



REGULAR MEETING AGENDA

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

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

Telephonic Locations:

27788 Hidden Trail Road
Laguna Hills, CA 92653

247 Electric Street
Auburn, CA 95603

County of Kern
1115 Truxtun Avenue, Bakersfield, CA 93301

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 September 21, 2017 Meeting.
3. Consent Calendar.
4. Public Comment.

B. ITEMS FOR CONSIDERATION

5. Consideration of the issuance of revenue bonds or other obligations to finance or refinance the following projects, the execution and delivery of related documents, and other related actions:
 - a. Kings Canyon Affordable Housing, L.P. (Kings Canyon Apartments), City of Fresno, County of Fresno; issue up to \$28,000,000 in multifamily housing revenue bonds.

This ___ page agenda was posted at 1100 K Street, Sacramento, California on _____, 2017 at ___: ___m, Signed _____. Please email signed page to info@cscda.org

- 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.
- 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 such Assessment Districts.
- 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.

C. STAFF ANNOUNCEMENTS, REPORTS ON ACTIVITIES OR REQUESTS

- 8. Executive Director Update.
- 9. Staff Updates.
- 10. Adjourn.

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

CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY

CONSENT CALENDAR

1. 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.

October 5, 2017



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

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

September 21, 2017

MINUTES

Commission chair Dan Harrison called the meeting to order at 2:01 pm.

1 Roll Call.

Commission members present: Dan Harrison.

Commission members participating by conference telephone: Jordan Kaufman; Dan Mierzwa; and Alternate commissioner Brian Moura.

Others present: Catherine Bando, CSCDA Executive Director; Perry Stottlemeyer, League of California Cities; and James Hamill, Bridge Strategic Partners.

Others participating by conference telephone: Laura Labanieh, CSAC Finance Corporation; Tricia Ortiz, Richards Watson Gershon; and Patricia Eichar, Orrick Herrington Sutcliffe.

2 Approval of the minutes of the September 7, 2017 regular meeting.

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

3 Approval of consent calendar:

a Induce Santee Affordable Communities, LP (Carlton Country Club Villas), City of Santee, County of San Diego; issue up to \$60 million in multi-family housing revenue bonds.

b Consideration of amendment to PACE Funding service agreement.

This amendment is similar to the amendment approved for Renew Financial, in that once a Riverside County city joins the Open PACE program, PACE Funding will be required to transition that city over from the Riverside program.

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

4 Public comment.

None.

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

- a Front Porch Communities and Services, County of San Diego; issue up to \$21.5 million in nonprofit revenue and refunding bonds.

Executive Director Bando explained that this project is for the financing of capital improvement projects located at the Wesley Palms facility in San Diego. The 23-year fixed rate unrated bonds will be placed directly with BBVA Compass Mortgage Corporation.

Bando indicated that this project complies with CSCDA's general and issuance policies, and recommends approval of the project.

Motion to approve Executive Director Bando's recommendation by Mierzwa; second by Kaufman; unanimously approved by roll-call vote.

- b San Francisco Museum of Modern Art, City and County of San Francisco; issue up to \$30 million in nonprofit revenue bonds.

Executive Director Bando explained that this project is for the acquisition of a parking garage and make other capital improvements to enhance its new facilities. The 10-year fixed rate unrated bonds will be privately placed.

Bando indicated that the financing complies with CSCDA's general and issuance policies and she recommends approval.

Motion to approve Executive Director Bando's recommendation by Kaufman; second by Moura; unanimously approved by roll-call vote.

- 6 Approve the following resolutions to initiate proceedings to form multiple Statewide Community Infrastructure Program (SCIP) Assessment Districts:

- a. Resolutions of intention to finance the payment of capital improvements and/or development impact fees, including approval of proposed boundary maps.
- b. Resolutions preliminarily approving the engineer's reports, setting the public hearing of protests for November 16, 2017 and providing property owner ballots.

Executive Director Bando explained that these are the initial steps required to form three new districts that are too small to create individually, but which are viable with the SCIP program: (i) County of Yuba; (ii) City of Sacramento; and (iii) County of Sacramento. CSCDA staff and the SCIP finance team have reviewed the preliminary engineer's reports, and confirmed the impact fees and public improvements requesting to be financed qualify under the SCIP program.

The resolutions before the Commission today achieve the following: (i) intent to finance the capital improvements and/or development impact fees, including approval of personal boundary maps; (ii) preliminarily approve the engineer's reports; and (iii) sets the public hearing of protests and provides

property owner ballots for November 16, 2017 at 2:00 pm at the California State Association of Counties.

Bando indicated that all six resolutions can be adopted through a single action, and she recommends approval.

