



REGULAR MEETING AGENDA

October 19, 2017 at 2:00 p.m.

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

Telephonic Locations:

709 Portwalk Place
Redwood City, CA 94061

County of Kern
1115 Truxtun Avenue, Bakersfield, CA 93301

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

247 Electric Street
Auburn, CA 95603

County of Butte
7 County Drive, Oroville, CA 95965

A. OPENING AND PROCEDURAL ITEMS

1. Roll Call.

<input type="checkbox"/> Dan Harrison, Chair	<input type="checkbox"/> Jordan Kaufman, Member
<input type="checkbox"/> Larry Combs, Vice Chair	<input type="checkbox"/> Dan Mierzwa, Member
<input type="checkbox"/> Kevin O'Rourke, Treasurer	<input type="checkbox"/> Irwin Bornstein, Member
<input type="checkbox"/> Tim Snellings, Secretary	<input type="checkbox"/> Brian Moura, Alt. Member
2. Consideration of the Minutes of the October 5, 2017 Meeting.
3. Public Comment.

B. ITEMS FOR CONSIDERATION

4. Consideration of the issuance of revenue bonds or other obligations to finance or refinance the following projects, the execution and delivery of related documents, and other related actions:
 - a. APP Properties, Inc. (APP Hayward Jet Center), City of Hayward, County of Alameda; issue up to \$750,000 in special facility airport revenue bonds.
5. Consideration of a resolution ordering change and modification proceedings pursuant to waiver of sole property owner and approving a second amended and restated engineer's

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report for Statewide Community Infrastructure Program Assessment District No 16-02
(City of Santa Rosa, County of Sonoma, California).

6. Discussion of PACE Legislation and Recommendation to Delay Formation of Open PACE Advisory Board.
7. Consideration of Sponsorship of the California City Management Foundation.
8. Review Q1 2017-2018 Budget, Financial Progress and Bank Account Activity.
9. Consideration of CSCDA's 2018 Meeting Calendar.
10. Consideration of a Resolution of a Joint Exercise Of Powers Agreement between CSCDA and the Alameda County Flood Control And Water Conservation District, Zone 7.

C. STAFF ANNOUNCEMENTS, REPORTS ON ACTIVITIES OR REQUESTS

11. Executive Director Update.
12. Staff Updates.
13. Adjourn.

NEXT MEETING: Thursday, November 2, 2017 at 2:00 p.m.
League of California Cities
1400 K Street, 3rd Floor, Sacramento, CA 95814



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MINUTES

REGULAR MEETING OF THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY

October 05, 2017

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

Commission Chair Dan Harrison called the meeting to order at 2:05 pm.

1. Roll Call.

Commission members present: Dan Harrison

Commission members participating via teleconference: Larry Combs, Jordan Kaufman, and Irwin Bornstein

Others present: Cathy Bando, CSCDA Executive Director; Jon Penkower, Bridge Strategic Partners; Norman Coppinger, League of California Cities; Justin Cooper, Orrick, Herrington & Sutcliffe; Sendy Young, CSAC Finance Corporation and Bradley Bartells, Mann CPAs

Others participating via teleconference: Tricia Ortiz, Richards, Watson & Gershon; Patricia Eichar, Orrick, Herrington & Sutcliffe; James Hamill, Bridge Strategic Partners; Laura Labanieh, CSAC Finance Corporation

2. Consideration of the Minutes of the September 21, 2017 Regular Meeting.

The commission approved the minutes.

Motion to approve by J Kaufman. Second by L. Combs. Unanimously approved by roll-call vote.

3. Consideration of the Consent Calendar.

The Commission approved the following items on the Consent Calendar:

- a. Inducement of Vintage Housing development, Inc. (Vintage at Napa Senior Apartments), City of Napa, County of Napa; issue up to \$25 million in multi-family housing revenue bonds.

Motion to approve consent calendar by L. Combs. Second by I. Bornstein. Unanimously approved by roll-call vote.

4. Public Comment.

There was no public comment.

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

- a. Kings Canyon Affordable Housing, L.P (Kings Canyon Apartments), City of Fresno, County of Fresno; issue up to \$28,00,000 in multifamily housing revenue bonds.

Executive Director Bando provided an overview of the project and indicated that the financing complies with CSCDA general and issuance policies for unrated debt. 100% of the units will be rent restricted for low-income tenants. This will mark the Chavez Foundation's fourth financing with CSCDA.

Motion to approve, by J. Kaufman. Second by L. Combs. Unanimously approved by roll-call vote.

- b. Park Glenn Seniors 2017, LP (Park Glenn Senior Apartments), City of Camarillo, County of Ventura; issue up to \$3,500,000 in multifamily housing revenue bonds.

Executive Director Bando provided an overview of the project and indicated that the financing complies with CSCDA general and issuance policies. 100% of the units will remain rent restricted for low-income senior tenants. KDF has financed more than 20 prior affordable housing projects with CSCDA.

Motion to approve, by I. Bornstein. Second by L. Combs. Unanimously approved by roll-call vote.

6. Conduct proceedings with respect to the Statewide Community Infrastructure Program (SCIP) (hearing to be held at 2 p.m. or shortly thereafter):

- a. Open Consolidated Assessment Districts Public Hearing for Certain Assessment Districts.
- b. Continue Assessment Districts Public Hearing to October 19, 2017 for each Assessment Districts.

Motion to continue the public hearing on 11/16/2017 by L. Combs. Second by J. Kaufman. Unanimously approved by roll-call vote. There was no public objection.

7. Consideration of a Resolution Authorizing Execution and Delivery of Amendment No. 1 to Assessment Contract and Second Amendment to Indenture Related to Outstanding CSCDA, California First Limited Obligation Improvement Bonds, Series 2016-NR3.

Motion to approve by J. Kaufman. Second by I. Bornstein. Unanimously approved by roll-call vote.

CSCDA's Executive Director recommends approval of the attached resolution authorizing execution and delivery of amendment No. 1 to assessment contract and second amendment to indenture related to outstanding CSCDA, California First Limited Obligation Improvement Bonds, Series 2016-NR3.

8. Executive Director Update.

Executive Director Bando announced that Annual Meeting would be taking place on January 4, 2018. The meeting is expected to be two days long in the Napa/ Sonoma area.

9. Staff Updates.

There was no staff update.

10. Adjourn.

The meeting was adjourned at 2:21 pm.

Submitted by: Sendy Young, CSAC Finance Corporation

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



Agenda Item No. 4a

Agenda Report

DATE: October 19, 2017

TO: CSCDA COMMISSIONERS

FROM: Cathy Bando, Executive Director

PROJECT: APP Jet Center Hayward

PURPOSE: Authorize the Issuance of Bonds to Finance the Construction and Improvement of Airport Facilities located in the City of Hayward, County of Alameda

AMOUNT: Not to Exceed \$750,000

EXECUTIVE SUMMARY:

On February 2, 2016, CSCDA issued \$5,600,000 in special facility airport revenue bonds for APP Properties, Inc. ("APP") to finance the construction and improvement of certain airport facilities located in the City of Hayward. APP is now requesting that CSCDA approve up to an additional \$750,000 in bonds to complete the improvements at the Hayward airport (the "Project").

PROJECT ANALYSIS:

About APP:

APP is a Maryland Corporation that owns and operates Fixed Base Operations ("FBO") at three U.S. airports, as well as one hangar complex. An FBO is a business that sells aviation fuel and provides services and storage for private and business aviation customers. APP's FBO locations are in Manassas, Virginia; Fort Pierce, Florida; and Hayward, California. In addition, APP owns and operates approximately 65,000 square feet of hangars at Centennial Airport in Denver, Colorado.

In 2009, APP issued \$5.0 million of airport revenue bonds through CSCDA to fund the acquisition of facilities at the Hayward Executive Airport in Hayward, California. In 2011, APP issued \$7.0 million of airport revenue bonds through CSCDA to fund the acquisition of additional facilities at the Hayward Executive Airport. All principal and interest has been paid on a timely basis on the 2009 Bonds, and the 2011 Bonds have been retired from the proceeds of an equity offering of APP.

About the Project:

The Project consists of the construction of a new 20,000 square foot aircraft storage hangar and attached 3,000 square foot passenger terminal area on APP's leasehold at the Hayward Executive Airport. In addition, the Project will include the renovation and upgrade of an existing 10,000 square foot aircraft storage hangar and associated 2,000 square feet of office space, along with the conversion of APP's existing passenger terminal into approximately 2,000 square feet of office space.

The new hangar will have a 28 foot high ceiling and door height, and will provide modern power, lighting and other facilities to permit routine maintenance of the largest jets in the market. Without such facilities, APP is limited in the market it can serve and thus limits the Hayward Executive Airport. This reduces the area's ability to attract long-term corporate aircraft that, in turn, is a disincentive for large corporations to locate in the Hayward vicinity. The Project experienced significant delays due to the heavy rains experienced during construction and requires the additional bond proceeds to complete the project.

Public Agency Approval:

TEFRA Hearing: A TEFRA hearing is scheduled for October 17, 2017 at the City of Hayward. CSCDA Approval is subject to TEFRA approval by the City Council.

Economic Development/Public Benefits:

The Project will generate benefits to the public in three areas: employment in the Hayward area during and after construction; upgrading the suitability of the Hayward Executive Airport to corporate aviation use; and increasing tax and similar revenues to the City of Hayward and to Alameda County.

- It is estimated that construction of the \$5 million Project will generate approximately 50 construction jobs over the anticipated 9-month construction period.
- It is projected that occupants of the Project will purchase 170,000 to 200,000 gallons of incremental aviation fuel.
- Servicing these new facilities will require APP to retain additional full time employees as well as maintain its current employment base well into the future.
- The Project is projected to pay new real estate taxes of more than \$30,000 per year.
- In addition, it is expected that the Project will generate new aviation fuel sales of as much as 200,000 gallons annually. The City of Hayward levies a fuel flowage fee of \$.10 to \$.15 per gallon of fuel sold.

