Telephone:

Fax:

E-mail:

BOND COUNSEL

Firm: **Orrick Herrington Sutcliffe, LLP**

Contact: **Justin Cooper**

Address: **405 Howard Street
San Francisco, CA 94105**

Telephone: **(415) 773-5908**

Fax: **(415) 773-5759**

E-mail: **jcooper@orrick.com**

Application Number: **2012080 - Grand Plaza Senior Apartments**

Name of Borrower: **TRG Pacific Development, LLC**

PROJECT DESCRIPTION

Current Project Name: **Grand Plaza Senior Apartments**

New Project Name:

Project Street Address: **601 N. Grand Avenue**

City: **Los Angeles** State: **CA** Zip Code: **90012**

County: **Los Angeles**

Is Project located in unincorporated part of the County? **No**

Total Number of Units: Market: **0** Restricted: **302** Total Units: **302**

Lot Size: **0.85**

Amenities: **The project has central community laundry facility, community room, community kitchen, sun rooms, game rooms and courtyard area. There is on site Management, and the elevatored buildings have controlled access entry, perimeter fencing and video surveillance of the subterranean parking of 147 spaces.**

Type of Construction (i.e., Wood Frame, 2 Story, 10 Buildings): **Wood Frame, Stucco Siding, Flat Roofs, 5 Buldings, 4 Stories.**

Type of Housing: New Construction Family
 Acq/Rehab Senior Is this an Assisted Living Facility? **No**

City or county contact information:

Contact Name: **Lincoln Lee**
Title: **Chief of Case Management Office**
Phone Number: **(213) 482-6706**
Fax Number: **(213) 482-6706**
E-mail: **lincoln.lee@lacity.org**

PUBLIC BENEFIT

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

Percentage of Area Median Income(AMI) for Low Income Housing Units: **50%-60%**

Total Number of Management Units: **None**

Unit Size	% AMI	# of Restricted Units	Restricted Rent	Market Rent	Expected Savings
Studio	50	14	\$586	\$1,173	\$587
Studio	60	74	\$857	\$1,173	\$316
1 Bedroom	50	30	\$619	\$1,408	\$789
1 Bedroom	60	159	\$909	\$1,408	\$499
2 Bedrooms	50	4	\$738	\$1,910	\$1,172
2 Bedrooms	60	21	\$1,086	\$1,910	\$824

Remarks:

OTHER PUBLIC BENEFIT

SERVICES PROVIDED

- High-speed internet service in each affordable unit of an on-going nature for a minimum of 10 years.
- After school program of an on going nature for the minimum of 10 years.
- Educational classes (which are not the same as the after school program) for a minimum of 10 years.
- Licensed childcare providing 20 hours or more per week(Monday through Friday) to residents of the development.
- Contract for services, such as assistance with the daily living activities, or provision of senior counseling services.

ENVIRONMENT

Energy

Does the facility exceed Title 24 Standards? Yes No N/A

If Yes, by what percent? _____%

Does the facility have solar(PV) panels? Yes No N/A

If Yes, what is the size in kWh? _____

Does the facility purchase carbon credits? Yes No N/A

If Yes, what is the annual consumption? _____

Water

Does the facility provide any of the following:

Efficient Toilets? Yes No N/A

Water-saving showerheads? Yes No N/A

Drought tolerant landscaping? Yes No N/A

Other, specify: _____

Transportation

Does the entity provide carpooling or mass-transit subsidies? Yes No N/A

Does the entity maintain a fuel efficient fleet? Yes No N/A

Waste

Does the project provide recycling facilities? Yes No N/A

WORKFORCE

Employment Creation

Job Type/Description	During Construction	Post Construction
<u>Construction</u>	<u>125</u>	<u>0</u>

GOVERNMENTAL INFORMATION

Congressional District # <u>34</u>	State Senate District # <u>21</u>	State Assembly District # <u>45</u>
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Application Number: **2012080 - Grand Plaza Senior Apartments**

Name of Borrower: **TRG Pacific Development, LLC**

FINANCING STRUCTURE

Type of Financing: Public Sale Private Placement Refunding

For Refundings only: Will you be applying for State Volume Cap? **No**

For Refundings only: Is this a transfer of property to a new owner? _____

Maturity: **40 Years**

Interest Rate Mode: Fixed Variable

CONSTRUCTION FINANCING:

Credit Enhancement: None Letter of Credit
 FNMA(Fannie Mae) Freddie Mac
 Bond Insurance Other (specify): **HUD 221d(4) loan**

Name of Credit Enhancement Provider or Private Placement Purchaser: **GNMA enhancement, Richmac Funding LLC**

PERMANENT FINANCING:

Credit Enhancement: None Letter of Credit
 FNMA(Fannie Mae) Freddie Mac
 Bond Insurance Other (specify): **HUD 221d(4) loan**

Name of Credit Enhancement Provider or Private Placement Purchaser: **GNMA enhancement, Richmac Funding LLC**

Expected Rating: Unrated S & P _____
 Moody's _____ Fitch _____

Projected State Allocation Pool: General Mixed Income Rural

Will the project use Tax-Credit as a source of funding?: **Yes**

SOURCES & USES

CONSTRUCTION SOURCES		USES	
Tax-Exempt Bond Proceeds:	\$26,711,280	Land Acquisition:	\$2,350,000
Taxable Bond Proceeds:		Building Acquisition:	\$21,150,000
Tax Credits:	\$8,799,033	Construction or Remodel:	\$7,318,256
Developer Equity:		Cost of Issuance:	\$1,664,337
Other Funds(Describe):		Capitalized Interest:	\$496,830
Deferred Developer Fee	\$1,617,619	Reserves:	\$1,181,055
Interim Income	\$1,027,058	Other Funds(Describe):	
Return of Performance Deposit	\$100,000	Developer Fee	\$2,500,000
_____	.....	Soft Costs	\$1,594,512
_____	_____
TOTAL:	\$38,254,990	_____	.....
		_____
		TOTAL:	\$38,254,990

Application Number: **2012080 - Grand Plaza Senior Apartments**
Name of Borrower: **TRG Pacific Development, LLC**

PRINCIPAL FINANCE TEAM INFORMATION (continued)

FINANCIAL ADVISOR	REBATE ANALYST
Firm: Law Office of Patrick R. Sabelhaus	Firm: TBD
Contact: Stephen Strain	Contact:
Address: 1006 4th Street, Suite 6th Floor Sacramento, CA 95814	Address:
Telephone: (916) 444-0286 Ext. 270	Telephone:
Fax: (916) 444-3408	Fax:
E-mail: ssstrain@sabelhauslaw.com	E-mail:

ADDITIONAL REQUIREMENT

Please provide the following as an additional attachment:

<u>Attachment</u>	<u>Description of Information</u>
A	\$5,000 non-refundable* issuance fee deposit payable to "California Communities." *Refundable only if financing not approved.

MAILING ADDRESS

California Communities®
2033 N. Main St., Suite 700
Walnut Creek, CA 94596

Item IV

Approve Consent Calendar

1. Induce the following projects:
 - c. ROEM Development Corporation (Orvieto B Apartments), City of San Jose, County of Santa Clara; issue up to \$28 million in multi-family housing debt obligations.



Building Communities, Investing in Local Government Since 1988

Housing Bond Application

APPLICANT INFORMATION

Application Number: **2012082**
Name of Developer: **ROEM Development Corporation**
Primary Contact: **Mark Pilarczyk**
Title: **Land Acquisition Manager**
Address: **1650 Lafayette Street
Santa Clara, CA 95050**
Telephone Number: **(408) 984-5600 Ext. 13**
Fax Number: **(408) 984-3111**
E-mail: **mpilarczyk@roemcorp.com**

BORROWER DESCRIPTION

Type of Entity: For-profit Corporation Non-profit Corporation
 Municipality Partnership
 Other (specify): _____

For Non-profits only: Will you be applying for State Volume Cap? **No**

Name of Borrowing Entity: **TBD**

Date Established: **TBD**

Number of Multi-Family Housing Projects Completed in the Last 10 Years: **17**

Number of Low Income Multi-Family Housing Projects Completed in the Last 10 Years: **17**

PRINCIPAL FINANCE TEAM INFORMATION

UNDERWRITER/PLACEMENT AGENT

Firm: **TBD**

Contact:

Address:

Telephone:

Fax:

E-mail:

BOND COUNSEL

Firm: **Orrick**

Contact: **Justin Cooper**

Address: **405 Howard Street
San Francisco, CA 94105**

Telephone: **(415) 773-5908**

Fax: **(415) 773-5759**

E-mail: **jcooper@orrick.com**

Application Number: **2012082 - Orvieto B**
 Name of Borrower: **ROEM Development Corporation**

PROJECT DESCRIPTION

Current Project Name: **Orvieto B**
 New Project Name:
 Project Street Address: **80 Montecito Vista Drive**
 City: **San Jose** State: **CA** Zip Code: **95111**
 County: **Santa Clara**
 Is Project located in unincorporated part of the County? **No**

Total Number of Units: Market: **1** Restricted: **105** Total Units: **106**
 Lot Size: **1.73 acres**

Amenities: **On-site leasing office, lobby area with seating, elevator, community room with library and catering kitchen, classroom with computers, common area restrooms, fitness center, laundry rooms with trash/recycling centers, landscaped courtyard with tot-lot and bbq, and gated parking.**

Type of Construction (i.e., Wood Frame, 2 Story, 10 Buildings): **Type Va Wood Frame, Three Story Residential Over 1 Level At-grade Concrete Podium Podium Parking**

Type of Housing: New Construction Family
 Acq/Rehab Senior Is this an Assisted Living Facility? _____

City or county contact information:
 Contact Name: **Lesley Xavier**
 Title: **Planner II**
 Phone Number: **(408) 535-7852**
 Fax Number: **(408) 292-6055**
 E-mail: **lesley.xavier@sanjoseca.gov**

PUBLIC BENEFIT

Percentage of Units in Low Income Housing: **100%**
 Percentage of Area Median Income(AMI) for Low Income Housing Units: **50% and 60%**
 Total Number of Management Units: **1**

Unit Size	% AMI	# of Restricted Units	Restricted Rent	Market Rent	Expected Savings
1 Bedroom	60	21	\$1,181	\$1,350	\$169
1 Bedroom	50	3	\$984	\$1,350	\$366
2 Bedrooms	60	73	\$1,417	\$1,623	\$206
2 Bedrooms	50	8	\$1,181	\$1,623	\$442

Remarks: **AMI may be adjusted based on Market Study. Unit mix above excludes the manager's unit. Building has 106 total units with 105 of them restricted to 50% and 60% AMI.**

OTHER PUBLIC BENEFIT

SERVICES PROVIDED

- High-speed internet service in each affordable unit of an on-going nature for a minimum of 10 years.
- After school program of an on going nature for the minimum of 10 years.
- Educational classes (which are not the same as the after school program) for a minimum of 10 years.
- Licensed childcare providing 20 hours or more per week(Monday through Friday) to residents of the development.
- Contract for services, such as assistance with the daily living activities, or provision of senior counseling services.

ENVIRONMENT

Energy

- Does the facility exceed Title 24 Standards? Yes No N/A
 If Yes, by what percent? **15%**
- Does the facility have solar(PV) panels? Yes No N/A
 If Yes, what is the size in kWh? _____
- Does the facility purchase carbon credits? Yes No N/A
 If Yes, what is the annual consumption? _____

Water

- Does the facility provide any of the following:
- Efficient Toilets? Yes No N/A
 Water-saving showerheads? Yes No N/A
 Drought tolerant landscaping? Yes No N/A
 Other, specify: _____

Transportation

- Does the entity provide carpooling or mass-transit subsidies? Yes No N/A
 Does the entity maintain a fuel efficient fleet? Yes No N/A

Waste

- Does the project provide recycling facilities? Yes No N/A

WORKFORCE

Employment Creation

Job Type/Description	During Construction	Post Construction
<u>TBD</u>	<u>100</u>	<u>20</u>

GOVERNMENTAL INFORMATION

Congressional District #	State Senate District #	State Assembly District #
<u>16</u>	<u>13</u>	<u>23</u>

Application Number: **2012082 - Orvieto B**
 Name of Borrower: **ROEM Development Corporation**

FINANCING STRUCTURE

Type of Financing: Public Sale Private Placement Refunding

For Refundings only: Will you be applying for State Volume Cap? **No**
 For Refundings only: Is this a transfer of property to a new owner? _____

Maturity: **18 Years** Interest Rate Mode: Fixed Variable

CONSTRUCTION FINANCING:

Credit Enhancement: None Letter of Credit
 FNMA(Fannie Mae) Freddie Mac
 Bond Insurance Other (specify): _____

Name of Credit Enhancement Provider or Private Placement Purchaser: **N/A**

PERMANENT FINANCING:

Credit Enhancement: None Letter of Credit
 FNMA(Fannie Mae) Freddie Mac
 Bond Insurance Other (specify): _____

Name of Credit Enhancement Provider or Private Placement Purchaser: **N/A**

Expected Rating: Unrated S & P _____
 Moody's _____ Fitch _____

Projected State Allocation Pool: General Mixed Income Rural

Will the project use Tax-Credit as a source of funding?: **Yes**

SOURCES & USES

CONSTRUCTION SOURCES		USES	
Tax-Exempt Bond Proceeds:	\$23,900,000	Land Acquisition:	\$4,000,000
Taxable Bond Proceeds:		Building Acquisition:	
Tax Credits:	\$3,037,542	Construction or Remodel:	\$17,560,867
Developer Equity:	\$480,181	Cost of Issuance:	
Other Funds(Describe):		Capitalized Interest:	
Deferred accrued interest on Seller Note	\$60,000	Reserves:	
Lease-up Income	\$410,212	Other Funds(Describe):	
Deferred Reserve Funding	\$351,158	Soft Costs	\$6,178,226
Seller Carry	\$1,000,000	Developer Fee	\$2,500,000
Housing Trust	\$1,000,000	_____	.....
TOTAL:	\$30,239,093	_____	.....
		_____
		TOTAL:	\$30,239,093

Application Number: **2012082 - Orvieto B**
Name of Borrower: **ROEM Development Corporation**

PRINCIPAL FINANCE TEAM INFORMATION (continued)

FINANCIAL ADVISOR		REBATE ANALYST	
Firm:	N/A	Firm:	TBD
Contact:		Contact:	
Address:		Address:	
Telephone:		Telephone:	
Fax:		Fax:	
E-mail:		E-mail:	

ADDITIONAL REQUIREMENT

Please provide the following as an additional attachment:

Attachment Description of Information

A \$5,000 non-refundable* issuance fee deposit payable to "California Communities."

*Refundable only if financing not approved.

MAILING ADDRESS

California Communities®
2033 N. Main St., Suite 700
Walnut Creek, CA 94596

Item IV

Approve Consent Calendar

1. Induce the following projects:
 - d. ROEM Development Corporation (Ajisai Apartments), City of San Jose, County of Santa Clara; issue up to \$28 million in multi-family housing debt obligations.



Building Communities, Investing in Local Government Since 1988

Housing Bond Application

APPLICANT INFORMATION

Application Number: **2012081**
Name of Developer: **ROEM Development Corporation**
Primary Contact: **Jonathan Emami**
Title: **Director of Development**
Address: **1650 Lafayette Street
Santa Clara, CA 95050**
Telephone Number: **(408) 984-5600**
Fax Number: **(408) 984-3111**
E-mail: **ajugant@roemcorp.com**

BORROWER DESCRIPTION

Type of Entity: For-profit Corporation Non-profit Corporation
 Municipality Partnership
 Other (specify): _____

For Non-profits only: Will you be applying for State Volume Cap? **No**

Name of Borrowing Entity: **TBD**

Date Established: **TBD**

Number of Multi-Family Housing Projects Completed in the Last 10 Years: **17**

Number of Low Income Multi-Family Housing Projects Completed in the Last 10 Years: **17**

PRINCIPAL FINANCE TEAM INFORMATION

UNDERWRITER/PLACEMENT AGENT

Firm: **TBD**

Contact:

Address:

Telephone:

Fax:

E-mail:

BOND COUNSEL

Firm: **Orrick**

Contact: **Justin Cooper**

Address: **405 Howard Street
San Francisco, CA 94105**

Telephone: **(415) 773-5908**

Fax: **(415) 773-5759**

E-mail: **jcooper@orrick.com**

Application Number: **2012081 - Ajisai**
 Name of Borrower: **ROEM Development Corporation**

PROJECT DESCRIPTION

Current Project Name: **Ajisai**
 New Project Name:
 Project Street Address: **330-340 E. Taylor Street**
 City: **San Jose** State: **CA** Zip Code: **95112**
 County: **Santa Clara**
 Is Project located in unincorporated part of the County? **No**