Commissioner Mierzwa indicated he wanted to ensure that he needs to recuse himself from this item because it involves Yuba County. However, if he were to do so, General Counsel Tricia Ortiz noted that there would be no quorum. Ortiz noted that Mierzwa may recuse himself for appearance sake, but is not required to do so because of conflict of interest. Chairman Harrison asked whether a delay on this item would be workable, but it was determined there would be insufficient time to proceed should the vote be delayed until the next meeting. After this discussion, Commissioner Mierzwa decided that he would participate in the vote.

Motion to approve Executive Director Bando's recommendation by Moura; second by Kaufman; unanimously approved by roll-call vote.

7 Executive Director update.

Executive Director Bando indicated that last week she and James participated in the Expo at the League's Annual Conference. She indicated it was very beneficial in terms of networking, especially relating to PACE. Also, she joined CSCAC Finance Corporation in Santa Barbara on Thursday and Friday and presented great results to them.

Finally, she indicated plans are being made for CSCDA's annual meeting in January. A notice will be distributed.

8 Staff updates.

James Hamill gave two quick updates: (1) regarding PACE, two bills were approved late last week (AB-1284 and SB-242); and (2) he expressed thanks to the Commissioners for taking the time today since it was tight for quorum.

9 Chair Dan Harrison adjourned the meeting at 2:19 pm.

Submitted by: Perry Stottlemeyer, League of California Cities staff

*The next regular meeting of the commission is scheduled for
Thursday, October 5, at 2:00 pm
in the League of California Cities' office at 1400 K Street, 3rd Floor, Sacramento, California.*

RESOLUTION NO. 17H-__

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

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

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

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

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

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

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

WHEREAS, Chapter 11.8 of Division 1 of Title 2 of the California Government Code governs the allocation of the state ceiling among governmental units in the State of California having the authority to issue private activity bonds; and

WHEREAS, Section 8869.85 of the California Government Code requires a local agency desiring an allocation of the state ceiling to file an application with the California Debt Limit Allocation Committee (the "Committee") for such allocation, and the Committee has certain policies that are to be satisfied in connection with any such application;

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

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

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

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

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

PASSED AND ADOPTED by the California Statewide Communities Development Authority this October 5, 2017.

The undersigned, an Authorized Signatory of the California Statewide Communities Development Authority, DOES HEREBY CERTIFY that the foregoing resolution was duly adopted by the Commission of said Authority at a duly called meeting of the Commission of said Authority held in accordance with law on October 5, 2017.

By: _____
Authorized Signatory

EXHIBIT A

Project Name	Project Location	Project Description (units)	New Construction/ Acquisition and Rehabilitation	Legal Name of initial owner/operator	Bond Amount
Vintage at Napa Senior Apartments	City of Napa, County of Napa	115	Acquisition and Rehabilitation	Vintage Housing Development, Inc.	\$25,000,000



Agenda Item No. 5a

Agenda Report

DATE: October 5, 2017

TO: CSCDA COMMISSIONERS

FROM: Cathy Bando, Executive Director

PROJECT: Kings Canyon Apartments

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

AMOUNT: Not to Exceed \$28,000,000

EXECUTIVE SUMMARY:

Kings Canyon Apartments (the “Project”) is the new construction of a 135-unit rental housing project located in the City of Fresno. 100% of the units will be rent restricted for low-income tenants.

PROJECT DESCRIPTION:

- Construction of 135-unit affordable rental housing facility located in the City of Fresno.
- Consists of 65 one-bedroom units, 36 two-bedroom units and 34 three-bedroom units. One of the two bedroom units will be a manager’s unit.

PROJECT ANALYSIS:

Background on Applicant:

Enriching and improving the lives of farm worker and Latino families by meeting their essential human, cultural and community needs is the mission of the Cesar Chavez Foundation (the “Chavez Foundation”). The Chavez Foundation, a 501(c) 3 non-profit organization, builds and renovates high quality, well-maintained multi-family apartment properties and single-family homes to make safe, amenity-rich affordable housing available to low-income working families and seniors. More than 4,300 rental units and 300 single-family homes have been developed for low-income residents in California, Arizona, New Mexico and Texas. The Chavez Foundation is also dedicated to creating healthy and secure communities. This is the Chavez Foundation’s fourth financing with CSCDA.

Public Agency Approval:

TEFRA Hearing: March 16, 2017 – City of Fresno – unanimous approval

CDLAC Approval: May 17, 2017

Public Benefits:

- 100% of the units will be rent restricted for 55 years.
 - 64 units restricted to 60% or less of area median income households.
 - 70 units restricted to 50% or less of area median income households.
 - 1 manager's unit.
- The Project is in close proximity to recreational facilities, grocery stores and public K-12 schools.