Sources and Uses:

Sources of Funds:

Series 2017 Bonds:	\$	500,000
Equity:	\$	<u>50,000</u>
Total Sources:	\$	550,000

Uses of Funds:

Construction:	\$	500,000
Costs of Issuance:	\$	<u>50,000</u>
Total Uses:	\$	550,000

Finance Partners:

Bond Counsel:	Greenberg Traurig, LLP, Philadelphia, PA
Authority Counsel:	Orrick, Herrington & Sutcliffe, LLP, Sacramento, CA
Placement Agent:	KeyBank Capital Markets, Cleveland, OH
Private Placement Purchaser:	Greenwich Investment Management, Greenwich, CT

Finance Terms:

Rating:	Unrated
Term:	30 years at a fixed interest rate
Structure:	Private Placement
Estimated Closing:	October 31, 2017

CSCDA Policy Compliance:

The financing for APP Jet Center Hayward complies with CSCDA's general and issuance policies, as well as the 2009 Greenwich Investment Management Private Placement Policy as further described in Attachment B.

DOCUMENTS: (as attachments)

1. CSCDA Resolution (Attachment A)
2. Minutes from November 24, 2009 CSCDA Meeting (Attachment B)

COMMISSION ACTION RECOMMENDED BY THE EXECUTIVE DIRECTOR:

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

ATTACHMENT A

RESOLUTION NO. 17-R-___

**CALIFORNIA STATEWIDE COMMUNITIES
DEVELOPMENT AUTHORITY**

A RESOLUTION AUTHORIZING THE ISSUANCE OF REVENUE BONDS IN A PRINCIPAL AMOUNT NOT TO EXCEED \$750,000 TO (I) FINANCE OR REIMBURSE THE COSTS OF COMPLETION OF THE CONSTRUCTION OF A 20,000 SQUARE FOOT AIRCRAFT STORAGE HANGAR AND ATTACHED 3,000 SQUARE FOOT PASSENGER TERMINAL AREA, THE RENOVATION AND UPGRADE OF AN EXISTING 10,000 SQUARE FOOT AIRCRAFT STORAGE HANGAR AND ASSOCIATED 2,000 SQUARE FEET OF RELATED OFFICE SPACE, AND THE CONVERSION OF AN EXISTING PASSENGER TERMINAL INTO APPROXIMATELY 2,000 SQUARE FEET OF RELATED OFFICE SPACE, ALL LOCATED AT THE HAYWARD EXECUTIVE AIRPORT IN HAYWARD, CALIFORNIA; AND (II) PAY THE COSTS OF ISSUANCE OF SUCH REVENUE BONDS AND OTHER MATTERS RELATING THERETO

WHEREAS, pursuant to the provisions of the Joint Exercise of Powers Act, comprising Articles 1, 2, 3 and 4 of Chapter 5 of Division 7 of Title 1 (commencing with Section 6500) of the Government Code of the State of California (the "Act"), a number of California cities, counties and special districts (each, a "Program Participant") entered into a joint exercise of powers agreement (the "Agreement") pursuant to which the California Statewide Communities Development Authority (the "Authority") was organized; and

WHEREAS, the Authority is authorized by its Agreement to issue bonds, notes or other evidences of indebtedness, or certificates of participation in leases or other agreements in order to promote economic development; and

WHEREAS, pursuant to the provisions of the Act, the cities, counties and special districts which are the contracting parties comprising the membership of the Authority are authorized to jointly exercise any power common to such contracting parties, including, without limitation, the power to acquire and dispose of property, both real and personal; and

WHEREAS, the City of Hayward, California (the "City") is a Program Participant, and such City is authorized to acquire and dispose of property, both real and personal, pursuant to the provisions of Article 1, Chapter 5, Part 2 of Division 3 of Title 4 of the Government Code of the State of California; and

WHEREAS, pursuant to the provisions of the Act, the Authority may issue bonds, and enter into a financing agreement for the purposes provided in the Act; and

WHEREAS, Hayward FBO LLC, a California limited liability company (the "Borrower"), the managing member of which is APP Properties, Inc., a Maryland corporation, previously requested that the Authority issue bonds in the amount of up to \$5,750,000, to finance or reimburse the costs of the construction of a new 20,000 square foot aircraft storage hangar and attached 3,000

square foot passenger terminal area, the renovation and upgrade of an existing 10,000 square foot aircraft storage hangar and associated 2,000 square feet of related office space, and the conversion of an existing passenger terminal into approximately 2,000 square feet of related office space, all located at the Hayward Executive Airport in the City (collectively, the “Project”) and the Authority previously issued its \$5,600,000 original principal amount California Statewide Communities Development Authority Airport Facilities Revenue Bonds (APP Properties, Inc. Project), Series 2016 (the “2016 Bonds”) ; and

WHEREAS, the Project has cost more than originally contemplated and the Borrower is requesting the assistance of the Authority in financing completion of the Project through the issuance of up to an additional \$750,000 of bonds; and

WHEREAS, pursuant to a Third Supplemental Trust Indenture, dated as of October 1, 2017 (the “Third Supplemental Trust Indenture”), to that certain Trust Indenture, dated as of December 1, 2009, as previously supplemented by that certain First Supplemental Trust Indenture, dated as of May 1, 2011, and that certain Second Supplemental Trust Indenture, dated as of January 1, 2016 (as so supplemented and amended, the “Bond Indenture”), each between the Authority and Wells Fargo Bank, N.A., as trustee (the “Bond Trustee”), the Authority will issue the “California Statewide Communities Development Authority Airport Facilities Revenue Bonds (APP Properties, Inc. Project) Series 2017” (the “Series 2017 Bonds”) in an aggregate principal amount not to exceed \$750,000, for the purpose, among others, of financing the Project; and

WHEREAS, pursuant to a Third Supplemental Financing Agreement, dated as of October 1, 2017 (the “Third Supplemental Financing Agreement”), to that certain Financing Agreement, dated as of December 1, 2009, as previously supplemented by that certain First Supplemental Financing Agreement, dated as of May 1, 2011, and by that certain Second Supplemental Financing Agreement, dated as of January 1, 2016 (as so supplemented and amended, the “Financing Agreement”), each between the Authority and the Borrower, the Authority will loan the proceeds of the Series 2017 Bonds to the Borrower for the purpose, among others, of financing the completion of the Project; and

WHEREAS, the Borrower entered into a Master Trust Indenture, dated as of December 1, 2009, as supplemented by that certain First Supplemental Master Indenture, dated as of December 1, 2009, and by that certain Second Supplemental Master Indenture, dated as of May 1, 2011, and as amended and restated by the Amended and Restated Master Trust Indenture, dated as of May 28, 2014, and as further supplemented by that certain Third Supplemental Master Indenture, dated as of January 1, 2016 and by that certain Fourth Supplemental Master Trust Indenture dated as of October 1, 2017 (collectively, the “Master Indenture”), with Wells Fargo Bank, N.A., as master trustee (the “Master Trustee”), and a group of entities affiliated with the Borrower (each a “Member” and together with the Borrower, the “Obligated Group”); and

WHEREAS, pursuant to the Master Indenture, the Borrower will issue a note corresponding to the Series 2017 Bonds (the “Series 2017 Note”) which will be a joint and several obligation of the Obligated Group; and

WHEREAS, the Series 2017 Bonds will be secured by the Bond Trustee’s interest in the Series 2017 Note, which is a joint and several obligation of the Obligated Group, and the Series

2017 Note will be secured by certain leasehold mortgages and the pledge of revenues set forth in the Master Indenture; and

WHEREAS, pursuant to a Bond Purchase Agreement, to be dated the date of sale of the Series 2017 Bonds (the “Purchase Agreement”), among KeyBanc Capital Markets, Inc., as underwriter (the “Underwriter”), the Authority and the Borrower, the Series 2017 Bonds will be sold to the Underwriter, and the proceeds of such sale will be used as set forth in the Bond Indenture to finance the Project; and

WHEREAS, the Series 2017 Bonds will be offered for sale to Qualified Institutional Buyers and Accredited Investors (each as defined in the Bond Indenture) through a Supplement to Limited Offering Memorandum; and

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

- (1) A proposed form of the Third Supplemental Trust Indenture;
- (2) A proposed form of the Third Supplemental Financing Agreement;
- (3) A proposed form of the Purchase Agreement; and
- (4) A proposed form of the Supplement to Limited Offering Memorandum to be used by the Underwriter in connection with the offering of the Series 2017 Bonds.

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

Section 1. Pursuant to the Act and the Bond Indenture, the Authority is hereby authorized to issue its revenue bonds designated as the “California Statewide Communities Development Authority Airport Facilities Revenue Bonds (APP Properties, Inc. Project) Series 2017” in an aggregate principal amount not to exceed seven hundred fifty thousand dollars (\$750,000). The Series 2017 Bonds shall be issued and secured in accordance with the terms of, and shall be in the form or forms set forth in, the Bond Indenture. The Series 2017 Bonds shall be executed on behalf of the Authority by the manual or facsimile signature of the Chair of the Authority or the manual signature of any member of the Commission of the Authority or their administrative delegates duly authorized pursuant to [Resolution No. 15R-53] of the Authority, [adopted on October 22, 2015] (each, an “Authorized Signatory”), and attested by the manual or facsimile signature of the Secretary of the Authority or the Assistant to the Secretary of the Authority or the manual signature of any Authorized Signatory.

Section 2. The proposed form of Third Supplemental Trust Indenture, as made available to the Commissioners, is hereby approved. Any Authorized Signatory is hereby authorized and directed, for and on behalf of the Authority, to execute and deliver the Third Supplemental Trust Indenture in substantially said form, with such changes and insertions therein as any member of the Commission, with the advice of counsel to the Authority, may approve, such approval to be conclusively evidenced by the execution and delivery thereof. The Bond Trustee, dated date, maturity date or dates, interest rates or methods of determining rates, interest payment dates, denominations, forms, registration privileges, manner of

execution, place or places of payment, terms of redemption and other terms of the Series 2017 Bonds shall be as provided in the Bond Indenture, as finally executed.

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

Section 4. The proposed form of Purchase Agreement, as made available to the Commissioners, is hereby approved. Any Authorized Signatory is hereby authorized and directed, for and on behalf of the Authority, to execute and deliver the Purchase Agreement, in substantially said form, with such changes and insertions therein as any member of the Commission, with the advice of counsel to the Authority, may approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 5. The proposed form of Supplement to Limited Offering Memorandum as made available to the Commissioners, is hereby approved. Any Authorized Signatory is hereby authorized and directed, for and on behalf of the Authority, to approve the Supplement to Limited Offering Memorandum, in substantially said form, with such changes and insertions therein as any member of the Commission, with the advice of counsel to the Authority, may approve, such approval to be conclusively evidenced by the execution and delivery of the Purchase Agreement.