Total Number of Units: Market: **82** Restricted: **21** Total Units: **103**
 Lot Size: **2.01 Acres**
 Amenities: **Community Room with kitchen Tech Center Open area with Tot Lot**

Type of Construction (i.e., Wood Frame, 2 Story, 10 Buildings): **Type V A Wood Frame With Type I At Grade Podium Parking.**

Type of Housing: New Construction Family
 Acq/Rehab Senior Is this an Assisted Living Facility? _____

City or county contact information:
 Contact Name: **Lesley Xavier**
 Title: **Planner II**
 Phone Number: **(408) 535-7852**
 Fax Number: **(408) 292-6055**
 E-mail: **lesley.xavier@sanjose.gov**

PUBLIC BENEFIT

Percentage of Units in Low Income Housing: **20%**
 Percentage of Area Median Income(AMI) for Low Income Housing Units: **50%**
 Total Number of Management Units: **1**

Unit Size	% AMI	# of Restricted Units	Restricted Rent	Market Rent	Expected Savings
1 Bedroom	50	7	\$984	\$1,350	\$366
2 Bedrooms	50	14	\$1,137	\$1,623	\$486

Remarks: **These are for units below market rate. The remaining units are all market rate, including 1 manager unit. 44 - 2 Bedrooms 38 - 1 Bedrooms**

OTHER PUBLIC BENEFIT

SERVICES PROVIDED

- High-speed internet service in each affordable unit of an on-going nature for a minimum of 10 years.
- After school program of an on going nature for the minimum of 10 years.
- Educational classes (which are not the same as the after school program) for a minimum of 10 years.
- Licensed childcare providing 20 hours or more per week(Monday through Friday) to residents of the development.
- Contract for services, such as assistance with the daily living activities, or provision of senior counseling services.

ENVIRONMENT

Energy

- Does the facility exceed Title 24 Standards? Yes No N/A
 If Yes, by what percent? **15%**
- Does the facility have solar(PV) panels? Yes No N/A
 If Yes, what is the size in kWh? _____
- Does the facility purchase carbon credits? Yes No N/A
 If Yes, what is the annual consumption? _____

Water

- Does the facility provide any of the following:
- Efficient Toilets? Yes No N/A
 Water-saving showerheads? Yes No N/A
 Drought tolerant landscaping? Yes No N/A
 Other, specify: _____

Transportation

- Does the entity provide carpooling or mass-transit subsidies? Yes No N/A
 Does the entity maintain a fuel efficient fleet? Yes No N/A

Waste

- Does the project provide recycling facilities? Yes No N/A

WORKFORCE

Employment Creation

Job Type/Description	During Construction	Post Construction
None _____	<u>0</u>	<u>0</u>

GOVERNMENTAL INFORMATION

Congressional District # _____ 16 _____	State Senate District # _____ 13 _____	State Assembly District # _____ 23 _____
---	--	--

Application Number: **2012081 - Ajisai**
Name of Borrower: **ROEM Development Corporation**

PRINCIPAL FINANCE TEAM INFORMATION (continued)

FINANCIAL ADVISOR		REBATE ANALYST	
Firm:	N/A	Firm:	TBD
Contact:		Contact:	
Address:		Address:	
Telephone:		Telephone:	
Fax:		Fax:	
E-mail:		E-mail:	

ADDITIONAL REQUIREMENT

Please provide the following as an additional attachment:

Attachment Description of Information

A \$5,000 non-refundable* issuance fee deposit payable to "California Communities."

*Refundable only if financing not approved.

MAILING ADDRESS

California Communities®
2033 N. Main St., Suite 700
Walnut Creek, CA 94596

Item IV

2. Approve the following invoices for payment:
 - a. Burke, Williams & Sorensen, LLP Invoice #159407.
 - b. Burke, Williams & Sorensen, LLP Invoice #159408.
 - c. Burke, Williams & Sorensen, LLP Invoice #159409.
 - d. Burke, Williams & Sorensen, LLP Invoice #159410.
 - e. Burke, Williams & Sorensen, LLP Invoice #159411.
 - f. Burke, Williams & Sorensen, LLP Invoice #159412.
 - g. Burke, Williams & Sorensen, LLP Invoice #159413.
 - h. Burke, Williams & Sorensen, LLP Invoice #159414.

LAW OFFICES
BURKE, WILLIAMS & SORENSEN, LLP
444 SOUTH FLOWER STREET
SUITE 2400
LOS ANGELES, CALIFORNIA 90071-2953
TELEPHONE (213) 236-0600
TELECOPIER (213) 236-2700

IN ACCOUNT WITH:

FEDERAL I.D. NO.
95-1705973

CALIFORNIA STATEWIDE COMMUNITIES DEVELOP
2033 NORTH MAIN STREET, SUITE 700
WALNUT CREEK, CA 94596
Attn: JON PENKOWER

September 7, 2012
Invoice: 159407

Our File No.: 05826 - 0001.001
IRWIN UNION COLLATERAL, INC. (AD 04-1) PLACER
Claim Number: APN 330-190-005-000

PREVIOUS BALANCE	\$148.60
ADMIN CHARGE	\$3.53
PAYMENTS	0.00
FEEES FOR PROFESSIONAL SERVICES RENDERED THROUGH August 31, 2012:	437.50
DISBURSEMENTS MADE TO YOUR ACCOUNT THROUGH August 31, 2012:	41.07
CURRENT CHARGES	<u>478.57</u>
TOTAL CHARGES:	<u>\$ 630.70</u>

FOR INFORMATION ONLY

LAW OFFICES
BURKE, WILLIAMS & SORENSEN, LLP
 444 SOUTH FLOWER STREET
 SUITE 2400
 LOS ANGELES, CALIFORNIA 90071-2953
 TELEPHONE (213) 236-0600
 TELECOPIER (213) 236-2700

CALIFORNIA STATEWIDE COMMUNITIES DEVELOP
 2033 NORTH MAIN STREET, SUITE 700
 WALNUT CREEK, CA 94596
 Attn: JON PENKOWER

September 7, 2012
 Invoice: 159407

Our File No.: 05826 - 0001.001
 IRWIN UNION COLLATERAL, INC. (AD 04-1) PLACER
 Claim Number: APN 330-190-005-000

<u>Date</u>	<u>Description of Services Rendered</u>	<u>Hours</u>	<u>Tkpr</u>
08/10/12	RESEARCHED DOCEDGE VOLUNTARY LIEN REPORT AND DOCUMENTS OF RECORD FOR PARCEL; DRAFTED NOTIFICATION OF DELINQUENT ASSESSMENTS LETTER TO NEW PROPERTY OWNER	1.00	CJF
08/22/12	REVIEWED FORECLOSURE FILE; TELEPHONE CONVERSATION WITH DENNIS PETERSON, NEW PROPERTY OWNER, REGARDING OUTSTANDING DELINQUENCIES	0.10	CJF
08/24/12	UPDATE SPREADSHEET AND DRAFT PAYOFF LETTER	1.00	EJ

<u>Date</u>	<u>Description of Disbursement</u>	<u>Quantity</u>	<u>Amount</u>
08/10/12	PROPERTY SEARCH; VENDOR: FIRST AMERICAN DATA TREE; INVOICE#: 90741182; DATE: 8/31/2012		29.47
08/14/12	POSTAGE		6.60
08/14/12	DUPLICATION	25	5.00

FOGLEMAN, CAROL J	1.1 x 275.00 =	302.50
JAY, ELISE	1.0 x 135.00 =	135.00
TOTAL FEES		437.50
TOTAL DISBURSEMENTS		41.07
CURRENT CHARGES:		\$478.57

LAW OFFICES
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444 SOUTH FLOWER STREET
SUITE 2400
LOS ANGELES, CALIFORNIA 90071-2953
TELEPHONE (213) 236-0600
TELECOPIER (213) 236-2700

IN ACCOUNT WITH:

FEDERAL I.D. NO.
95-1705973

CALIFORNIA STATEWIDE COMMUNITIES DEVELOP
2033 NORTH MAIN STREET, SUITE 700
WALNUT CREEK, CA 94596
Attn: JON PENKOWER

September 7, 2012
Invoice: 159408

Our File No.: 05826 - 0001.002
IRWIN UNION COLLATERAL, INC. (AD 04-01) PLACER
Claim Number: APN 330-190-007-000

PREVIOUS BALANCE	\$148.60
ADMIN CHARGE	\$3.53
PAYMENTS	0.00
FEEES FOR PROFESSIONAL SERVICES RENDERED THROUGH August 31, 2012:	437.50
DISBURSEMENTS MADE TO YOUR ACCOUNT THROUGH August 31, 2012:	29.47
CURRENT CHARGES	<u>466.97</u>
TOTAL CHARGES:	<u><u>\$ 619.10</u></u>