Sources and Uses:

Sources of Funds:

Tax-Exempt Bonds:	\$ 25,000,000
Taxable Loan:	\$ 3,000,000
Affordable Housing & Sustainable Communities (AHSC):	\$ 715,672
Tax Credits:	\$ 2,716,051
City of Fresno Land Donation:	\$ 904,000
City Fee Waivers:	\$ 635,619
Total Sources:	\$ 32,971,342

Uses of Funds:

Acquisition:	\$ 941,120
Construction Costs:	\$ 24,473,164
Architecture/Permits:	\$ 2,861,879
Misc. Fees:	\$ 215,402
Loan/Financing Fees:	\$ 2,354,160
Development Fee:	\$ 400,000
Reserve:	\$ 387,294
Contingency:	\$ 622,651
Cost of Issuance:	\$ 715,672
Total Uses:	\$ 32,971,342

Finance Partners:

Bond Counsel: Kutak Rock, Omaha

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

Private Placement Purchaser: Bank of the West

Finance Terms:

Rating: Unrated
Term: 35 years at a fixed interest rate
Structure: Private Placement
Closing: November 13, 2017

CSCDA Policy Compliance:

The financing of Kings Canyon Apartments complies with CSCDA's general and issuance policies for unrated debt.

DOCUMENTS: (as attachments)

1. CSCDA Resolution (Attachment A)

COMMISSION ACTION RECOMMENDED BY THE EXECUTIVE DIRECTOR:

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_____

A RESOLUTION OF THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY AUTHORIZING THE ISSUANCE AND DELIVERY OF A MULTIFAMILY HOUSING REVENUE NOTE IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$28,000,000 FOR THE FINANCING OF A MULTIFAMILY RENTAL HOUSING PROJECT TO BE KNOWN AS KINGS CANYON APARTMENTS, AND APPROVING THE EXECUTION AND DELIVERY OF DOCUMENTS AND OTHER MATTERS RELATED THERETO.

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

WHEREAS, Kings Canyon Affordable Housing, L.P., a California limited partnership (the “Borrower”), has requested that the Authority issue and sell revenue notes or bonds to assist in the financing of the acquisition, construction and equipping of a 135-unit multifamily housing development located at 5070 East Kings Canyon Road in the City of Fresno, California (the “City”), to be known as Kings Canyon Apartments (the “Project”);

WHEREAS, during a meeting held on May 17, 2017, the California Debt Limit Allocation Committee (“CDLAC”) adopted its Resolution No. 17-39 transferring an aggregate of \$5,676,253 of State of California qualified private activity bond authority for 2014 and \$19,323,747 of State of California qualified private activity bond authority for 2016 (such combined allocation of \$25,000,000, the “Tax-Exempt Allocation Amount”) to the Authority for use in connection with the financing of the Project;

WHEREAS, the City is a Program Participant (as defined in the Agreement) of the Authority, and on March 24, 2017, following the conduct by it of a public hearing on the financing of the Project, the City Council of the City adopted Resolution No. 2017-74 approving the issuance by the Authority of tax-exempt obligations for the Project for purposes of Section 147(f) of the Internal Revenue Code of 1986, as amended;

WHEREAS, the Authority is willing to issue not to exceed \$25,000,000 aggregate principal amount of its California Statewide Communities Development Authority Multifamily Housing Revenue Note (Kings Canyon Apartments) 2017 Series JJ-1 and JJ-2 in one or more tax exempt series, and not to exceed \$3,000,000 aggregate principal amount

of its California Statewide Communities Development Authority Multifamily Housing Revenue Taxable Note (Kings Canyon Apartments) 2017 Series JJ-T designated as construction, construction/permanent or otherwise and to loan the proceeds of the Note to the Borrower to assist in providing financing for the Project, which will allow the Borrower to reduce the cost of the Project and assist in providing housing for low income persons;

WHEREAS, there have been prepared and made available to the Commissioners of the Authority the following documents required for the issuance of the Note, and such documents are now in substantially final form and appropriate instruments to be executed and delivered for the purposes intended:

(1) Funding Loan Agreement (the “Funding Loan Agreement”), to be entered into by the Authority and Bank of the West, as funding lender (the “Funding Lender”), providing for the issuance of the Note;

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

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

NOW, THEREFORE, BE IT RESOLVED by the members of the Commission of the Authority (the “Commission”), as follows:

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

Section 2. Pursuant to the JPA Law and the Funding Loan Agreement, and in accordance with the Housing Law, the Authority is hereby authorized to issue the Note in one or more series. The Note shall be designated collectively as “California Statewide Communities Development Authority Multifamily Housing Revenue Note (Kings Canyon Apartments) 2017 Series JJ-1 and JJ-2” (the “Tax-Exempt Note”) and “California Statewide Communities Development Authority Multifamily Housing Revenue Taxable Note (Kings Canyon Apartments) 2017 Series JJ-T (the “Taxable Note” and together with the Tax-Exempt Note, the “Note”) with appropriate modifications and series and sub-series designations, as construction, construction/permanent or otherwise, as necessary, in an aggregate principal amount not to exceed: in the case of the Tax-Exempt Note, the Tax-Exempt Allocation Amount; and in the case of the Taxable Note, \$3,000,000 (the “Taxable Maximum Amount”). The Note shall be issued in the form or forms set forth in and otherwise in accordance with the Funding Loan Agreement, and shall be executed on behalf of the Authority by the manual signature of the Chair of the Authority or the manual signature of any Authorized Signatory (as defined below), and attested by the manual or facsimile signature of the Secretary of the Authority, or the manual or facsimile signature of any Authorized Signatory. The Note shall be issued and secured in accordance with the terms of the Funding Loan Agreement presented to this meeting, as it may be modified as described in Section 3 below. Payment of the principal of, redemption premium, if any, and interest on, the Note shall be made