Section 6. The Underwriter is hereby authorized to distribute the Supplement to Limited Offering Memorandum to appropriate persons who may be interested in the purchase of the Series 2017 Bonds and to deliver the Supplement to Limited Offering Memorandum in final form to the purchasers of the Series 2017 Bonds, in each case with such changes as may be approved as aforesaid.

Section 7. The Series 2017 Bonds, when executed as provided in Section 1, shall be delivered to the Bond Trustee for authentication by the Bond Trustee. The Bond Trustee is hereby requested and directed to authenticate the Series 2017 Bonds by executing the Trustee's Certificate of Authentication appearing thereon, and to deliver the Series 2017 Bonds, when duly executed and authenticated, to the purchaser or purchasers thereof in accordance with written instructions executed on behalf of the Authority by any Authorized Signatory, which any Authorized Signatory, acting alone, is authorized and directed, for and on behalf of the Authority, to execute and deliver to the Bond Trustee. Such instructions shall provide for the delivery of the Series 2017 Bonds to the purchaser or purchasers thereof, upon payment of the purchase price thereof.

Section 8. The Chair, the Vice Chair, the Secretary, the Treasurer, any other members of the Commission of the Authority and other appropriate officers and agents of the Authority are hereby authorized and directed, jointly and severally, for and in the name and on behalf of the Authority, to execute and deliver any and all documents, including, without limitation, any and all documents and certificates to be executed in connection with securing

credit support, if any, for the Series 2017 Bonds, and to do any and all things and take any and all actions which may be necessary or advisable, in their discretion, to effectuate the actions which the Authority has approved in this Resolution and to consummate by the Authority the transactions contemplated by the documents approved hereby, including any subsequent amendments, waivers or consents entered into or given in accordance with such documents.

Section 9. All actions heretofore taken by the Chair, the Vice Chair, the Secretary, the Treasurer, any other members of the Commission of the Authority and other appropriate officers and agents of the Authority with respect to the issuance of the Series 2017 Bonds are hereby ratified, confirmed and approved.

Section 10. Notwithstanding anything to the contrary in this Resolution, no documents referenced in this Resolution may be executed and delivered until the City has held the hearing pursuant to Section 147(f) of the Internal Revenue Code of 1986, if required by said Section, and has approved the issuance of the Series 2017 Bonds as may be required thereby and in accordance with Section 9 of the Agreement to provide financing for the Project; provided, however, that the Purchase Agreement may be executed in advance of such date so long as the Series 2017 Bonds are not issued prior to such Section 9 approval.

This Resolution shall take effect from and after its adoption.

PASSED AND ADOPTED by the California Statewide Communities Development Authority this 19th day of October, 2017.

I, the undersigned, an Authorized Signatory of the California Statewide Communities Development Authority, DO HEREBY CERTIFY that the foregoing resolution was duly adopted by the Commission of the Authority at a duly called meeting of the Commission of the Authority held in accordance with law on October 19, 2017.

By:

Authorized Signatory
California Statewide Communities
Development Authority

ATTACHMENT B
REGULAR MEETING OF THE
CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY

California State Association of Counties, 1100 K Street, Suite 101, Sacramento, Calif.
November 24, 2009

MINUTES

Commission Vice-Chair Larry Combs called the meeting to order at 10:05 a.m.

I. Roll Call

Commission members present included Steve Keil and Brent Wallace. Alternate Commissioner Paul Navazio was present representing Kevin O'Rourke. Larry Combs participated by conference phone.

Others present included: James Hamill, of California Communities; Dan Harrison of the League of California Cities; Laura Labanieh of CSAC Finance Corporation; and Diane Potter of Orrick Herrington & Sutcliffe.

II. Approval of Minutes—October 28, 2009

The commission approved the minutes for the special meeting held October 28, 2009.

Motion by Navazio; second by Wallace; approved by unanimous roll-call vote.

III. Approval of Minutes—November 4, 2009

The commission approved the minutes for the regular meeting held November 4, 2009.

Motion by Wallace; second by Keil; approved by unanimous roll-call vote.

IV. Approval of Consent Calendar

The commission approved the consent calendar consisting of the following items:

- A. Inducement of a multifamily housing project for Chico Parkside Terrace, L.P. (AHDC, Inc.) (Parkside Terrace Apartments), City of Chico, County of Butte; up to \$15.0 million multi-family housing debt obligations.
- B. Acceptance of disclosure reports for CSCDA SCIP bonds, 2005/2006 ERAF bonds and the Salinas Plaza multifamily bonds and authorize an Authorized Signatory to execute documents

Motion by Wallace; second by Keil; approved by unanimous roll-call vote.

V. 2010 Calendar of CSCDA Regular Meetings

The commission approved the calendar of regular meetings during 2010. The only revision was to schedule the first meeting in September for September 8th rather than September 15th.

Motion by Wallace; second by Keil; approved by unanimous roll-call vote.

VI. Issuance Policy for Placement of Non-Rated Securities

Based on Greenwich Investment Management's (GIM) investment strategy and experience in the purchase of non-rated tax-exempt bonds on behalf of sophisticated investor clients, the commission approved the following policy:

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

Motion by Wallace; second by Keil; approved by unanimous roll-call vote.

VII. Metropolitan Lofts Apartments (Northwest Gateway)—Annual Fees

The commission approved reducing the annual administrative fee for Metropolitan Lofts Apartments to an amount equal to .12 percent of the permanent loan amount.

Motion by Navazio; second by Wallace; approved by unanimous roll-call vote.

VIII. Staff and Commissioner Updates.

- A. James Hamill reported that CSCDA has received an allocation of \$230 million for multi-family housing bonds under the stimulus package. Efforts are underway to identify eligible projects prior to the deadline in early December.
- B. The next meeting will likely include a discussion of litigation addressing damages resulting from the failure of financial markets.
- C. The regular meeting scheduled for December 2 will probably be cancelled. Staff will confirm plans very soon.

IX. Public Comments. There were none.

X. Adjournment.

Commission Vice-Chair Larry Combs adjourned the meeting at 10:30 a.m.

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

*The next regular meeting of the commission is scheduled for
Wednesday, December 2, 2009, at 10:00 a.m. in the League's office at 1400 K.
It's likely this meeting will be cancelled; staff will confirm plans soon.*

Agenda Item No. 5

Agenda Report

DATE: October 19, 2017

TO: CSCDA COMMISSIONERS

FROM: Cathy Bando, Executive Director

PURPOSE: Consideration of a resolution ordering change and modification proceedings pursuant to waiver of sole property owner and approving a second amended and restated engineer's report for Statewide Community Infrastructure Program Assessment District No 16-02 (City of Santa Rosa, County of Sonoma, California).

SUMMARY:

On January 7, 2016, the Commission approved a resolution of intention to finance impact fees and public improvements under the Statewide Community Infrastructure Program (SCIP) for the Kawana Meadows (the "Project") project in the City of Santa Rosa. The Project consists of single family and multifamily residential units. On March 3, 2016 the Commission approved the final engineers report for the Project, and subsequently on April 7, 2016 a first amendment to the engineers report was approved by the Commission due to changes in the composition single family and multifamily units for the Project.

Since the first amendment it has been discovered that part of the parcels to be developed for the Project are on a Native American heritage site in addition to protected wetlands. Therefore, the engineers map and apportionment of the levies for the Project are being adjusted to exclude the heritage site and wetlands.

The Property Owner has consented to such amendments.

RECOMMENDED ACTION:

Approve the resolution ordering change and modification proceedings pursuant to waiver of sole property owner and approving a second amended and restated engineer's report for Statewide Community Infrastructure Program Assessment District No 16-02 (City of Santa Rosa, County of Sonoma, California).

ATTACHMENT A

RESOLUTION NO. 17SCIP-_____

**RESOLUTION OF THE COMMISSION OF THE CALIFORNIA
STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY
ORDERING CHANGE AND MODIFICATION PROCEEDINGS
PURSUANT TO WAIVER OF SOLE PROPERTY OWNER AND
APPROVING A SECOND AMENDED AND RESTATED ENGINEER'S
REPORT FOR STATEWIDE COMMUNITY INFRASTRUCTURE
PROGRAM ASSESSMENT DISTRICT NO. 16-02 (CITY OF SANTA ROSA,
COUNTY OF SONOMA, CALIFORNIA)**

WHEREAS, the Commission (the "Commission") of the California Statewide Communities Development Authority (the "Authority"), by proceedings duly had and taken, previously provided for the formation of the Statewide Community Infrastructure Program Assessment District No. 16-02 (City of Santa Rosa, County of Sonoma, California) (the "Assessment District"), under and pursuant to the provisions of the Municipal Improvement Act of 1913 (Division 12, commencing with Section 10000 of the Streets and Highways Code of the State of California), and assessments were levied on the parcels with assessments remaining unpaid; and

WHEREAS, the Commission, pursuant to Resolution No. 16R-14, adopted January 7, 2016, declared its intention to provide for the issuance of bonds to finance capital improvements and the payment of development impact fees for public improvements; and

WHEREAS, the Commission, pursuant to Resolution 16R-18, adopted March 3, 2016, approved a final engineer's report for the Assessment District; and

WHEREAS, the Commission, at the request of the sole property owner in the Assessment District, pursuant to Resolution 16-25, adopted April 7, 2016, conducted change and modification proceedings and approved an amended engineer's report for the Assessment District; and

WHEREAS, the sole property owner in the Assessment District has requested the Commission to conduct change and modification proceedings to further adjust certain assessments, resulting in a decrease in the assessments levied on certain property owned by the sole property owner within the Assessment District; and

WHEREAS, the Commission has determined to adjust certain assessments included in the Assessment District; and

WHEREAS, the Commission has directed the Assessment Engineer of the Authority for SCIP, as Engineer of Work (the "Engineer of Work") to prepare a second amended assessment roll in order to reflect the changes to the Assessment District described herein, which document is contained in a Second Amended and Restated Engineer's Report prepared by David Taussig &

Associates, dated September 7, 2017 (the “Second Amended and Restated Engineer’s Report”), and a copy of such Second Amended and Restated Engineer’s Report is on file with the Secretary of the Authority; and

WHEREAS, the sole owner of the affected property within the Assessment District has signed and submitted to the Authority a “Consent and Waiver” form in which the sole owner consents to and requests the proposed changes and modifications, and a copy of the signed Consent and Waiver form is on file with the Secretary of the Authority;

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

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

Section 2. This Commission hereby approves the Second Amended and Restated Engineer’s Report and the component parts thereof, including each exhibit incorporated by reference in the report.