FOR INFORMATION ONLY

LAW OFFICES
BURKE, WILLIAMS & SORENSEN, LLP
 444 SOUTH FLOWER STREET
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 LOS ANGELES, CALIFORNIA 90071-2953
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 2033 NORTH MAIN STREET, SUITE 700
 WALNUT CREEK, CA 94596
 Attn: JON PENKOWER

September 7, 2012
 Invoice: 159408

Our File No.: 05826 - 0001.002
 IRWIN UNION COLLATERAL, INC. (AD 04-01) PLACER
 Claim Number: APN 330-190-007-000

<u>Date</u>	<u>Description of Services Rendered</u>	<u>Hours</u>	<u>Tkpr</u>
08/10/12	RESEARCHED DOCEDGE VOLUNTARY LIEN REPORT AND DOCUMENTS OF RECORD FOR PARCEL; DRAFTED NOTIFICATION OF DELINQUENT ASSESSMENTS LETTER TO NEW PROPERTY OWNER	1.00	CJF
08/22/12	REVIEWED FORECLOSURE FILE; TELEPHONE CONVERSATION WITH DENNIS PETERSON, NEW PROPERTY OWNER, REGARDING OUTSTANDING DELINQUENCIES	0.10	CJF
08/24/12	UPDATE SPREADSHEET AND DRAFT PAYOFF LETTER	1.00	EJ

<u>Date</u>	<u>Description of Disbursement</u>	<u>Quantity</u>	<u>Amount</u>
08/10/12	PROPERTY SEARCH; VENDOR: FIRST AMERICAN DATA TREE; INVOICE#: 90741182; DATE: 8/31/2012		29.47

FOGLEMAN, CAROL J	1.1 x 275.00 =	302.50
JAY, ELISE	1.0 x 135.00 =	135.00

TOTAL FEES		437.50
TOTAL DISBURSEMENTS		29.47
CURRENT CHARGES:		<u>\$466.97</u>

LAW OFFICES
BURKE, WILLIAMS & SORENSEN, LLP
444 SOUTH FLOWER STREET
SUITE 2400
LOS ANGELES, CALIFORNIA 90071-2953
TELEPHONE (213) 236-0600
TELECOPIER (213) 236-2700

IN ACCOUNT WITH:

FEDERAL I.D. NO.
95-1705973

CALIFORNIA STATEWIDE COMMUNITIES DEVELOP
2033 NORTH MAIN STREET, SUITE 700
WALNUT CREEK, CA 94596
Attn: JON PENKOWER

September 7, 2012
Invoice: 159409

Our File No.: 05826 - 0001.003
IRWIN UNION COLLATERAL, INC. (AD 04-01) PLACER
Claim Number: APN 330-190-008-000

PREVIOUS BALANCE	\$148.60
ADMIN CHARGE	\$3.53
PAYMENTS	0.00
FEES FOR PROFESSIONAL SERVICES RENDERED THROUGH August 31, 2012:	437.50
DISBURSEMENTS MADE TO YOUR ACCOUNT THROUGH August 31, 2012:	29.47
CURRENT CHARGES	<u>466.97</u>
TOTAL CHARGES:	<u>\$ 619.10</u>

FOR INFORMATION ONLY

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 444 SOUTH FLOWER STREET
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CALIFORNIA STATEWIDE COMMUNITIES DEVELOP
 2033 NORTH MAIN STREET, SUITE 700
 WALNUT CREEK, CA 94596
 Attn: JON PENKOWER

September 7, 2012
 Invoice: 159409

Our File No.: 05826 - 0001.003
 IRWIN UNION COLLATERAL, INC. (AD 04-01) PLACER
 Claim Number: APN 330-190-008-000

<u>Date</u>	<u>Description of Services Rendered</u>	<u>Hours</u>	<u>Tkpr</u>
08/10/12	RESEARCHED DOCEDGE VOLUNTARY LIEN REPORT AND DOCUMENTS OF RECORD FOR PARCEL; DRAFTED NOTIFICATION OF DELINQUENT ASSESSMENTS LETTER TO NEW PROPERTY OWNER	1.00	CJF
08/22/12	REVIEWED FORECLOSURE FILE; TELEPHONE CONVERSATION WITH DENNIS PETERSON, NEW PROPERTY OWNER, REGARDING OUTSTANDING DELINQUENCIES	0.10	CJF
08/24/12	UPDATE SPREADSHEET AND DRAFT PAYOFF LETTER	1.00	EJ

<u>Date</u>	<u>Description of Disbursement</u>	<u>Quantity</u>	<u>Amount</u>
08/10/12	PROPERTY SEARCH; VENDOR: FIRST AMERICAN DATA TREE; INVOICE#: 90741182; DATE: 8/31/2012		29.47

FOGLEMAN, CAROL J	1.1 x 275.00 =	302.50
JAY, ELISE	1.0 x 135.00 =	135.00
TOTAL FEES		437.50
TOTAL DISBURSEMENTS		29.47
CURRENT CHARGES:		\$466.97

LAW OFFICES
BURKE, WILLIAMS & SORENSEN, LLP
444 SOUTH FLOWER STREET
SUITE 2400
LOS ANGELES, CALIFORNIA 90071-2953
TELEPHONE (213) 236-0600
TELECOPIER (213) 236-2700

IN ACCOUNT WITH:

FEDERAL I.D. NO.
95-1705973

CALIFORNIA STATEWIDE COMMUNITIES DEVELOP
2033 NORTH MAIN STREET, SUITE 700
WALNUT CREEK, CA 94596
Attn: JON PENKOWER

September 7, 2012
Invoice: 159410

Our File No.: 05826 - 0001.004
IRWIN UNION COLLATERAL, INC. (AD 04-01) PLACER
Claim Number: APN 330-190-021-000

PREVIOUS BALANCE	\$1,784.83
ADMIN CHARGE	\$26.63
PAYMENTS	0.00
FEEs FOR PROFESSIONAL SERVICES RENDERED THROUGH August 31, 2012:	507.00
DISBURSEMENTS MADE TO YOUR ACCOUNT THROUGH August 31, 2012:	17.90
CURRENT CHARGES	<u>524.90</u>
TOTAL CHARGES:	<u><u>\$ 2,336.36</u></u>

FOR INFORMATION ONLY

LAW OFFICES
BURKE, WILLIAMS & SORENSEN, LLP
 444 SOUTH FLOWER STREET
 SUITE 2400
 LOS ANGELES, CALIFORNIA 90071-2953
 TELEPHONE (213) 236-0600
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CALIFORNIA STATEWIDE COMMUNITIES DEVELOP
 2033 NORTH MAIN STREET, SUITE 700
 WALNUT CREEK, CA 94596
 Attn: JON PENKOWER

September 7, 2012
 Invoice: 159410

Our File No.: 05826 - 0001.004
 IRWIN UNION COLLATERAL, INC. (AD 04-01) PLACER
 Claim Number: APN 330-190-021-000

<u>Date</u>	<u>Description of Services Rendered</u>	<u>Hours</u>	<u>Tkpr</u>
08/10/12	REVIEWED FORECLOSURE FILE AND RESEARCHED DOCEDGE TO VERIFY CURRENT OWNERSHIP FOR PROPERTY; FINALIZED AND SIGNED COMPLAINT AND LIS PENDENS TO BE FILED	1.00	CJF
08/16/12	REVIEWED AND SIGNED REMAINING FORECLOSURE DOCUMENTS TO BE FILED	0.50	CJF
08/17/12	REVIEW SUMMONS, COMPLAINT AND NOTICE OF PENDENCY OF ACTION FOR COMPLIANCE WITH STATUTORY REQUIREMENTS; NOTARIZE NOTICE OF PENDENCY	0.70	TLG

<u>Date</u>	<u>Description of Disbursement</u>	<u>Quantity</u>	<u>Amount</u>
08/22/12	POSTAGE		11.90
08/22/12	DUPLICATION	30	6.00

FOGLEMAN, CAROL J	1.5 x 275.00 =	412.50
GONZALEZ, TERESA L	0.7 x 135.00 =	94.50

TOTAL FEES	507.00
TOTAL DISBURSEMENTS	17.90
CURRENT CHARGES:	\$524.90

LAW OFFICES
BURKE, WILLIAMS & SORENSEN, LLP
444 SOUTH FLOWER STREET
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LOS ANGELES, CALIFORNIA 90071-2953
TELEPHONE (213) 236-0600
TELECOPIER (213) 236-2700