solely from the sources specifically pledged therefor in the Funding Loan Agreement, and the Note shall not be deemed to constitute a debt or liability of the Authority (except to the limited extent set forth in the Funding Loan Agreement), or a debt or liability of any Program Participant or member of the Authority.

Section 3. The Funding Loan Agreement in the form presented at this meeting is hereby approved. Any member of the Commission of the Authority (each, a “Member”), or any other person as may be designated and authorized to sign for the Authority pursuant to a resolution adopted thereby (including, without limitation, the administrative delegates duly authorized pursuant to Resolution No. 17R-4 of the Authority, adopted on March 2, 2017) (together with the Members, each such person is referred to herein individually as an “Authorized Signatory”), acting alone, is authorized to execute by manual signature and to deliver the Funding Loan Agreement, with such changes thereto and insertions therein as may be necessary to cause the same to carry out the intent of this Resolution and as are approved by counsel to the Authority, such approval to be conclusively evidenced by the delivery by the Authority of the Funding Loan Agreement. The date, maturity date or dates (which shall not extend beyond September 1, 2057), interest rate or rates (which shall not exceed 12%), interest payment dates, denominations, purchase price form, registration privileges, manner of execution, place of payment, terms of redemption and other terms of the Note shall be as provided in the Funding Loan Agreement as finally delivered by the Authority.

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

Section 5. The Authority is hereby authorized to sell the Note to the Funding Lender pursuant to the terms and conditions of the Funding Loan Agreement.

Section 6. The Regulatory Agreement in the form presented at this meeting is hereby approved. Any Authorized Signatory, acting alone, is authorized to execute by manual signature and deliver the Regulatory Agreement, with such changes thereto and insertions therein as may be necessary to cause the same to carry out the intent of this Resolution and as are approved by counsel to the Authority, such approval to be conclusively evidenced by the delivery by the Authority of the Regulatory Agreement.

Section 7. The Note, in the form set forth in the Funding Loan Agreement shall, when executed, be delivered to the Funding Lender in exchange for payment of the initial purchase price thereof. The outstanding principal amount, up to: (i) in the case of Tax-Exempt Note, the Tax-Exempt Allocation Amount; and

(ii) in the case of the Taxable Note, the Taxable Maximum Amount, shall increase with each funding disbursement from the Funding Lender.

Section 8. All actions heretofore taken by the officers and agents of the Authority with respect to the financing of the Project and the sale and issuance of the Note are hereby approved, ratified and confirmed, and any Authorized Signatory, acting alone, is hereby authorized and directed, for and in the name and on behalf of the Authority, to do any and all things and take any and all actions and execute and deliver any and all certificates, agreements and other documents, including but not limited to a tax certificate, a subordination or intercreditor agreement, any endorsement and/or assignment of the deed of trust securing the repayment of the loan under the Borrower Loan Agreement and such other documents as described in the Funding Loan Agreement, the Regulatory Agreement and the other documents herein approved, which they, or any of them, may deem necessary or advisable in order to consummate the lawful issuance and delivery of the Note and to effectuate the purposes thereof and of the documents herein approved in accordance with this Resolution and resolutions heretofore adopted by the Authority and otherwise in order to carry out the financing of the Project.

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

Section 10. This Resolution shall take effect upon its adoption.

PASSED AND ADOPTED by the California Statewide Communities Development Authority this October 5, 2017.

The undersigned, an Authorized Signatory of the California Statewide Communities Development Authority, DOES HEREBY CERTIFY that the foregoing Resolution was duly adopted by the Commission of the Authority at a duly called regular meeting of the Commission of the Authority held in accordance with law on October 5, 2017.

By

Authorized Signatory



Agenda Item No. 5b

Agenda Report

DATE: October 5, 2017

TO: CSCDA COMMISSIONERS

FROM: Cathy Bando, Executive Director

PROJECT: Park Glenn Senior Apartments

PURPOSE: Approve the Financing of Rental Affordable Housing Project Located in the City of Camarillo, County of Ventura

AMOUNT: Not to Exceed \$3,500,000

EXECUTIVE SUMMARY:

Park Glenn Senior Apartments (the “Project”) is an acquisition and rehabilitation of an 18-unit rental affordable housing project located in the City of Camarillo. 100% of the units will remain rent restricted for low-income senior tenants.