Section 3. The Commission finds that the Consent and Wavier form on file with the Secretary of the Authority is signed by the sole owner of the affected property, and constitutes a valid and knowing waiver of the rights accorded to said property owner by these proceedings and waived therein.

Section 4. The Commission finds that the assessment spread set forth in the amended assessment roll in the Second Amended and Restated Engineer’s Report is commensurate with the special benefit accruing to the assessed parcels.

Section 5. Pursuant to Section 10352 of the Streets and Highways Code, the Commission hereby orders change and modification proceedings without notice or hearing and approves and confirms the changes and modifications to be made in the Assessment District as described in the Second Amended and Restated Engineer’s Report on file with the Secretary of the Authority.

Section 6. The Program Administrator is hereby directed to record the Second Amended and Restated Engineer’s Report with the Authority. The Program Administrator is hereby further directed to record the notice of amended assessment in the office of the County Recorder of the County of Sonoma in the time, form and manner as required by law.

Section 7. This Resolution shall take effect immediately upon its passage.

PASSED AND ADOPTED by the Commission of the California Statewide Communities Development Authority this October 19, 2017.

I, the undersigned, an Authorized Signatory of the California Statewide Communities Development Authority, DO HEREBY CERTIFY that the foregoing resolution was duly adopted by the Commission of the Authority at a duly called meeting of the Commission of the Authority held in accordance with law on October 19, 2017.

By:

Authorized Signatory

California Statewide Communities
Development Authority

Agenda Item No. 6

Agenda Report

DATE: October 19, 2017

TO: CSCDA COMMISSIONERS

FROM: Cathy Bando, Executive Director

PURPOSE: Discussion of PACE Legislation and Recommendation to Delay Formation of Open PACE Advisory Board.

SUMMARY:

Legislative Update:

As the Commission is aware over the last California Legislative Session bills were introduced that furthered consumer protections for PACE. SB 242 and AB 1284 were recently signed into law by the Governor. The following is summary of each:

SB 242 (Skinner-Dababneh):

- Requires a recorded, live, confirmation of terms call between the PACE provider and property owner before they sign their assessment contract, as a reinforcement to the written disclosures.
- Requires that PACE providers who undertake the confirmation of terms call with a property owner in one of the five major non-English languages in California – Spanish, Chinese, Korean, Tagalog and Vietnamese – also provide the property owner with their contractual documents in that language.
- Establishes an expanded “right to cancel” for a property owner using PACE, enabling the property owner to cancel their separate home improvement contract if they cancel their PACE financing within their three-day right to cancel – protecting them from being obligated to pay for a project without a viable means of financing.
- Establishes a ban on compensating contractors beyond the cost of the home improvement project, as well as prohibiting paying for contractor co-marketing and limiting contractor reimbursements to \$100 for bona fide training expenses.

- Requires contractors to quote a property owner the same price as cash for a home improvement project using PACE financing.
- Prevents PACE providers from disclosing to contractors the amount of funds the property owner is eligible for under a PACE assessment.
- Establishes data reporting requirements to local government partners, including data that speaks to the projected energy and water savings and local economic and job impacts, as well as on categories of products installed and homeowners served.

AB 1284 (Dababneh-Skinner-Calderon):

- Strengthens and standardizes the current underwriting standards in PACE based on home equity and on-time mortgage and tax payment history; and requires that the most accurate Automated Valuation Models are used for establishing the value of the home.
- Establishes new underwriting standards predicated on income verification and ability-to-pay to determine that property owners can meet their annual PACE obligation in addition to their current debt obligations and basic household expenses.
- Establishes a licensing and regulatory framework for the PACE industry in California, which will be subject to oversight by the California Department of Business Oversight (DBO).
- Requires PACE providers to undergo background investigations and satisfy net worth requirements in order to obtain a license.
- Requires PACE providers to enroll and train home improvement contractors and their individual sales reps; and holds PACE providers accountable for screening and monitoring the contractors and individual sales reps enrolled in their programs.
- Empowers the DBO with enforcement authority to take action against PACE providers who do not meet their obligations to promote the interests of consumers, which includes prohibiting PACE providers from working with contractors or individual sales reps who engage in activity harmful to consumers.

Open PACE Advisory Board:

On June 15, 2017 the Commission approved the formation of an Open PACE Advisory Board made up of three cities and three counties. Staff reached out to the various cities and counties to participate and was unable to find anyone to volunteer. With the new regulatory processes being established it is recommended that the Commission delay the formation of the advisory board to assess the rules, regulation and process that will be forthcoming. Staff will return to the Commission at the end of Q1 2018 with a recommendation how to proceed.

RECOMMENDED ACTION:

The Executive Director recommends a delay in the formation of the PACE Advisory Board, and for Staff to report back at the end of Q1 2018 with an update on the regulatory activities to determine such and advisory board is necessary.

Agenda Item No. 7

Agenda Report

DATE: October 19, 2017

TO: CSCDA COMMISSIONERS

FROM: Cathy Bando, Executive Director

PURPOSE: Consideration of CSCDA Sponsorship of the California City Management Foundation (CCMF)

SUMMARY:

CSCDA has been approached by CCMF requesting a sponsorship at the Foundation Circle level at \$10,000. The following is an overview of CCMF:

- CCMF's mission is to promote and encourage excellence in city management in all of California's 480 incorporated cities.
- Through its extensive peer network CCMF offers guidance, support and advice for City Managers in all stages of their careers.

The CCMF sponsorship benefits our outlined in Attachment A. The Foundation Circle sponsorship provides all of the benefits in Attachment A.

DISCUSSION:

On June 15, 2017 the Commission approved the following Sponsorship policy to consider for such requests:

Sponsorship Approval Guidelines

- Professional organizations that are sponsored by CSCDA must demonstrate a direct relationship to the services CSCDA offers
- The professional organization must provide meaningful exposure and value to CSCDA, and will either provide a spokesperson from CSCDA with speaking time to describe CSCDA services, or provide CSCDA representatives with sufficient opportunities for face-to-face time with the organization's members during the sponsored event.
- CSCDA will provide professional organizations with a written description of CSCDA's sponsorship requirements which are detailed below:
 - The professional organization must recognize CSCDA as a sponsor in its written program materials for the sponsored event

- When CSCDA is the sponsor of a speaker, in addition to recognizing CSCDA in program materials, CSCDA must be verbally recognized as the speaker sponsor
- If CSCDA sponsorships are used to provide scholarship grants, the scholarship recipient must be informed that CSCDA is the sponsor of the scholarship.

RECOMMENDED ACTION:

Based upon the current request and in alignment with the Sponsorship policy it is recommended to sponsor CCMF as a Corporate Benefactor for \$3,000. The Corporate Benefactor sponsorship provides all of the same benefits as the Foundation Circle with the following exceptions:

1. Two Facebook/Twitter postings a year versus six.
2. One sponsor highlight brief in weekly e-news digest versus two.
3. No recognition at the post-golf tournament event.
4. No recognition at annual membership dinner.
5. No recognition of top-tier status at all CCMF sponsored events.
6. No company page profile on CCMF website.
7. No invitation to new and future city managers seminar opening dinner.
8. Two articles in Civic Partner Business Journal versus four.
9. No dinner registration list five days prior to annual dinner.
10. No executive interview and share on CCMF YouTube channel.

This sponsorship level provides significant exposure for CSCDA and the opportunity to communicate with the city manager community via CCMF's social media channels. The sponsorship can be reviewed next year to determine if this the best level for CSCDA.

ATTACHMENT A

Sponsorship Benefits

1. Recognition on CCMF Website with Logo and Link to Firm Website – The sponsor’s logo and a link to their website will be featured on www.cacitymanagers.org/sponsors.
2. CCMF Social Media Channel Announcement of Your Sponsorship – CCMF will post about the sponsor’s support on the Foundation’s Facebook, Twitter and LinkedIn channels.
3. Corporate Announcement Social Media Share – Qualifying sponsors can promote their own news/events/services via CCMF social media channels. For example: if company X announces a new service and requests a social media share from CCMF, CCMF will craft a post and link to the sponsor’s content. All posts are subject to CCMF review and approval and no post may mention another sponsor.
4. Permission to Tailor Facebook Ads for the CCMF Sphere of Influence – Sponsors can coordinate with CCMF staff to create Facebook advertising campaigns that target persons who “Like” the CCMF Facebook Page.
5. “CCMF Supporter” Logo to Use on Your Organization’s Website/Collateral Material – Sponsors will be provided a logo showcasing their support for the Foundation for the current fiscal year. The logo can be used on the sponsor’s website, collateral materials or other marketing items.
6. Recognition in Email Publications – Qualifying sponsors are recognized with a logo placement in the weekly E-News digest, Quarterly Member Update and Quarterly President’s Letter.
7. Sponsors Highlight Brief in E-News – Qualifying sponsors receive a 100-word brief inserted into an edition of the popular weekly E-news digest from CCMF. This includes a logo and link to your website. Foundation Circle sponsors receive this benefit twice per program year.
8. Recognition in Golf Tournament Announcement and at Golf Course – Qualifying sponsors receive recognition throughout the Golf Tournament event, including pre-event announcements and at the golf course.
9. Recognition at Post-Golf Tournament Event* – Qualifying sponsors are recognized at the concluding event of the annual Golf Tournament.
10. Extensive Recognition at Annual Membership Dinner – Qualifying sponsors are recognized for their top-tier support at the Annual Membership Dinner.
11. Recognition of Top-Tier Status at All CCMF-Sponsored Events – Qualifying sponsors are recognized for their support at all CCMF-sponsored events.
12. Recognition on CCMF Signage as Supporter at City Manager Dept. Annual Conference