IN ACCOUNT WITH:

FEDERAL I.D. NO.
95-1705973

CALIFORNIA STATEWIDE COMMUNITIES DEVELOP
2033 NORTH MAIN STREET, SUITE 700
WALNUT CREEK, CA 94596
Attn: JON PENKOWER

September 7, 2012
Invoice: 159411

Our File No.: 05826 - 0001.005
IRWIN UNION COLLATERAL, INC. (AD 04-01) PLACER
Claim Number: APN 330-190-022-000

PREVIOUS BALANCE	\$148.61
ADMIN CHARGE	\$3.53
PAYMENTS	0.00
FEES FOR PROFESSIONAL SERVICES RENDERED THROUGH August 31, 2012:	410.00
DISBURSEMENTS MADE TO YOUR ACCOUNT THROUGH August 31, 2012:	45.24
CURRENT CHARGES	<u>455.24</u>
TOTAL CHARGES:	<u>\$ 607.38</u>

FOR INFORMATION ONLY

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 444 SOUTH FLOWER STREET
 SUITE 2400
 LOS ANGELES, CALIFORNIA 90071-2953
 TELEPHONE (213) 236-0600
 TELECOPIER (213) 236-2700

CALIFORNIA STATEWIDE COMMUNITIES DEVELOP
 2033 NORTH MAIN STREET, SUITE 700
 WALNUT CREEK, CA 94596
 Attn: JON PENKOWER

September 7, 2012
 Invoice: 159411

Our File No.: 05826 - 0001.005
 IRWIN UNION COLLATERAL, INC. (AD 04-01) PLACER
 Claim Number: APN 330-190-022-000

<u>Date</u>	<u>Description of Services Rendered</u>	<u>Hours</u>	<u>Tkpr</u>
08/10/12	RESEARCHED DOCEDGE VOLUNTARY LIEN REPORT AND DOCUMENTS OF RECORD FOR PARCEL; DRAFTED NOTIFICATION OF DELINQUENT ASSESSMENTS LETTER TO NEW PROPERTY OWNER	1.00	CJF
08/24/12	UPDATE SPREADSHEET AND DRAFT PAYOFF LETTER	1.00	EJ

<u>Date</u>	<u>Description of Disbursement</u>	<u>Quantity</u>	<u>Amount</u>
08/10/12	PROPERTY SEARCH; VENDOR: FIRST AMERICAN DATA TREE; INVOICE#: 90741182; DATE: 8/31/2012		34.64
08/14/12	POSTAGE		6.60
08/14/12	DUPLICATION	20	4.00

FOGLEMAN, CAROL J	1.0 x 275.00 =	275.00
JAY, ELISE	1.0 x 135.00 =	135.00

TOTAL FEES		410.00
TOTAL DISBURSEMENTS		45.24
CURRENT CHARGES:		\$455.24

LAW OFFICES
BURKE, WILLIAMS & SORENSEN, LLP
444 SOUTH FLOWER STREET
SUITE 2400
LOS ANGELES, CALIFORNIA 90071-2953
TELEPHONE (213) 236-0600
TELECOPIER (213) 236-2700

IN ACCOUNT WITH:

FEDERAL I.D. NO.
95-1705973

CALIFORNIA STATEWIDE COMMUNITIES DEVELOP
2033 NORTH MAIN STREET, SUITE 700
WALNUT CREEK, CA 94596
Attn: JON.PENKOWER

September 7, 2012
Invoice: 159412

Our File No.: 05826 - 0003
FARIA, LUIS (AD 03-01) CONTRA COSTA
Claim Number: APN 013-400-044-7

PREVIOUS BALANCE	\$0.00
ADMIN CHARGE	\$0.00
PAYMENTS	0.00
FEEES FOR PROFESSIONAL SERVICES RENDERED THROUGH August 31, 2012:	40.50
DISBURSEMENTS MADE TO YOUR ACCOUNT THROUGH August 31, 2012:	0.00
CURRENT CHARGES	<u>40.50</u>
TOTAL CHARGES:	<u>\$ 40.50</u>

FOR INFORMATION ONLY

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444 SOUTH FLOWER STREET
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CALIFORNIA STATEWIDE COMMUNITIES DEVELOP
2033 NORTH MAIN STREET, SUITE 700
WALNUT CREEK, CA 94596
Attn: JON PENKOWER

September 7, 2012
Invoice: 159412

Our File No.: 05826 - 0003
FARIA, LUIS (AD 03-01) CONTRA COSTA
Claim Number: APN 013-400-044-7

<u>Date</u>	<u>Description of Services Rendered</u>	<u>Hours</u>	<u>Tkpr</u>
08/29/12	OPEN MATTER AND CREATE SPREADSHEET REFLECTING CURRENT PRINCIPAL, INTEREST AND PENALTIES FOR TAX YEARS 2009/10, 2010/11 AND 2011/12	0.30	KKH
	HOCKING, KATHRYN K	0.3 x 135.00 =	40.50
	TOTAL FEES		40.50
	CURRENT CHARGES:		\$40.50

LAW OFFICES
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TELECOPIER (213) 236-2700

IN ACCOUNT WITH:

FEDERAL I.D. NO.
95-1705973

CALIFORNIA STATEWIDE COMMUNITIES DEVELOP
2033 NORTH MAIN STREET, SUITE 700
WALNUT CREEK, CA 94596
Attn: JON PENKOWER

September 7, 2012
Invoice: 159413

Our File No.: 05826 - 0004
ARDFYFIO, DRUSILLA (AD03-01) CONTRA COSTA
Claim Number: APN 013-400-063-7

PREVIOUS BALANCE	\$0.00
ADMIN CHARGE	\$0.00
PAYMENTS	0.00
FEEES FOR PROFESSIONAL SERVICES RENDERED THROUGH August 31, 2012:	13.50
DISBURSEMENTS MADE TO YOUR ACCOUNT THROUGH August 31, 2012:	0.00
CURRENT CHARGES	<u>13.50</u>
TOTAL CHARGES:	<u>\$ 13.50</u>

FOR INFORMATION ONLY

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WALNUT CREEK, CA 94596
Attn: JON PENKOWER

September 7, 2012
Invoice: 159413

Our File No.: 05826 - 0004
ARDFYFIO, DRUSILLA (AD03-01) CONTRA COSTA
Claim Number: APN 013-400-063-7

<u>Date</u>	<u>Description of Services Rendered</u>	<u>Hours</u>	<u>Tkpr</u>
08/29/12	OPEN MATTER AND CREATE SPREADSHEET REFLECTING CURRENT PRINCIPAL, INTEREST AND PENALTIES FOR TAX YEAR 2009/10	0.10	KKH
	HOCKING, KATHRYN K	0.1 x 135.00 =	13.50
	TOTAL FEES		13.50
	CURRENT CHARGES:		\$13.50

LAW OFFICES
BURKE, WILLIAMS & SORENSEN, LLP
444 SOUTH FLOWER STREET
SUITE 2400
LOS ANGELES, CALIFORNIA 90071-2953
TELEPHONE (213) 236-0600
TELECOPIER (213) 236-2700

IN ACCOUNT WITH:

FEDERAL I.D. NO.
95-1705973

CALIFORNIA STATEWIDE COMMUNITIES DEVELOP
2033 NORTH MAIN STREET, SUITE 700
WALNUT CREEK, CA 94596
Attn: JON PENKOWER

September 7, 2012
Invoice: 159414

Our File No.: 05826 - 0005
FIRST NORTHERN BANK OF DIXON (AD 05-01) CONTRA COSTA
Claim Number: APN 018-200-027-3

PREVIOUS BALANCE	\$0.00
ADMIN CHARGE	\$0.00
PAYMENTS	0.00
FEES FOR PROFESSIONAL SERVICES RENDERED THROUGH August 31, 2012:	40.50
DISBURSEMENTS MADE TO YOUR ACCOUNT THROUGH August 31, 2012:	17.06
CURRENT CHARGES	<u>57.56</u>
TOTAL CHARGES:	<u>\$ 57.56</u>

FOR INFORMATION ONLY

LAW OFFICES
BURKE, WILLIAMS & SORENSEN, LLP
 444 SOUTH FLOWER STREET
 SUITE 2400
 LOS ANGELES, CALIFORNIA 90071-2953
 TELEPHONE (213) 236-0600
 TELECOPIER (213) 236-2700