PROJECT DESCRIPTION:

- Acquisition and rehabilitation of 18-unit affordable rental housing facility located at 200 South Glenn Drive in the City of Camarillo.
- 0.63 acre site.
- 4 two-story wood frame buildings.
- Consists of 18 one-bedroom units.

PROJECT ANALYSIS:

Background on Applicant:

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

exemplify a true focus on quality and building community. KDF has financed more than 20 prior affordable housing projects with CSCDA.

Public Agency Approval:

TEFRA Hearing: January 11, 2017 – City of Camarillo – unanimous approval

CDLAC Approval: September 20, 2017

Public Benefits:

- 100% of the units will be rent restricted for 55 years.
 - 89% (16 units) restricted to 60% or less of area median income households.
 - 11% (2 units) restricted to 50% or less of area median income households.
- The Project is in close proximity to parks, grocery stores, and other shopping.

Sources and Uses:

Sources of Funds:

Tax-Exempt Bonds:	\$ 2,500,000
Tax Credits:	\$ 449,963
Seller Carry-Back Loan:	\$ 1,575,000
Reserves/Income:	\$ 91,713
Total Sources:	\$ 4,616,757

Uses of Funds:

Acquisition:	\$ 3,200,000
Construction Costs:	\$ 603,459
Consultant Fees:	\$ 100,000
Interest Expense:	\$ 186,375
Cost of Issuance:	\$ 197,263
Soft Costs:	\$ 329,658
Total Uses:	\$ 4,616,757

Finance Partners:

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

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

Private Placement Purchaser: R4 Capital Funding, LLC

Finance Terms:

Rating: Unrated
Term: 35 years at a fixed interest rate
Structure: Private Placement
Closing: October 15, 2017

CSCDA Policy Compliance:

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

DOCUMENTS: (as attachments)

1. CSCDA Resolution (Attachment A)

COMMISSION ACTION RECOMMENDED BY THE EXECUTIVE DIRECTOR:

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

ATTACHMENT A

RESOLUTION NO. _____

A RESOLUTION OF THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY AUTHORIZING THE ISSUANCE AND DELIVERY OF MULTIFAMILY HOUSING REVENUE BONDS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$3,500,000 FOR THE FINANCING OF A MULTIFAMILY RENTAL HOUSING PROJECT GENERALLY KNOWN AS PARK GLENN SENIOR APARTMENTS; DETERMINING AND PRESCRIBING CERTAIN MATTERS AND APPROVING AND AUTHORIZING THE EXECUTION OF AND DELIVERY OF VARIOUS DOCUMENTS RELATED THERETO; RATIFYING ANY ACTION HERETOFORE TAKEN AND APPROVING RELATED MATTERS IN CONNECTION WITH THE BONDS

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

WHEREAS, Park Glenn Seniors 2017 LP, a California limited partnership, and entities related thereto (collectively, the “Borrower”), has requested that the Authority issue and sell revenue bonds to assist in the financing of the acquisition, rehabilitation and development of a 18-unit multifamily rental housing development for seniors located in the City of Camarillo (the “City”), County of Ventura, California, and known as Park Glenn Senior Apartments (the “Project”);

WHEREAS, the Authority received an allocation in the amount of \$2,500,000 (the “Allocation Amount”), on September 20, 2017, from the California Debt Limit Allocation Committee (“CDLAC”) in connection with the Project;

WHEREAS, the City is a Program Participant (as defined in the Agreement) of the Authority and has authorized the issuance of the Bonds;

WHEREAS, the Authority is willing to issue not to exceed \$3,500,000 aggregate principal amount of its Multifamily Housing Revenue Bonds (Park Glenn Senior Apartments) 2017 Series T-1 and its Multifamily Housing Revenue Bonds (Park Glenn Senior Apartments) 2017 Series T-2 (collectively the “Bonds”), provided that the aggregate portion of such Bonds issued as federally tax-exempt obligations shall not exceed the Allocation Amount, and loan the

proceeds thereof to the Borrower to assist in providing financing for the Project, which will allow the Borrower to reduce the cost of the Project and to assist in providing housing for low income persons;

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

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

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

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

(4) Bond Purchase Agreement (the “Purchase Agreement”), to be entered into among the Authority, the Borrower, and FMSbonds, Inc., as underwriter of the Bonds (the “Underwriter”).