13. Company Profile Page on CCMF Website – Qualifying corporate sponsors will get a custom page on the CCMF website that provides a company biography. Links to this page will be embedded on the corporate support page.
14. Invitation to CCMF Membership Dinner at League Annual City Manager Dept. Conference – Invitation to the member-only dinner event at the annual League of CA Cities City Manager Department meeting.
15. Additional Guests to CCMF Membership Dinner – Qualifying sponsors can bring additional members of their team to the dinner event. (Meal fees may apply for Corporate Benefactor sponsors, but are included for Foundation Circle Sponsors.)
16. Free Players at CCMF Golf Tournament* – Qualifying sponsors receive player slots at the annual CCMF Golf Tournament. Two players for Corporate Benefactors and two foursomes for Foundation Circle Sponsors are complementary.
17. CCMF Member Rate Registration for Additional Golf Tournament Players* – Qualifying sponsors receive the member rate for additional players at the CCMF Golf Tournament.
18. Invitation for One Firm Representative to New and Future City Manager Seminar Opening Dinner – Qualifying sponsors may send one representative to attend the opening dinner of one of CCMF’s flagship events: the annual New & Future City Managers Seminar.
19. Access to Member-Only Section of CCMF Website – Sponsors will have access to login to the Members-Only section of the CCMF website and can look up contact information for CCMF members.
20. Receive Weekly E-News City Manager Digest – Corporate sponsors will receive the weekly E-News digest of curated stories about the city management profession in California. Keep up with the latest city manager news with this well-read publication.
21. Sponsor Article Published on Partner Site Civic Business Journal – Through a strategic partnership with Civic Business Journal, corporate sponsors have the their own articles on the Civic Business Journal website under their own byline. See www.civicbusinessjournal.com for more information about the publication or contact ryder@civicbusinessjournal.com to arrange publication or ask questions.
22. Quote from CCMF President Recognizing Firm – The CCMF President will provide a unique quote expressing appreciation for a qualifying sponsor’s support of CCMF. The sponsor may use the quote as they desire so long as support remains active.
23. Advertorial Content Embed on Quarterly Member Update – Qualifying sponsors can provide an article for the CCMF website under a byline from the company. The article will be identified in the Quarterly Member Update. Articles are subject to CCMF approval and will be denoted as sponsored content.
24. Right of Refusal to Sponsor Other CCMF Content – From time to time when new sponsorship opportunities come up, it is possible that existing corporate sponsors

may be interested in sponsoring those specific items. Foundation Circle sponsors would get the first right to sponsor and then rights to sponsor would cascade down from there. Within tiers, the longest-term sponsor would get the first right.

25. Dinner Registration List 5 Days Prior to Annual Dinner – Qualifying sponsors will have access to the attendance list of the annual Membership Appreciation Dinner ahead of the event. The list will not contain contact information, but will identify who is registered to attend the Dinner.
26. Executive Interview and Share on CCMF YouTube Channel – Foundation Circle Sponsors will be provided the opportunity to leverage future CCMF video shoots (at a cost of \$500) to shoot an interview about their company and have that video shared on CCMF's YouTube channel and social media outlets.

Sponsorship Level	Corporate Member	Corporate Benefactor	Foundation Circle
	\$1,250	\$3,000	\$10,000
BRANDING OPPORTUNITIES			
1. Recognition on CCMF Website with Logo and Link to Firm Website	X	X	X
2. CCMF Social Media Channel Announcement of Your Sponsorship	X	X	X
3. Corporate Announcement Social Media Share on Facebook & Twitter Per Year	1	2	6
4. Permission to Tailor Facebook Ads for the CCMF Sphere of Influence	X	X	X
5. "CCMF Supporter" Logo to Use on Your Organization's Website/Collateral Material	X	X	X
6. Recognition in Email Publications		X	X
7. Sponsor Highlight Brief in Weekly E-News Digest	0	1 / year	2/ year
8. Recognition in Golf Tournament Announcement & at Golf Course		X	X
9. Recognition at Post-Golf Tournament Event			X
10. Extensive Recognition at Annual Membership Dinner			X
11. Recognition of Top-Tier Status at All CCMF-Sponsored Events			X
12. Recognition on CCMF Signage as Supporter at City Manager Dept. Annual Conference		X	X
13. Company Profile Page on CCMF Website			X
EVENT ACCESS			
1. Invitation to CCMF Membership Dinner at League Annual City Manager Dept. Conference	X	X	X
2. Additional Five Guests of Firm to CCMF Membership Dinner		Meal Fees Apply	Included
3. Free Players at CCMF Golf Tournament ¹		2	8
4. CCMF Member Rate Registration for Additional Golf Tournament Players		X	X
5. Invitation for One Firm Representative to New & Future City Managers Seminar Opening Dinner			X

¹ Golf Tournament happens every other year and is tied to the League of California Cities' City Manager Department Conference. The 2017-18 program year will have a Golf Tournament.

Sponsorship Level Member	Corporate Benefactor	Corporate Circle	Foundation
OTHER BENEFITS			
1. Access to Member-Only Section of CCMF Website	X	X	X
2. Receive Weekly E-News City Manager Digest	X	X	X
3. Sponsor Article Published on Partner Site Civic Business Journal	1 / year	2 / year	4 / year
4. Quote From CCMF President Recognizing Firm		X	X
5. Advertorial Content Embed on Quarterly Member Update			X
6. Right of Refusal to Sponsor Other CCMF Content	3rd	2nd	1st
7. Dinner Registration List 5 Days Prior to Annual Dinner			X
8 Executive Interview and Share on CCMF YouTube Channel ²			X



Agenda Item No. 8

Agenda Report

DATE: October 19, 2017

TO: CSCDA COMMISSIONERS

FROM: Cathy Bando, Executive Director

PURPOSE: Review of First Quarter FY 2017-18 Financials and Bank Account Activity

CSCDA's first quarter bank account activity and budget to actual figures for FY 2017-18 are provided in the attached financial reports.

FY 2017-2018 Q1 BUDGET REPORT:

The budget report provides FY 2016-17 actual figures for CSCDA, 2017-18 budget information, and actual figures for the quarter ending September 30, 2017. The variances represent 2017-18 budget figures compared to actual amounts received or disbursed through September 30, 2017. While CSCDA's receipts and disbursements are annual figures and not budgeted on a quarterly basis, a variance of 25% reflects that the amount is on target for the first quarter while variances below 25% are below budget and variances above 25% are above budget.

1. **Issuance Fee Receipts** - Issuance fees received in the first quarter were \$1.26 million which represented 23.6% of the annual budget. CSCDA was approximately \$73,000 below targeted receipts for the first quarter.
 - **Qualified 501(c)(3)** issuance fees were at 46.6% of the amount budgeted for the year and ahead of budget by about \$151,000. The positive variance represents the timing of closings and we do not expect the trend to continue during the fiscal year.
 - **Affordable Housing** was on budget at 26% of the amount budgeted for the fiscal year.
 - No **SCIP/CFD** financings closed during the first quarter resulting in a quarterly shortfall \$250,000. We anticipate that transactions will close later in the fiscal year to make up this shortfall and to meet the \$1 million budgeted for the 2017-18 fiscal year.
 - **PACE** generated \$641,000 in fees representing 25.6% of the amount budgeted for the year.
2. **Bond Administrative Fee Receipts**
 - Bond administrative fee collections were \$2.3 million or 23% of the amount budgeted for the year representing approximately \$207,000 below budget for the quarter.
 - The variances within the categories were primarily due to the timing of collections.
3. **Issuance Fee Disbursements**
 - Issuance fee disbursements were slightly below the amount budgeted for the quarter, by about \$76,000, reflecting the lower issuance fees collected.

4. Bond Administration Fee Disbursements

- Bond Administration Fee Disbursements were \$2.2 million, or approximately \$200,000 lower than budget which is consistent with the lower fee receipts.

5. General Administrative

- General Administrative disbursements were behind the amount for the quarter primarily due to the timing of disbursement requests. The annual budgeted amount of \$482,000 in disbursements should be realized by year end.

BANK ACCOUNT ACTIVITY:

CSCDA's fee collections are disbursed on a monthly basis after funding the professional services and operations accounts. Descriptions of disbursements and balances as of September 30, 2017 in the three accounts are described below.

1. Professional Services Account

- The balance as of September 30, 2017 was \$138,000.
- Deposits of \$109,000 were made and \$88,000 in disbursements were made.
- Cash disbursements included \$72,000 in accruals from the prior fiscal year that cleared the account in FY2017-18.

2. Operations Account

- The balance as of September 30, 2017 was \$300,000 and is equal to the targeted amount for the account.

3. Charitable Contributions

- CSCDA's balance in the Charitable Contributions Account was \$2 as of September 30, 2017. We have instructed the bank to close the account. The balance will be deposited into the Professional Services Account.

SUMMARY AND QUESTIONS

The variances in issuance and bond administration fee receipts are primarily due to the timing of transaction closings and bond administration fee billing cycles. We anticipate that the annual receipts will be equal to the budgeted amounts by year end.

CSCDA staff and League accounting personnel are available to respond to any questions the Commissioners may have about the attached FY2018 Q1 financial reports.

CSCDA

Budget-to-Actual Comparison for the Three Months Ended September 30, 2017

	Actual 2016-17	Budget 2017-18	YTD 2017-18	Variance 2017-18
Amounts collected				
Issuance fees				
Qualified 501 (c)(3)	733,688	700,000	326,228	46.60%
Qualified residential rental program	1,425,322	1,100,000	284,042	25.82%
PACE	2,088,148	2,500,000	641,497	25.66%
SCIP / Mello Roos	930,827	1,000,000	0	0.00%
Other municipal bond programs	70,085	50,000	10,000	20.00%
Investment income	1,504	0	2,905	
Total issuance fees	5,249,574	5,350,000	1,264,671	23.64%
Bond administrative fees				
Qualified 501 (c)(3)	2,498,265	2,400,000	332,766	13.87%
Qualified residential rental program	7,202,949	6,900,000	1,630,019	23.62%
SCIP / Mello Roos	314,918	298,000	192,414	64.57%
Other municipal bond programs	439,768	452,000	147,031	32.53%
Investment income	(109,976)	0	3,252	
Total bond administrative fees	10,345,924	10,050,000	2,305,482	22.94%
Total amounts collected	15,595,498	15,400,000	3,570,154	23.18%
Amounts disbursed				
Issuance				
Program management fees - BSP	2,481,225	2,443,334	626,094	25.62%
Program governance fees - CSAC	1,375,902	1,453,333	317,836	21.87%
Program governance fees - League	1,375,902	1,453,333	317,836	21.87%
Total issuance	5,233,029	5,350,000	1,261,766	23.58%
Bond administration				
Program management fees - BSP	380,828	420,000	119,433	28.44%
Compliance monitoring fees - BSP	209,913	200,000	69,319	34.66%
Administration fees - HB Capital	5,610,941	5,600,000	1,190,695	21.26%
Program governance fees - CSAC	1,526,770	1,571,000	383,197	24.39%
Program governance fees - League	1,526,770	1,571,000	383,197	24.39%
Compliance fees - Urban Futures	717,108	205,750	47,100	22.89%
Charitable Contribution	28,826	0	0	
Total bond administration	10,001,156	9,567,750	2,192,941	22.92%
Subtotal Issuance & Bond Administration	15,234,186	14,917,750	3,454,707	23.16%