CALIFORNIA STATEWIDE COMMUNITIES DEVELOP
 2033 NORTH MAIN STREET, SUITE 700
 WALNUT CREEK, CA 94596
 Attn: JON PENKOWER

September 7, 2012
 Invoice: 159414

Our File No.: 05826 - 0005
 FIRST NORTHERN BANK OF DIXON (AD 05-01) CONTRA COSTA
 Claim Number: APN 018-200-027-3

<u>Date</u>	<u>Description of Services Rendered</u>	<u>Hours</u>	<u>Tkpr</u>
08/29/12	OPEN MATTER AND CREATE SPREADSHEET REFLECTING CURRENT PRINCIPAL, INTEREST AND PENALTIES FOR TAX YEARS 2008/09, 2009/10, 2010/11 AND 2011/12	0.30	KKH

<u>Date</u>	<u>Description of Disbursement</u>	<u>Quantity</u>	<u>Amount</u>
08/27/12	PROPERTY SEARCH; VENDOR: FIRST AMERICAN DATA TREE; INVOICE#: 90741182; DATE: 8/31/2012		17.06

HOCKING, KATHRYN K	0.3 x 135.00 =	40.50
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TOTAL FEES	40.50
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TOTAL DISBURSEMENTS	17.06
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CURRENT CHARGES:	\$57.56
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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. California Shock Trauma Air Rescue (CALSTAR), City of Gilroy, County of Santa Clara; unincorporated County of Sacramento; unincorporated County of Contra Costa; City of Auburn, County of Placer; City of Ukiah, County of Mendocino; City of Salinas, County of Monterey; City of South Lake Tahoe, County of El Dorado; City of Santa Maria, County of Santa Barbara; City of Vacaville, County of Solano; up to \$14 million in 501(C)(3) non-profit revenue notes.

SUMMARY AND APPROVALS

DATE: OCTOBER 11, 2012

APPLICANT: CALIFORNIA SHOCK TRAUMA AIR RESCUE

AMOUNT: UP TO \$14 MILLION IN TAX-EXEMPT OBLIGATIONS

PURPOSE: FINANCE THE ACQUISITION OF 2 EC135 EMERGENCY AMBULANCE HELICOPTERS, INCLUDING THE MEDICAL INTERIOR CONFIGURATION

PRIMARY ACTIVITY: PROVIDING MEDICAL TRANSPORTATION

LEGAL STRUCTURE: 501(C)(3) CORPORATION

Background:

California Shock Trauma Air Rescue (“CALSTAR”) is a nonprofit regional air ambulance service., whose mission is to save lives, reduce disability and speed recovery for victims of trauma and illness through rapid transport, quality medical care and education. CALSTAR began operations in 1984, and is primarily located in McClellan, California, with wing bases at other locations in California. CALSTAR is a non-profit public benefit corporation organized under the laws of the State of California and is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code of 1986.

CALSTAR is seeking up to \$14 million in tax-exempt revenue notes (the “Notes”) to finance and refinance 2 EC135 emergency ambulance helicopters, including the medical interior configuration, to be located at various sites throughout the State of California (the “Equipment”). The Equipment will be owned by CALSTAR and used to provide rapid, on-site medical care to critically ill or injured patients. CALSTAR’s administrative, finance, maintenance and communication offices are located at 4933 Bailey Loop, McClellan, CA. CALSTAR’s flight crews also respond from full-time rotor wing bases at the following locations: 177 John Glenn Drive, Concord, CA; 590 Cohansey Avenue, Gilroy, CA; 13750 Lincoln Way, Auburn, CA; 1407 S. State Street, Ukiah, CA; 37 Mortensen Avenue, Salinas, CA; 1901 Airport Blvd., South Lake Tahoe, CA; 3996 Mitchell Road, Santa Maria, CA; and 301 County Airport Road, Vacaville, CA.

The Borrower’s application was submitted to CSCDA on August 6, 2012. CSCDA has issued notes for CALSTAR in the approximate amount of \$12 million over 4 prior transactions.

Financing Approval:

Based on the overall Project public benefit and finance-related considerations detailed on Attachment 1, the Commission shall approve the Resolution as submitted to the Commission, which:

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

Attachment 1

Public Benefit:

CALSTAR provides a public benefit to the State of California through its mission to save lives, reduce disability and speed recovery for victims of trauma and illness through rapid transport, quality medical care.

TEFRA Information:

TEFRA hearings and approvals by the governing body of each municipality have been held or will be held as follows:

City of Gilroy:	Hearing held October 1, 2012; unanimous approval
City of Santa Maria:	Hearing held October 2, 2012; unanimous approval
Contra Costa County:	Hearing held October 1, 2012; resolution to be adopted October 16, 2012
El Dorado County:	Hearing to be held October 16, 2012; subject to approval
Mendocino County:	Hearing held September 24, 2012; unanimous approval
Monterey County:	Hearing held October 2, 2012; unanimous approval
Placer County:	Hearing to be held October 9, 2012; will update the commission at our meeting
Sacramento County:	Hearing held September 25, 2012; unanimous approval
Solano County:	Hearing held October 2, 2012; unanimous approval

Finance Team:

- Bond Counsel: Gilmore & Bell, P.C., Kanas City, MO
- Private Placement Bank: Banc of America Public Capital Corp, San Francisco, CA

Financing Structure:

The unrated Note will mature in no more than 12 years and bear interest at a fixed rate of 2.75%. The Note will be privately placed with Banc of America Public Capital Corp. The proposed issuance is in accordance with CSCDA's issuance guidelines.

Estimated Sources and Uses:

Sources:

Note Proceeds:	\$14,000,000.00
----------------	-----------------

Uses:

Equipment Acquisition/Refinancings	\$13,750,000.00
Cost of Issuance	<u>250,000.00</u>
Total Uses:	\$14,000,000.00

Attachments:

1. Original application



Building Communities, Investing in Local Government Since 1988

501(c)(3) Nonprofit Bond Application

APPLICANT INFORMATION

Application Number: **2012065**

Name of Borrower: **California Shock Trauma Air Rescue (d.b.a. CALSTAR)**

Primary Contact: **Mark Vincenzini**

Title: **Chief Financial Officer**

Street Address: **4933 Bailey Loop** Suite: _____

City: **Mcclellan** State: **CA** Zip Code: **95652**

Telephone Number: **(916) 921-4045**

Fax Number: **(916) 921-4085**

E-mail: **mvincenzini@calstar.org**

Type of Entity: For-profit Corporation Non-profit Corporation
 Municipality Partnership
 Other (specify): _____

Date Organized: **06/10/83**

PROJECT INFORMATION

Type of Project: Small Issue Public Benefit Project

Health Care: Continuing Care Clinic Hospital Assisted Living
 Skilled Nursing Other (specify): **Emergency Air Ambulance**

Education: K-12 Colleges/Universities

Other: Museum/Cultural Other (specify): _____

Project/Facility Name: **See Attachment E (Total Projects: 9)**

Street Address: _____

City: _____ State: _____ Zip Code: _____

County: _____

Is Project located in unincorporated part of the County? _____

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:

Contact Name: **See Attachment E**

Title: _____

Phone Number: _____ Ext. _____

Fax Number: _____

E-mail: _____



Building Communities, Investing in Local Government Since 1988

501(c)(3) Nonprofit Bond Application

FINANCING INFORMATION

Principal Amount:	\$55,000,000
Tax-exempt Amount:	\$55,000,000
Taxable Amount:	\$0
Proposed Closing Date: 09/15/2012	
Maturity: 10 Years	Interest Rate Mode: <input checked="" type="checkbox"/> Fixed <input type="checkbox"/> Variable
Type of Offering: <input type="checkbox"/> Public Offering	<input checked="" type="checkbox"/> Private Placement
Denominations: 5,000	
Type of Financing: <input type="checkbox"/> Acquisition of Existing Facility	<input checked="" type="checkbox"/> New Construction
<input type="checkbox"/> Refunding	
Credit Enhancement: <input checked="" type="checkbox"/> None	<input type="checkbox"/> Letter of Credit
<input type="checkbox"/> FNMA(Fannie Mae)	<input type="checkbox"/> Freddie Mac
<input type="checkbox"/> Bond Insurance	<input type="checkbox"/> Other (specify): _____
Name of Credit Enhancement Provider or Private Placement Purchaser: N/A	
Expected Rating: <input checked="" type="checkbox"/> Unrated	<input type="checkbox"/> S & P _____
<input type="checkbox"/> Moody's _____	<input type="checkbox"/> Fitch _____