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

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

Section 2. Pursuant to the JPA Law and the Indenture, and in accordance with the Housing Law, the Authority is hereby authorized to issue one or more series of Bonds. The Bonds shall be designated as “California Statewide Communities Development Authority Multifamily Housing Revenue Bonds (Park Glenn Senior Apartments) 2017 Series T-1” and “California Statewide Communities Development Authority Multifamily Housing Revenue Bonds (Park Glenn Senior Apartments) 2017 Series T-2” with appropriate modifications and series and sub-series designations as necessary, in an aggregate principal amount not to exceed \$3,500,000; provided that the aggregate principal amount of any tax-exempt Bonds issued shall not exceed the Allocation Amount. The Bonds shall be issued in the form set forth in and otherwise in accordance with the Indenture, and shall be executed on behalf of the Authority by the facsimile signature of the Chair of the Authority or the manual signature of any Authorized Signatory (as defined below), and attested by the facsimile signature of the Secretary of the Authority, or the manual signature of any Authorized Signatory. The Bonds shall be issued and secured in accordance with the terms of the Indenture, presented to this meeting, as hereinafter approved. Payment of the principal and purchase price of, and redemption premium, if any, and interest on, the Bonds shall be made solely from amounts pledged thereto under the Indenture, and the Bonds shall not be deemed to constitute a debt or liability of the Authority or any Program Participant or any Member of the Commission of the Authority (each, a “Member”).

Section 3. The Indenture in the form presented at this meeting is hereby approved. Any Member, or any other person as may be designated and authorized to sign for the Authority pursuant to a resolution adopted thereby (including, without limitation, the administrative delegates duly authorized pursuant to Resolution No. 17R-4 of the Authority, adopted on March 2, 2017) (together with the Members, each such person is referred to herein individually as an "Authorized Signatory"), acting alone, is authorized to execute by manual signature and deliver the Indenture, with such changes and insertions therein as may be necessary to cause the same to carry out the intent of this Resolution and as are approved by counsel to the Authority, such approval to be conclusively evidenced by the delivery thereof. The date, maturity date or dates (which shall not extend beyond August 1, 2062), interest rate or rates (which shall not exceed 12%), interest payment dates, denominations, form, registration privileges, manner of execution, place of payment, terms of redemption and other terms of the Bonds shall be as provided in the Indenture as finally executed.

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

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

Section 6. The Authority is hereby authorized to sell the Bonds to the Underwriter pursuant to the terms and conditions of the Purchase Agreement. The form, terms and provisions of the Purchase Agreement in the form presented at this meeting are hereby approved. Any Authorized Signatory, acting alone, is authorized to execute by manual signature and deliver the Purchase Agreement with such changes and insertions therein as may be necessary to cause the same to carry out the intent of this Resolution and as are hereby approved by counsel to the Authority, such approval to be conclusively evidenced by the delivery thereof.

Section 7. The Bonds, when executed, shall be delivered to the Trustee for authentication. The Trustee is hereby requested and directed to authenticate the Bonds by executing the certificate of authentication of the Trustee appearing thereon, and to deliver the Bonds, when duly executed and authenticated, to or at the direction of the Underwriter, in accordance with written instructions executed and delivered on behalf of the Authority by an Authorized Signatory, which any Authorized Signatory, acting alone, is hereby authorized and directed to execute and deliver such instructions to the Trustee. Such instructions shall provide for the delivery of the Bonds to or at the direction of the Underwriter in accordance with the Purchase Agreement upon payment of the purchase price thereof.

Section 8. All actions heretofore taken by the officers and agents of the Authority with respect to the financing of the Project and the sale and issuance of the Bonds are hereby approved, ratified and confirmed, and any Authorized Signatory, acting alone, is hereby authorized and directed, for and in the name and on behalf of the Authority, to do any and all

things and take any and all actions and execute and deliver any and all certificates, agreements and other documents, including but not limited to a tax certificate, a subordination or intercreditor agreement, any endorsement and/or assignment of the deed of trust and such other documents as described in the Indenture, the Purchase Agreement, and the other documents herein approved, which they, or any of them, may deem necessary or advisable in order to consummate the lawful issuance and delivery of the Bonds and to effectuate the purposes thereof and of the documents herein approved in accordance with this resolution and resolutions heretofore adopted by the Authority and otherwise in order to carry out the financing of the Project.

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

This Resolution shall take effect upon its adoption.

PASSED AND ADOPTED by the California Statewide Communities Development Authority this 5th 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 Authority at a duly called meeting of the Commission of the Authority held in accordance with law on October 5, 2017.

By: _____
Authorized Signatory

Agenda Item No. 7

Agenda Report

DATE: October 5, 2017

TO: CSCDA COMMISSIONERS

FROM: Cathy Bando, Executive Director

PURPOSE: 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

SUMMARY:

CSCDA previously issued CaliforniaFIRST Limited Obligation Improvement Commercial PACE Bonds Series 2016-NR3 (the “Bonds”) for an office building in the City of Irvine. The following is a summary of the transaction and request:

- The Bonds are payable from contractual assessment installments paid by Von Karman, L.P., the then-owner of the property for the purpose of financing qualified clean energy projects.
- Section 4.05(E) of the Trust Indenture provided for the funding and use of a reserve fund, and it further provided for a reduction in the amount required to be held in the reserve fund if at least 90% of the condominium units in the property were sold to unrelated to third parties (the “Sales Trigger”).
- Upon such a reduction, the use of monies in the reserve fund were to reduce the amount of the contractual assessment and a corresponding redemption of the Bonds.
- The Sales Trigger has been met, and the current owners of the property, which consists of Von Karmen L.P. and the owners of certain condominium units in the property, are requesting CSCDA to amend the indenture and the assessment contract to provide for the release of funds held in the reserve fund for the purpose of paying or reimbursing the property owners for payment of contractual assessment installments levied in tax year 2017-18.
- The owner of the Bonds have waived and agreed to the request.