CSCDA

Budget-to-Actual Comparison for the Three Months Ended September 30, 2017

	Actual 2016-17	Budget 2017-18	YTD 2017-18	Variance 2017-18
General administrative				
Executive Director	65,841	72,000	0	0.00%
General Counsel - Richards Watson Gershon	95,907	115,000	5,145	4.47%
Insurance	26,939	30,000	0	0.00%
Board travel reimbursements	3,067	5,000	0	0.00%
Issuer counsel - Orrick	114,079	80,000	0	0.00%
Auditor - MUN CPAs	21,200	30,000	0	0.00%
Other professional services	45,995	2,000	528	26.38%
BSP municipal advisor fee	24,000	24,000	6,000	25.00%
Bank service fees	0	7,000	0	0.00%
Marketing and Sponsorships	20,765	100,000	4,500	4.50%
Other	4,551	17,250	135	0.78%
Total general administrative	422,343	482,250	16,308	3.38%
Total amounts disbursed	15,656,529	15,400,000	3,471,015	22.54%
Net surplus (deficit)	(61,031)	(0)	99,138	-99138222.16%

CSCDA
Bank Account Activity
For the Three Months Ended September 30, 2017

	Beg Bal	Add:	Less:	End Bal
	06/30/17	Deposits	Disbursements	09/30/17
Bank account:				
Professional Services	116,879	109,425	(87,988)	138,316
Operations	300,387	426	0	300,813
Charitable Contributions	2	0	0	2
	-----	-----	-----	-----
	417,268	109,851	(87,988)	439,130
	=====	=====	=====	=====

2018 Regular Meeting Calendar

All Regular Meetings of the Authority will begin at 2:00 PM. The primary location for the first meeting of each month is the League of California Cities, located at 1400 K Street, 3rd Floor, Sacramento, CA 95814. The primary location for the second meeting of each month is the California State Association of Counties, located at 1100 K Street, Sacramento, CA 95814.

JANUARY						
S	M	T	W	T	F	S
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28	29	30	31			

FEBRUARY						
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MARCH						
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APRIL						
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29	30					

MAY						
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JUNE						
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JULY						
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29	30	31				

AUGUST						
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SEPTEMBER						
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30						

OCTOBER						
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28	29	30	31			

NOVEMBER						
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DECEMBER						
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16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

Regular CSCDA Board Meetings highlighted Yellow

January 4th
January 18th
February 1st
February 15th
March 1st
March 15th
April 5th
April 19th
May 3rd
May 17th
June 7th
June 21st

July 5th
July 19th
August 2nd
August 16th
September 6th
September 20th
October 4th
October 18th
November 1st
November 15th
December 6th
December 20th

Federal Holidays highlighted Red

January 1st – New Year's Day
January 15th – M.L. King, Jr. Day
February 19th – Presidents Day
May 28th – Memorial Day
July 4th – Independence Day
September 3rd – Labor Day
October 8th – Columbus Day
November 12th – Veterans Day (Observed)
November 22nd – Thanksgiving
December 25th – Christmas Day

Agenda Item No. 10

Agenda Report

DATE: October 19, 2017

TO: CSCDA COMMISSIONERS

FROM: Cathy Bando, Executive Director

PURPOSE: Consideration of a Resolution of a Joint Exercise Of Powers Agreement between CSCDA and the Alameda County Flood Control And Water Conservation District, Zone 7.

EXECUTIVE SUMMARY/BACKGROUND:

Background:

The Alameda County Flood Control and Water Conservation District, Zone 7 (“Zone 7”) is looking to enter the bond market for the first time in its 50 year history. As a wholesale distributor of State Water Project water to the Livermore - Amador Valley it has been adequately funded from water rates, connection fees and property taxes. New capital expenditure needs requires Zone 7 to take on some debt.

Zone 7 is planning a \$45,000,000 first issue of revenue bonds in January, 2018, and need a joint powers authority such as CSCDA to be able to finance the capital improvements under the standard installment sale structure used by most California utilities.

CSCDA will be the only other member to the joint powers authority. Standard limitations on liability and indemnification are contained in the Joint Powers Agreement between Zone 7 and CSCDA. The joint powers agreement is attached as Attachment B.

CSCDA has previously entered into similar joint powers agreements to assist the San Bruno Park School District, Cameron Park Community Services District and San Dieguito Union High School District with financings.

Orrick, Herrington & Sutcliffe will be serving as bond counsel and issuer counsel, and the financial advisor is Sperry Capital. CSCDA’s General Counsel has reviewed the joint powers agreement and approves the form and content of the agreement.

RECOMMENDED ACTION:

CSCDA's Executive Director recommends that the Commission approve the resolution (Attachment A) approving the joint powers agreement by and between CSCDA and the Alameda County Flood Control and Water Conservation District, Zone 7.

ATTACHMENT A

RESOLUTION NO. 17-_____

**RESOLUTION OF THE CALIFORNIA STATEWIDE COMMUNITIES
DEVELOPMENT AUTHORITY AUTHORIZING THE EXECUTION AND
DELIVERY OF A JOINT EXERCISE OF POWERS AGREEMENT BY
AND BETWEEN THE CALIFORNIA STATEWIDE COMMUNITIES
DEVELOPMENT AUTHORITY AND THE ALAMEDA COUNTY FLOOD
CONTROL AND WATER CONSERVATION DISTRICT, ZONE 7**

WHEREAS, pursuant to the provisions of the Joint Exercise of Powers Act, comprising Articles 1, 2, 3 and 4 of Chapter 5 of Division 7 of Title 1 (commencing with Section 6500) of the Government Code of the State of California (the “JPA Act”), a number of California cities, counties and special districts have entered into a joint exercise of powers agreement creating the California Statewide Communities Development Authority (the “CSCDA”); and

WHEREAS, CSCDA, acting pursuant to the JPA Act, may enter into a joint exercise of powers agreement with one or more other public agencies pursuant to which such contracting parties may jointly exercise any power common to them and, pursuant to Government Code Section 6588, to exercise certain additional powers; and

WHEREAS, CSCDA and the Alameda County Flood Control and Water Conservation District, Zone 7 (the “Zone 7 Agency”) desire to create and establish a joint exercise of powers agency (the “Authority”) pursuant to the JPA Act, such joint exercise of powers agency to be known as the “Zone 7 Water Financing Authority” or by such other name as specified in the JPA Agreement (defined below) as executed and delivered; and

WHEREAS, there has been prepared and made available to the members of the Commission of CSCDA (the “Commissioners”) a proposed form of Joint Exercise of Powers Agreement (the “JPA Agreement”), by and between CSCDA and the Zone 7 Agency, which JPA Agreement creates and establishes the Authority; and

WHEREAS, under California law and the JPA Agreement, the Authority will be a public entity separate and apart from the parties to the JPA Agreement and the debts, liabilities and obligations of the Authority will not be the debts, liabilities or obligations of CSCDA or any member of CSCDA;

NOW THEREFORE, BE IT RESOLVED by the Commissioners, as follows:

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

Section 2. The JPA Agreement, in substantially the form presented at this meeting, is hereby approved. Any Commissioner or any other person as may be designated and authorized to sign for CSCDA pursuant to a resolution adopted thereby (including, without limitation, the administrative delegates duly authorized pursuant to Resolution No. 17R-4 of CSCDA, adopted on March 2, 2017) (together with the Commissioners, each such person is referred to herein individually as an “Authorized Signatory”), acting alone, is authorized to execute by manual signature and deliver the JPA 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 CSCDA, such approval to be conclusively evidenced by the delivery thereof.

Section 3. This Resolution shall take effect from and after its adoption.

PASSED AND ADOPTED by the California Statewide Communities Development Authority this 19th day of October, 2017.

The undersigned, an Authorized Signatory of the California Statewide Communities Development Authority, DOES HEREBY CERTIFY that the foregoing resolution was duly adopted by the Commission of the California Statewide Communities Development Authority at a duly called meeting of the Commission of the California Statewide Communities Development Authority held in accordance with law on October 19, 2017.

By _____
Authorized Signatory

ATTACHMENT B
JOINT EXERCISE OF POWERS AGREEMENT

by and between

ZONE 7 WATER FINANCING AUTHORITY

and

CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY

creating the

ZONE 7 WATER FINANCING AUTHORITY

October __, 2017

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JOINT EXERCISE OF POWERS AGREEMENT

THIS JOINT EXERCISE OF POWERS AGREEMENT, dated October 18, 2017, is made by and between the ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT, ZONE 7, a special district duly organized and existing under and by virtue of the laws of the State of California (the “Zone 7 Agency”), and CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY, a public body, corporate and politic, duly organized and existing under the laws of the State of California (“CSCDA”).

DECLARATION OF PURPOSE

A. Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (the “Act”) authorizes the Zone 7 Agency and CSCDA to create a joint exercise of powers entity which has the power to exercise any powers common to the Zone 7 Agency and CSCDA and to exercise additional powers granted to it under the Act. This Agreement creates such an entity, which shall be known as the Zone 7 Water Financing Authority (the “Authority”), for the purposes and to exercise the powers described herein.

B. The Zone 7 Agency is authorized to buy, sell, lease and use property and to incur indebtedness for public purposes pursuant to the Alameda County Flood Control and Water Conservation District Act and other laws of the State of California.

C. CSCDA is authorized to buy, sell and lease property and to issue bonds, expend bond proceeds, and borrow and loan money for any of its corporate purposes pursuant to the Act and an Amended and Restated Joint Exercise of Powers Agreement, dated as of June 1, 1988, by and among the cities, counties, districts and other political subdivisions that are parties to that agreement.