PRINCIPAL FINANCE TEAM INFORMATION

UNDERWRITER/PLACEMENT AGENT	BOND COUNSEL
Firm: Banc of America Public Capital Corp.	Firm: Gilmore & Bell, P.C.
Contact: Alexander Ortega	Contact: James Winn
Address: 555 California Street San Francisco, CA 94104	Address: 2405 Grand Boulevard, Suite 1100 Kansas City, MO 64108
Telephone: (760) 591-0510	Telephone: (816) 218-7532
Fax: (415) 796-5815	Fax: (816) 221-1018
E-mail: alex.ortega@baml.com	E-mail: jwinn@gilmorebell.com



Building Communities, Investing in Local Government Since 1988

501(c)(3) Nonprofit Bond Application

PRINCIPAL FINANCE TEAM INFORMATION (continued)

FINANCIAL ADVISOR		REBATE ANALYST	
Firm:	N/A	Firm:	TBD
Contact:		Contact:	
Address:		Address:	
Telephone:		Telephone:	
Fax:		Fax:	
E-mail:		E-mail:	

ADDITIONAL INFORMATION REQUIRED

Please provide the following information as additional attachments:

<u>Attachment</u>	<u>Description of Information</u>
A	\$5,000 non-refundable* issuance fee deposit payable to "California Communities."
B	Detailed Applicant History.
C	Description of project or each facility to be financed or refinanced.
D	Address of each facility to be financed or refinanced.
E	Evidence of credit enhancement or intent to purchase bonds.
F	List of outstanding tax-exempt debt.
G	Financial statements for last complete fiscal year.
H	Project Costs (Sources and Uses of Proceeds).
I	Interested Parties List.

*Refundable only if financing not approved. Small Issue Program issuance fee deposit is \$2,500.

MAILING ADDRESS

California Communities®
2033 N. Main St., Suite 700
Walnut Creek, CA 94596



Building Communities, Investing in Local Government Since 1988

501(c)(3) Nonprofit Bond Application

Application Number: **2012065 - California Shock Trauma Air Rescue (d.b.a. CALSTAR) (Emergency Air Ambulance)**

Attachment E

FACILITY #1) CALSTAR (Main Location)

Project Street Address: **4933 Bailey Loop**
City: **Mcclellan** State: **CA** Zip Code: **95652**
County: **Sacramento**

Is Project located in unincorporated part of the County? **Yes**

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:

Contact Name: _____
Title: _____
Telephone: _____ Ext. _____
Fax: _____
E-mail: _____

FACILITY #2) CALSTAR-CS1-Concord

Project Street Address: **177 John Glenn Dr.**
City: **Concord** State: **CA** Zip Code: **94530**
County: **Contra Costa**

Is Project located in unincorporated part of the County? **No**

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:

Contact Name: _____
Title: _____
Telephone: _____ Ext. _____
Fax: _____
E-mail: _____

FACILITY #3) CALSTAR-CS2-Gilroy

Project Street Address: **590 Cohansey Ave.**
City: **Gilroy** State: **CA** Zip Code: **95020**
County: **Santa Clara**

Is Project located in unincorporated part of the County? **No**

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:

Contact Name: _____
Title: _____
Telephone: _____ Ext. _____
Fax: _____
E-mail: _____



Building Communities, Investing in Local Government Since 1988

501(c)(3) Nonprofit Bond Application

Application Number: **2012065 - California Shock Trauma Air Rescue (d.b.a. CALSTAR) (Emergency Air Ambulance)**

Attachment E

FACILITY #4) CALSTAR-CS3-Auburn

Project Street Address: **13750 Lincoln Way**
City: **Auburn** State: **CA** Zip Code: **95603**
County: **Placer**

Is Project located in unincorporated part of the County? **No**

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:

Contact Name: _____
Title: _____
Telephone: _____ Ext. _____
Fax: _____
E-mail: _____

FACILITY #5) CALSTAR-CS4-Ukiah

Project Street Address: **1407 S. State Street**
City: **Ukiah** State: **CA** Zip Code: **95482**
County: **Mendocino**

Is Project located in unincorporated part of the County? **No**

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:

Contact Name: _____
Title: _____
Telephone: _____ Ext. _____
Fax: _____
E-mail: _____

FACILITY #6) CALSTAR-CS5-Salinas

Project Street Address: **37 Mortensen Ave.**
City: **Salinas** State: **CA** Zip Code: **93905**
County: **Monterey**

Is Project located in unincorporated part of the County? **No**

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:

Contact Name: _____
Title: _____
Telephone: _____ Ext. _____
Fax: _____
E-mail: _____



Building Communities, Investing in Local Government Since 1988

501(c)(3) Nonprofit Bond Application

Application Number: **2012065 - California Shock Trauma Air Rescue (d.b.a. CALSTAR) (Emergency Air Ambulance)**

Attachment E

FACILITY #7) CALSTAR-CS6-So Lake Tahoe

Project Street Address: **1901 Airport Rd.**

City: **So. Lake Tahoe** State: **CA** Zip Code: **96150**

County: **El Dorado**

Is Project located in unincorporated part of the County? **No**

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:

Contact Name: _____
Title: _____
Telephone: _____ Ext. _____
Fax: _____
E-mail: _____

FACILITY #8) CALSTAR-CS7-Santa Maria

Project Street Address: **3996 Mitchell Road**

City: **Santa Maria** State: **CA** Zip Code: **93455**

County: **Santa Barbara**

Is Project located in unincorporated part of the County? **No**

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:

Contact Name: _____
Title: _____
Telephone: _____ Ext. _____
Fax: _____
E-mail: _____

FACILITY #9) CALSTAR-CS8-Vacaville

Project Street Address: **301 County Airport Rd, Box 15**

City: **Vacaville** State: **CA** Zip Code: **95688**

County: **Solano**

Is Project located in unincorporated part of the County? **No**

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:

Contact Name: _____
Title: _____
Telephone: _____ Ext. _____
Fax: _____
E-mail: _____

Item VI

Discuss and approve proposed revision to the CSCDA issuance policies relating to the placement of non-rated securities within a professional investment management firm for Western University.

SUMMARY AND RECOMMENDATIONS

REQUEST:	DISCUSS AND APPROVE PROPOSED REVISION TO CSCDA'S ISSUANCE POLICIES RELATING TO THE PLACEMENT OF NON-RATED SECURITIES WITHIN A PROFESSIONAL INVESTMENT MANAGEMENT FIRM
PURPOSE:	PROVIDE GREATER FLEXIBILITY AND PRICING TO UNDERWRITERS AND BORROWERS
DATE:	OCTOBER 11, 2012

Background:

Throughout CSCDA's history, the Commission and staff have looked at ways to enhance CSCDA's issuance policies to align borrowers' and underwriters' needs in the sale of rated and non-rated securities while ensuring prospective bondholders are equipped to assess the risks involved. As a result, CSCDA enforces limited sale restrictions for securities rated "BBB-" or better but restricts the sale of CSCDA securities rated less than "BBB-" or non-rated to (1) qualified institutional buyers in minimum denominations of \$25,000, or (2) accredited investors willing to execute a traveling investor letter in minimum denominations of \$100,000.

Recently, staff was approached by Southwest Securities ("SWS"), the underwriter for the Western University of Health Sciences Student Housing Revenue Bonds, Series B (University Village). There are two series of bonds to be issued for the student housing project, Series A (Senior Lien) and the Series B (Subordinate Lien). SWS has identified an investor for the Series B bonds to be placed as a limited public offering. The investor, RPM Capital Management LLC ("RPM") has requested that SWS approach CSCDA regarding the possibility of lessening the CSCDA denomination requirement for securities sold only to RPM clients. Moreover, RPM is requesting an ability to execute a master traveling investor letter on behalf of all RPM clients for which it holds power of attorney status.

This item was continued from the September 27, 2012 CSCDA Meeting.

About RPM Capital Management LLC:

RPM is a privately owned registered investment advisor located in Greenwich, Connecticut. RPM specializes in the analysis, acquisition, and management of high yield, tax advantaged securities. RPM's experience, strategy, and methodology allow RPM to provide its clients with higher yielding securities while substantially minimizing the risk associated with the ownership of such securities. RPM believes in the compounding of income to preserve and create wealth.

RPM's Chief Investment Officer has decades of success in the management of high yield, not-rated tax exempt bonds and targets industry sectors in which RPM possesses a great deal of institutional knowledge and history, including continuing care facilities, educational facilities and housing facilities.

The RPM team have decades of success in the high yield tax-exempt space with no late payment or defaults over the last 15 years, including origination, due diligence, and structuring in excess of \$300 million.