Bond counsel has confirmed this is a proper and allowed amendment to the indenture and assessment contract.

RECOMMENDED ACTION:

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.

ATTACHMENT A

RESOLUTION NO. _____

**A RESOLUTION AUTHORIZING EXECUTION AND DELIVERY OF
AMENDMENT NO. 1 TO ASSESSMENT CONTRACT AND
SECOND AMENDMENT TO INDENTURE RELATED TO
OUTSTANDING CALIFORNIA STATEWIDE COMMUNITIES
DEVELOPMENT AUTHORITY, CALIFORNIA FIRST LIMITED
OBLIGATION IMPROVEMENT BONDS, SERIES 2016-NR3 AND
APPROVING AND DIRECTING RELATED DOCUMENTS AND
ACTIONS**

ALL COVERED JURISDICTIONS

WHEREAS, the California Statewide Communities Development Authority (the “**Authority**”) established the CaliforniaFIRST program under the authority granted to the Authority pursuant to Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (beginning with Section 6500) in accordance with Chapter 29 of Part 3 of Division 7 of the Streets and Highways Code of the State of California (beginning with Section 5898.10) (“Chapter 29”); and

WHEREAS, the Authority previously issued its California Statewide Communities Development Authority CaliforniaFIRST Limited Obligation Improvement Bonds Series 2016-NR3 (the “Bonds”) issued pursuant to an Indenture, dated as of October 11, 2016, by and between the Authority and Wilmington Trust, National Association (the “Trustee”) as previously amended by a First Amendment to Indenture, dated as of February 1, 2017 (the “Original Indenture”); and

WHEREAS, the Bonds are payable from contractual assessment installments payable pursuant to an Agreement to Pay Assessment and Finance Improvements, dated October 3, 2016 (the “Assessment Contract”), by and between the Authority and Pres-4340 Von Karman, L.P., a California limited partnership (the “Original Property Owner”), the then-owner of the fee title to the real property identified on Exhibit A to the Assessment Contract (the “Property”), for the purpose of financing qualified clean energy projects on the Property (as defined in the Assessment Contract); and

WHEREAS, Section 4.05(E) of the Original Indenture provided for the funding and use of a Reserve Fund, and it further provided for a reduction in the amount required to be held in the Reserve Fund if at least 90% of the condominium units in the Property were sold to unrelated to third parties (the “Sales Trigger”), and, upon a reduction, the use of moneys in the Reserve Fund to reduce the amount of the contractual assessment under the Assessment Contract and a corresponding redemption of the Bonds; and

WHEREAS, the Sales Trigger has been met, and the current owners of the Property (the "Property Owners"), which consist of the Original Property Owner and the owners of the condominium units in the Property, have asked the Authority and the Trustee to amend the Indenture and the Assessment Contract to provide for the release of funds held in the Reserve Fund for the purpose of paying or reimbursing the Property Owners for payment of contractual assessment installments levied in tax year 2017-18; and

WHEREAS, the owner of the Bonds has waived the otherwise applicable provisions of Section 8.02 of the Indenture relating to amendment of the Indenture, including the written notice and opinion of Bond Counsel; and

WHEREAS, the Commission has been presented with a form of an amendment to the Indenture ("Amendment No. 2 to the Indenture") and a form of an amendment to the Assessment Contract ("Amendment No. 1 to the Assessment Contract"; together with Amendment No. 2 to the Indenture, the "Amendments"), and wishes to authorize execution and delivery of the Amendments, subject to the Authority receiving prior written approval from the owner of the Bonds;

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

1. The Commission hereby approves the Amendments in substantially the form on file with the Secretary, together with any changes therein or additions thereto approved by an Authorized Signatory of the Authority (as designated by a current resolution of the Commission), and the execution thereof by an Authorized Signatory shall be conclusive evidence of the approval of any such changes or additions. The Commission hereby authorizes and directs an Authorized Signatory to execute the final form of the Amendments for and in the name of the Authority, subject to the Authority receiving prior written approval from the related owner of the Bonds. The Commission hereby authorizes the delivery and performance of the Indenture and the Assessment Contract as amended by the Amendments.

2. Each Authorized Signatory of the Authority is hereby authorized and directed, for and in the name and on behalf of the Authority, to do any and all other things and take any and all other actions, that they, or any of them, may deem necessary or advisable in order to consummate the execution and delivery of the Amendments and any of the other transactions contemplated by the Amendments.