D. Article 4 of the Act (known as the “Marks-Roos Local Bond Pooling Act of 1985”) authorizes and empowers the Authority to issue bonds and to purchase bonds issued by, or to make loans to, the Zone 7 Agency for financing public capital improvements, working capital, liability and other insurance needs, or projects whenever there are significant public benefits, as determined by the Zone 7 Agency. The Marks-Roos Local Bond Pooling Act of 1985 further authorizes and empowers the Authority to sell bonds so issued or purchased to public or private purchasers at public or negotiated sale.

TERMS OF AGREEMENT

DEFINITIONS

Unless the context otherwise requires, the terms defined in this Section 1 shall for all purposes of this Agreement have the meanings herein specified.

Act

The term “Act” shall mean Articles 1, 2 and 4 of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California, as amended.

Agreement

The term “Agreement” shall mean this Joint Exercise of Powers Agreement, as it may be amended from time to time, creating the Authority.

Authority

The term “Authority” shall mean the Zone 7 Water Financing Authority created by this Agreement.

Board; Board of Directors

The term “Board” or “Board of Directors” shall mean the governing board of the Authority.

Bonds

The term “Bonds” shall mean bonds and any other evidence of indebtedness of the Authority authorized and issued pursuant to the Act.

CSCDA

The term “CSCDA” shall mean California Statewide Communities Development Authority, a joint exercise of powers agency, duly organized and existing under and by virtue of the laws of the State of California.

Indenture

The term “Indenture” shall mean each indenture, trust agreement or other such instrument pursuant to which Bonds are issued.

Member

The term “Member” or “Members” shall mean the Zone 7 Agency and/or CSCDA, as appropriate.

Zone 7 Agency

The term “Zone 7 Agency” shall mean Alameda County Flood Control and Water Conservation District, Zone 7, a special district duly organized and existing under and by virtue of the laws of the State of California.

PURPOSE

This Agreement is made pursuant to the Act for the purpose of assisting the financing and refinancing of capital improvement projects of the Zone 7 Agency and to finance working capital for the Zone 7 Agency by exercising the powers referred to in this Agreement.

TERM

This Agreement shall become effective as of the date hereof and shall continue in full force and effect until terminated by a supplemental agreement of CSCDA and the Zone 7 Agency; provided, however, that in no event shall this Agreement terminate while any Bonds or other obligations of the Authority remain outstanding under the terms of any indenture, trust agreement, contract, agreement, lease, sublease or other instrument pursuant to which such Bonds are issued or other obligations are incurred.

THE AUTHORITY

Creation of the Authority

There is hereby created pursuant to the Act an authority and public entity to be known as the “Zone 7 Water Financing Authority.” As provided in the Act, the Authority shall be a public entity separate from the Zone 7 Agency and CSCDA. The debts, liabilities and obligations of the Authority shall not constitute debts, liabilities or obligations of the Zone 7 Agency or CSCDA.

Within 30 days after the effective date of this Agreement or any amendment hereto, the Authority will cause a notice of this Agreement or amendment to be prepared and filed with the office of the Secretary of State of the State of California in the manner set forth in Sections 6503.5 of the Act. Such notice shall also be filed with the office of the Controller of the State of California.

Governing Board

The Authority shall be administered by the Board which shall consist of the members of the Board of Directors of the Zone 7 Agency. The term of office as a member of the Board shall terminate when such member of the Board shall cease to be a member of the Board of Directors of the Zone 7 Agency; and the successor to such member on the Board of Directors of the Zone 7 Agency shall become a member of the Board upon assuming such office.

Members of the Board shall not receive any compensation for serving as such, but shall be entitled to reimbursement for any expenses actually incurred in connection with serving as a member if the Board shall determine that such expenses shall be reimbursed and there are unencumbered funds available for such purpose.

The Authority shall file a Statement of Facts, for Roster of Public Agencies, within 70 days of the effective date of this Agreement and an amendment thereto within 10 days of any change in the constitution of the Board.

Meetings of Board

Time and Place. The Board shall hold regular meetings as provided in the bylaws of the Authority. The bylaws shall establish the date upon which, and the hour and place at which, each regular meeting is to be held and the procedures for establishing the date, hour and place of additional regular meetings. The Board may hold special meetings at any time and from time to time in accordance with law.

Legal Notice. All regular and special meetings of the Board shall be called, noticed, held and conducted subject to the provisions of the Ralph M. Brown Act (Chapter 9 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California), or any successor legislation hereafter enacted.

Minutes. The Secretary of the Authority shall cause minutes of all meetings of the Board to be kept and shall, as soon as practicable after each meeting, cause a copy of the minutes to be forwarded to each member of the Board and to the Zone 7 Agency.

Quorum. A majority of the members of the Board shall constitute a quorum for the transaction of business, except that less than a quorum may adjourn meetings from time to time.

Officers; Duties; Bonds

The Officers of the Authority shall be the President, Vice President, Secretary, Treasurer and Executive Director. The officers of the Authority shall be the persons specified in the By-Laws of the Authority adopted by the Board (the "By-Laws") and shall have the powers vested in them pursuant to such By-Laws and such other powers as may be granted by the Board from time to time by resolution. Such officers may be directors or officers of the Zone 7 Agency serving ex officio.

The Treasurer of the Authority is designated as the public officer or person who has charge of, handles, or has access to any property of the Authority, and such officer shall file an official bond in the amount of \$25,000 as required by Section 6505.1 of the Act; provided, that such bond shall not be required if the Authority does not possess or own property or funds with an aggregate value of greater than \$500 (excluding amounts held by a trustee or other fiduciary in connection with any Bonds). The cost of the bond shall be paid by the Zone 7 Agency.

So long as required by Section 6505 and Section 6505.5 of the Act, the Treasurer of the Authority shall prepare or cause to be prepared: (a) a special audit as required pursuant to Section 6505 of the Act every year during the term of this Agreement;

and (b) a report in writing on the first day of July, October, January and April of each year to the Board, the Zone 7 Agency and CSCDA, which report shall describe the amount of money held by the Treasurer of the Authority for the Board, the amount of receipts since the last such report, and the amount paid out since the last such report (which may exclude amounts held by a trustee of other fiduciary in connection with any Bonds to the extent that such trustee or other fiduciary provides regular reports covering such amounts).

The services of the Officers shall be without compensation by the Authority. The Zone 7 Agency will provide such other administrative services as required by the Authority, and shall not receive economic remuneration from the Authority for the provision of such services.

The Board shall have the power to appoint such other officers and employees as it may deem necessary and to retain independent counsel, consultants and accountants.

All of the privileges and immunities from liability, exemptions from laws, ordinances and rules, all pension, relief, disability, worker's compensation and other benefits which apply to the activities of officers, agents or employees of the Members when performing their respective functions within the territorial limits of their respective Member, shall apply to them to the same degree and extent while engaged in the performance of any of their functions and duties extraterritorially under the provisions of this Agreement.

None of the officers, agents or employees, if any, directly employed by the Authority shall be deemed, by reason of their employment by the Authority, to be employed by any Member or, by reason of their employment by the Authority, to be subject to any of the requirements of any Member.

The Members hereby confirm their intent and agree that, as provided in Section 4(A) hereof and in the Act, the debts, liabilities and obligations of the Authority shall not constitute debts, liabilities or obligations of the Zone 7 Agency or CSCDA, and they do not intend by the following sentence to impair this provision. To the extent that liability is imposed or a claim is made on CSCDA, for any reason whatsoever notwithstanding Section 4(A) hereof and the Act, directly or indirectly arising out of a transaction or series of transactions undertaken by or for the benefit of the Zone 7 Agency in connection with the activities of the Authority, the Zone 7 Agency shall indemnify, defend and hold harmless CSCDA and each of CSCDA's officers, commissioners, employees and agents from and against any and all costs, expenses, losses, claims, damages and liabilities, of any conceivable kind on any conceivable theory, arising out of or in connection with the activities of the Authority. CSCDA may elect to defend itself in any such action with counsel of its choice, the reasonable fees of such counsel to be paid by the Zone 7 Agency. The Authority and the Zone 7 Agency shall be jointly and severally liable for any indemnity obligation owed to CSCDA. Notwithstanding the provisions of Section 895.6 of the Government Code of the State, the Zone 7 Agency shall not have any right to contribution from CSCDA.

In any event, the Authority or the Zone 7 Agency shall cause all records regarding the Authority's formation, existence, operations, any Bonds issued by the Authority, obligations incurred by it and proceedings pertaining to its termination to be retained for at least six (6) years following termination of the Authority or final payment of any Bonds issued by the Authority, whichever is later.

POWERS

The Authority shall have any and all powers which are common powers of the Zone 7 Agency and CSCDA, and the powers separately conferred by law upon the Authority. All such powers, whether common to the Parties or separately conferred by law upon the Authority, are specified as powers of the Authority except any such powers which are specifically prohibited to the Authority by applicable law. The Authority's exercise of its powers is subject to the restrictions upon the manner of exercising the powers of the Zone 7 Agency.

The Authority is hereby authorized, in its own name, to do all acts necessary or convenient for the exercise of its powers, including, but not limited to, any or all of the following: to sue and be sued; to make and enter into contracts; to employ agents, consultants, attorneys, accountants, and employees; to acquire, hold or dispose of property, whether real or personal, tangible or intangible, wherever located; to issue Bonds or otherwise incur debts, liabilities or obligations to the extent authorized by the Act or any other applicable provision of law and to pledge any property or revenues or the rights thereto as security for such Bonds and other indebtedness.

Notwithstanding the foregoing, the Authority shall have any additional powers conferred under the Act or under applicable law, insofar as such additional powers may be necessary to accomplish the purposes set forth in Section 2 hereof.

TERMINATION OF POWERS

The Authority shall continue to exercise the powers herein conferred upon it until the termination of this Agreement in accordance with Section 3 hereof.

FISCAL YEAR

Unless and until changed by resolution of the Board, the fiscal year of the Authority shall be the period from July 1 of each year to and including the following June 30, except for the first fiscal year which shall be the period from the date of this Agreement to June 30, 2018.

DISPOSITION OF ASSETS

Upon termination of this Agreement pursuant to Section 3 hereof, any surplus money in possession of the Authority or on deposit in any fund or account of the Authority shall be returned in proportion to any contributions made as required by

Section 6512 of the Act. The Board is vested with all powers of the Authority for the purpose of concluding and dissolving the business affairs of the Authority. After rescission or termination of this Agreement pursuant to Section 3 hereof, all property of the Authority, both real and personal, shall be distributed to the Zone 7 Agency, subject to Section 9 hereof.