RPM's Chief Credit Officer was the Chief Credit Officer and General Counsel to an investment management firm known as Greenwich Investment Management ("GIM"), which purchased the CSCDA bond issues for the Sonoma Country Day School and the CSCDA obligations for the Airport Facilities at the City of Hayward. CSCDA was approached back in November, 2009 with the same request to lower the denominations and to allow the firm to provide a master traveling letter for GIM clients, and such request was approved by the Commission on November 24, 2009.

Discussion:

SWS and RPM have approached CSCDA staff regarding the opportunity to purchase (1) the CSCDA Western University Student Housing Revenue Series B Bonds that were approved by the Commission on June 7, 2012. The bonds will be issued on behalf of the Provident Group, a qualified 501(c)(3) corporation.

As a consideration to purchasing the CSCDA bonds, RPM has requested a revision to the CSCDA issuance policy to allow for greater flexibility in subscribing interest from its numerous high net worth investor clients. Current CSCDA issuance policies would require each RPM accredited investor to (1) purchase CSCDA bonds in minimum denominations of \$100,000, and (2) execute a traveling investor letter.

RPM has requested flexibility in the CSCDA policy to allow RPM an ability to (1) allocate CSCDA bonds in minimum denominations of \$25,000 to RPM investor clients, and (2) execute one stand alone traveling investor letter on behalf of its investor clients for which RPM has been assigned power of attorney.

Recommendation:

Based on RPM Capital Management's investment strategy and experience in the purchase of non-rated tax-exempt bonds on behalf its sophisticated investor clients, CSCDA staff, in consultation with Orrick, Herrington & Sutcliffe, is recommending the following:

- CSCDA will allow for the allocation of its non-rated debt obligations in minimum denominations of \$25,000 to investor clients of RPM
- CSCDA will allow for the stand alone execution of a traveling investor letter by RPM on behalf of its accredited investor clients for which RPM has been assigned power of attorney
- To the extent RPM or any of its investor clients looks to sell or transfer all or a portion of its CSCDA debt obligation holdings, CSCDA will require RPM and its investor clients to adhere to the current CSCDA transfer restrictions, including (1) the sale to qualified institutional buyers in minimum denominations of \$25,000, and / or (2) the sale to accredited investors in minimum denominations of \$100,000 along with a traveling investor letter

Item VII

Discuss and approve HB Capital Contract Amendment.

MEMORANDUM

TO: Chair and Members of the CSCDA Commission

FROM: Greg Stepanicich, General Counsel

DATE: September 30, 2012

SUBJECT: Consideration of Proposed Fifth Amendment to HB Capital Contract

Background. On August 23, 2012, the California State Auditor issued its report on Conduit Bond Issuers, including CSCDA. In its report, the State Auditor recommended the following two amendments to the contract between CSCDA and HB Capital Resources, Ltd. (“HB Capital”):

- “To be better informed about the compensation of their consultants, including any potential conflicts of interest, California Communities and Municipal Finance should require the consulting firms that staff their organizations to disclose the amount and structure of compensation provided to individual consultants, including disclosing whether any of this compensation is tied to the volume of bond sales.”
- “As suggested by the GFOA guidance, California Communities and Municipal Finance should include provisions in their contracts prohibiting consultants from engaging in activities on behalf of the issuers that produce a direct or indirect financial gain to the consultants, other than the agreed upon compensation, without the issuer’s informed consent.”

Discussion. Government Code Section 8546.2 requires the State Auditor to request any local governmental agency that is the subject of an audit to provide updates on its progress in implementing the recommendations of the State Auditor. The State Auditor has requested that the Authority provide a 60 day update on its progress in implementing the State Audit recommendations.

The Chair and Vice-Chair of the Commission have served as an ad hoc committee of the Commission on the State Audit (“Audit Committee”) to assist staff in responding to the findings and recommendations of the State Auditor. In consultation with the Audit Committee, I have prepared a Fifth Amendment to the contract between the Authority and HB Capital to address the two recommendations from the State Auditor concerning the HB Capital contract. The proposed amendment is attached to this report and has been approved by HB Capital.

MEMORANDUM

Chair and Members of the CSCDA Commission
September 30, 2012
Page 2

The proposed Fifth Amendment adds a new subparagraph 2.5 to paragraph 2 relating to compensation of HB Capital and states as follows:

2.5 Compensation of Program Manager Employees. Program Manager shall not compensate any of its employees providing services directly or indirectly to the Authority on a commission basis or pursuant to any other method of compensation that is based on the dollar amount or volume of bonds issued by the Authority.

The Fifth Amendment also adds a new subparagraph 2.6 to paragraph 2 that states as follows:

2.6 Additional Compensation Related to Bond Transactions. Except for the compensation authorized by this Agreement, Program Manager shall not receive any additional compensation, payment or other financial benefit from any person in connection with the issuance of bonds by the Authority.

The addition of subsection 2.5 ensures that HB Capital does not compensate its employees working on Authority matters on a commission basis or pursuant to any other method of compensation that is based on the dollar amount or volume of bond issuances. We are informed by HB Capital that this amendment reflects the past and current compensation policies and practices of HB Capital.

The Audit Committee considered the related recommendation that HB Capital be required by contract to disclose the amount of compensation paid to each of its employees. The Audit Committee concluded that this recommendation was neither necessary nor appropriate. There is a strong public interest in knowing the amount of compensation paid by the Authority to its consultants and vendors. However, HB Capital is a private firm that has the right to decide how much to pay its employees. The amount of compensation paid to each of its employees does not affect the amount of compensation paid by the Authority to HB Capital under the contract.

We are not aware of any examples where private consultants hired by local government agencies are required to disclose how much they pay their employees. Further, the employees of HB Capital perform services for multiple programs and entities other than the Authority. The total compensation paid to individual employees of HB Capital would not necessarily reflect the portion of their compensation attributable to services provided to the Authority. In addition, HB Capital's program managers complete and file with the Authority each year FPPC Form 700. This financial disclosure form requires the reporting of any economic interests of these

MEMORANDUM

Chair and Members of the CSCDA Commission
September 30, 2012
Page 3

employees that possibly could conflict with the performance of their duties. The Form 700 also requires these employees to disclose whether their income from HB Capital exceeds certain thresholds specified by this form.

The proposed amendment adding subparagraph 2.5 to the HB Capital contract ensures that HB Capital is not paying its employees in a manner that could affect their judgment in reviewing bond transactions. There does not seem to be any basis for concluding that the amount of money paid by HB Capital to each of its employees (compared to the method by which these employees are paid) affects the recommendations made by its employees

The second amendment, adding subparagraph 2.6, is stricter than the recommendation by the State Auditor. It provides an absolute prohibition on HB Capital receiving any additional compensation other than that expressly provided in the contract. The State Auditor's recommendation would permit such additional compensation with the informed consent of the Commission. We are informed by HB Capital that this amendment reflects the past and current practices of HB Capital.

Recommendation. Approve the Fifth Amendment to the contract between the Authority and HB Capital as set forth in the attached contract amendment and authorize the Chair to execute such amendment on behalf of the Commission.

FIFTH AMENDMENT
TO
AMENDED AND RESTATED AGREEMENT FOR SERVICES

The Amended and Restated Agreement for Services between the California Statewide Communities Development Authority and HB Capital Resources, Ltd., dated April 10, 2000, is amended as follows:

A new subparagraph 2.5 is added to paragraph 2 as follows:

2.5 Compensation of Program Manager Employees. Program Manager shall not compensate any of its employees providing services directly or indirectly to the Authority on a commission basis or pursuant to any other method of compensation that is based on the dollar amount or volume of bonds issued by the Authority.

A new subparagraph 2.6 is added to paragraph 2 as follows:

2.6 Additional Compensation Related to Bond Transactions. Except for the compensation authorized by this Agreement, Program Manager shall not receive any additional compensation, payment or other financial benefit from any person in connection with the issuance of bonds by the Authority.

In all other respects, the Amended and Restated Agreement for Services, dated April 10, 2010, as previously amended, shall remain unchanged and in full force and effect.

This Fifth Amendment shall be effective on the date set forth below, upon the execution of the Fifth Amendment by all parties to it.

Dated: _____, 2012

Signature page is attached.

FIFTH AMENDMENT
TO
AMENDED AND RESTATED AGREEMENT FOR SERVICES

California Statewide Communities Development
Authority

By: _____
Title: Chair

HB Capital Resources, Ltd

By: _____
Title: President