CONTRIBUTIONS AND ADVANCES

Contributions or advances of public funds and of personnel, equipment or property may be made to the Authority by the Zone 7 Agency and CSCDA for any of the purposes of this Agreement. Payment of public funds may be made to defray the cost of any such contribution. Any such advance made in respect of a revenue-producing facility shall be made subject to repayment, and shall be repaid, in the manner agreed upon by the Zone 7 Agency or CSCDA, as the case may be, and the Authority at the time of making such advance as provided by 6512.1 of the Act. It is mutually understood and agreed that neither the Zone 7 Agency nor CSCDA has any obligation to make advances or contributions to the Authority to provide for the costs and expenses of administration of the Authority, even though either may do so. The Zone 7 Agency or CSCDA may allow the use of personnel, equipment or property in lieu of other contributions or advances to the Authority.

BONDS.

Authority To Issue Bonds.

When authorized by the Act or other applicable provisions of law and by resolution of the Board, the Authority may issue Bonds for the purpose of raising funds for the exercise of any of its powers or to otherwise carry out its purposes under this Agreement. Said Bonds shall have such terms and conditions as are authorized by the Board.

Bonds Limited Obligations.

The Bonds, including the principal and any purchase price thereof, and the interest and premium, if any, thereon, shall be special obligations of the Authority payable solely from, and secured solely by, the revenues, funds and other assets pledged therefor under the applicable Indenture(s) and shall not constitute a charge against the general credit of the Authority. The Bonds shall not be secured by a legal or equitable pledge of, or lien or charge upon or security interest in, any property of the Authority or any of its income or receipts except the property, income and receipts pledged therefor under the applicable Indenture(s). The Bonds shall not constitute a debt, liability or obligation of the State or any public agency thereof, including CSCDA and the Zone 7 Agency, other than the special obligation of the Authority as described above. Neither the faith and credit nor the taxing power of the State of California or any public agency thereof, including CSCDA and the Zone 7 Agency, shall be pledged to the payment of the principal or purchase price of, or the premium, if any, or interest on the Bonds nor shall the State of California or any public

agency or instrumentality thereof, including CSCDA and the Zone 7 Agency, in any manner be obligated to make any appropriation for such payment. The Authority shall have no taxing power.

No covenant or agreement contained in any Bond or Indenture shall be deemed to be a covenant or agreement of any director, officer, agent or employee of the Authority, in his or her individual capacity and no director or officer of the Authority executing a Bond shall be liable personally on such Bond or be subject to any personal liability or accountability by reason of the issuance of such Bond.

AGREEMENT NOT EXCLUSIVE

This Agreement shall not be exclusive and shall not be deemed to amend or alter the terms of other agreements between the Zone 7 Agency and CSCDA, except as the terms of this Agreement shall conflict therewith, in which case the terms of this Agreement shall prevail.

ACCOUNTS AND REPORTS

All funds of the Authority shall be strictly accounted for in books of account and financial records maintained by the Authority, including a report of all receipts and disbursements. The Authority shall establish and maintain such funds and accounts as may be required by generally accepted accounting principles and by each Indenture for outstanding Bonds (to the extent such duties are not assigned to a trustee for owners of Bonds). The books and records of the Authority shall be open to inspection at all reasonable times by the Zone 7 Agency and CSCDA and their representatives.

The Authority shall require that each Indenture provide that the trustee appointed thereunder shall establish suitable funds, furnish financial reports and provide suitable accounting procedures to carry out the provisions of such Indenture. Said trustee may be given such duties in said Indenture as may be desirable to carry out the requirements of this Section.

Audits.

The Treasurer of the Authority shall cause an independent audit to be made of the books of accounts and financial records of the Authority in compliance with the requirements of the Act. Any costs of the audit, including contracts with, or employment of, certified public accountants or public accountants in making an audit pursuant to this Section, shall be borne by the Authority and shall be a charge against any unencumbered funds of the Authority available for that purpose.

Audit Reports.

The Treasurer of the Authority, as soon as practicable after the close of each Fiscal Year but in any event within the time necessary to comply with the requirements of

the Act shall file a report of the audit performed pursuant to Subsection A of this Section 12 as required by the Act and shall send a copy of such report to the Zone 7 Agency, CSCDA, the Alameda County Auditor and other public entities and persons in accordance with the requirements of the Act.

Reports to State of California.

The Treasurer of the Authority shall file all reports required by law to be filed with the California Debt and Investment Advisory Commission, the California Secretary of State and any other State of California entities.

FUNDS.

Subject to the provisions of each Indenture for outstanding Bonds providing for a trustee to receive, have custody of and disburse funds which constitute Authority funds, the Treasurer of the Authority shall receive, have the custody of and disburse Authority funds pursuant to accounting procedures approved by the Board and shall make the disbursements required by this Agreement or otherwise necessary to carry out the provisions and purposes of this Agreement.

CONFLICT OF INTEREST CODE

The Authority shall, by resolution, adopt a Conflict of Interest Code as required by law. Such Conflict of Interest Code may be the conflict of interest code of the Zone 7 Agency.

BREACH

If default shall be made by the Zone 7 Agency or CSCDA in any covenant contained in this Agreement, such default shall not excuse either the Zone 7 Agency or CSCDA from fulfilling its obligations under this Agreement and the Zone 7 Agency and CSCDA shall continue to be liable for the payment of contributions and the performance of all conditions herein contained. The Zone 7 Agency and CSCDA hereby declare that this Agreement is entered into for the benefit of the Authority created hereby and the Zone 7 Agency and CSCDA hereby grant to the Authority the right to enforce by whatever lawful means the Authority deems appropriate all of the obligations of each of the parties hereunder. Each and all of the remedies given to the Authority hereunder or by any law now or hereafter enacted are cumulative and the exercise of one right or remedy shall not impair the right of the Authority to any or all other remedies.

NOTICES.

Notices and other communications hereunder to the parties shall be sufficient if delivered to the clerk or secretary of the governing body of each party.

WITHDRAWAL

Neither CSCDA nor the Zone 7 Agency may withdraw from this Agreement prior to the end of the term of this Agreement determined in accordance with Section 3.

EFFECTIVENESS.

This Agreement shall become effective and be in full force and effect and a legal, valid and binding obligation of CSCDA and the Zone 7 Agency when each party has executed a counterpart of this Agreement.

SEVERABILITY

Should any part, term, or provision of this Agreement be decided by the courts to be illegal or in conflict with any law of the State of California, or otherwise be rendered unenforceable or ineffectual, the validity of the remaining parts, terms or provisions hereof shall not be affected thereby.

SUCCESSORS; ASSIGNMENT

This Agreement shall be binding upon and shall inure to the benefit of the successors of the parties. Except to the extent expressly provided herein, neither party may assign any right or obligation hereunder without the consent of the other.

AMENDMENT OF AGREEMENT

This Agreement may be amended by supplemental agreement executed by the Members at any time; provided, however, that this Agreement may be terminated only in accordance with Section 3 hereof and, provided further, that such supplemental agreement shall be subject to any restrictions contained in any Bonds or documents related to any Bonds to which the Authority is a party.

FORM OF APPROVALS

Whenever an approval is required in this Agreement, unless the context specifies otherwise, it shall be given, in the case of CSCDA, by resolution duly adopted by the members of the Commission of CSCDA, and, in the case of the Zone 7 Agency, by resolution duly adopted by the Board of Directors of the Zone 7 Agency, and, in the case of the Authority, by resolution duly adopted by the Board. Whenever in this Agreement any consent or approval is required, the same shall not be unreasonably withheld.

WAIVER OF PERSONAL LIABILITY

No member, officer or employee of the Authority, the Zone 7 Agency or CSCDA shall be individually or personally liable for any claims, losses, damages, costs, injury and liability of any kind, nature or description arising from the actions of the Authority or the actions undertaken pursuant to this Agreement, and the Zone 7 Agency

shall defend such members, officers or employees against any such claims, losses, damages, costs, injury and liability. Without limiting the generality of the foregoing, no member, officer or employee of the Authority or of any Member shall be personally liable on any Bonds or be subject to any personal liability or accountability by reason of the issuance of Bonds pursuant to the Act and this Agreement. To the full extent permitted by law, the Board shall provide for indemnification by the Authority of any person who is or was a member of the Board, or an officer, employee or other agent of the Authority, and who was or is a party or is threatened to be made a party to a proceeding by reason of the fact that such person is or was such a member of the Board, or an officer, employee or other agent of the Authority, against expenses, judgments, fines, settlements and other amounts actually and reasonably incurred in connection with such proceeding, if such person acted in good faith and in the course and scope of his or her office, employment or agency. In the case of a criminal proceeding, the Board may provide for indemnification and defense of a member of the Board, or an officer, employee or other agent of the Authority to the extent permitted by law.

NOTICES

Notices to the Zone 7 Agency hereunder shall be sufficient if delivered to the General Manager of the Zone 7 Agency, and notices to CSCDA hereunder shall be sufficient if delivered to the Executive Director of CSCDA.

SECTION HEADINGS

All section headings contained herein are for convenience of reference only and are not intended to define or limit the scope of any provision of this Agreement.

MISCELLANEOUS

This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Where reference is made to duties to be performed for the Authority by a public official or employee, such duties may be performed by that person's duly authorized deputy or assistant. Where reference is made to actions to be taken by CSCDA or the Zone 7 Agency, such action may be exercised through the officers, staff or employees of CSCDA or the Zone 7 Agency, as the case may be, in the manner provided by law.

The section and subsection headings herein are for convenience only and are not to be construed as modifying or governing the language in the section or subsection referred to.

This Agreement is made in the State of California, under the Constitution and laws of the state and is to be construed as a contract made and to be performed in the State of California.

This Agreement is the complete and exclusive statement of the agreement among the parties with respect to the subject matter hereof, which supersedes and merges all prior proposals, understandings, and other agreements, whether oral, written, or implied in conduct, between the parties relating to the subject matter of this Agreement..

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and attested by their proper officers thereunto duly authorized, as of the day and year first above written.

ALAMEDA COUNTY FLOOD
CONTROL AND WATER
CONSERVATION DISTRICT,
ZONE 7

By

President of the Board of Directors

Attest:

Board Secretary

CALIFORNIA STATEWIDE
COMMUNITIES DEVELOPMENT
AUTHORITY

By

Authorized Signatory