3. This resolution shall take effect from and after its adoption.

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

By: _____
Authorized Signatory
California Statewide
Communities Development
Authority



CSCDC
CALIFORNIA STATEWIDE COMMUNITIES
DEVELOPMENT CORPORATION



MEETING AGENDA

October 5, 2017

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

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

Telephonic Locations:

27788 Hidden Trail Road
Laguna Hills, CA 92653

247 Electric Street
Auburn, CA 95603

County of Kern
1115 Truxtun Avenue, Bakersfield, CA 93301

A. OPENING AND PROCEDURAL ITEMS

1. Roll Call.

_____ Dan Harrison, President	_____ Jordan Kaufman, Member
_____ Larry Combs, Vice President	_____ Dan Mierzwa, Member
_____ Kevin O'Rourke, Treasurer	_____ Irwin Bornstein, Member
_____ Tim Snellings, Secretary	_____ Brian Moura, Alt. Member

2. Consideration of the minutes of the August 17, 2017 Meeting.

3. Public Comment.

B. ITEMS FOR CONSIDERATION

4. Approve all necessary actions; the execution and delivery of all necessary documents; and authorize any signatory to sign all necessary documents in connection with the following:

- a. Approve the making of up to \$16,500,000 in qualified low income community investments by CSCDC 12 LLC to LifeLong Medical Care, City of Richmond, County of Contra Costa, California.

This ___ page agenda was posted at 1100 K Street, Sacramento, California on _____, 2017 at ___: ___m, Signed _____. Please email signed page to info@cscda.org

C. ANNOUNCEMENTS, REPORTS ON ACTIVITIES OR REQUESTS

5. Executive Director Update.
6. Staff Updates.
7. Adjourn.



MINUTES

REGULAR MEETING OF THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT CORPORATION

August 17, 2017

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

Commission Chair Dan Harrison called the meeting to order at 2:40 pm.

1. Roll Call.

Commission members present: Dan Harrison

Commission members participating via teleconference: Larry Combs, Jordan Kaufman, Dan Mierzwa and Brian Moura

Others present: Cathy Bando, CSCDA Executive Director; Jon Penkower, Bridge Strategic Partners; James Hamill, Bridge Strategic Partners; Justin Cooper, Orrick, Herrington & Sutcliffe; Laura Labanieh; CSAC Finance Corporation and Sendy Young, CSAC Finance Corporation

Others participating via teleconference: Tricia Ortiz, Richards, Watson & Gershon; Meagan Singer, Orrick, Herrington & Sutcliffe.

2. Consideration of the Minutes of the August 3, 2017 Regular Meeting.

The Commission approved the minutes.

Motion to approve by D. Mierzwa. Second by J. Kaufman. Unanimously approved by roll-call vote.

2. Public Comment.

There was no public comment.

3. Approve all necessary actions; the execution and delivery of all necessary documents; and authorize any signatory to sign all necessary documents in connection with the following:

- a. Approve the making of up to \$12,000,000 in qualified low income community investments by CSCDC 10 LLC to Livingston Community Health, City of Livingston, California.

The Executive Director recommended approval of the making of up to \$12,000,000 in Qualified Low Income Community Investments.

Motion to approve by D. Mierzwa. Second by B. Moura. Unanimously approved by roll-call vote.

4. Executive Director Update

There was no Executive Director update.

5. Staff Updates.

Jon Penkower announced that the first project, L.A. Prep South, New Markets Tax Credit project closed yesterday. The Lao Project will close at the end of the month. The Livingston Community Health project will close in September. The LifeLong Health Project will close in October. The last project in Watts will close in early 2018.

6. Adjourn.

The meeting was adjourned at 2:45 pm.

Submitted by: Sendy Young, CSAC Finance Corporation

Agenda Report

DATE: October 5, 2017

TO: CSCDC BOARD OF DIRECTORS

FROM: Cathy Bando, Executive Director

PURPOSE: Approve the Making of up to \$16,500,000 in Qualified Low Income Community Investments by CSCDC 12 LLC to LifeLong Medical Care, City of Richmond, California

BACKGROUND:

LifeLong Medical Care (LifeLong), a Federally Qualified Health Center (FQHC), was formed in 1996 as a merger between two Berkeley clinics: Over 60 Health Center and Berkeley Primary Care. The Over 60 Health Center began in 1976 as an outgrowth of the Gray Panthers, a senior citizens' advocacy organization that sought access to affordable care for low income senior citizens living in greater Berkeley. In 1989, Berkeley Primary Care was created in response to the closing of Herrick Hospital and a lack of prenatal care for low-income women.

LifeLong currently provides quality healthcare and social services to underserved people, regardless of ability to pay, at over 20 locations throughout the Bay Area, including Berkeley, Oakland, Richmond, San Pablo, Pinole, and Rodeo. Within Richmond and Berkeley, LifeLong is the major provider of services to the low-income population and the only provider of services to low-income uninsured residents.

PROJECT OVERVIEW:

LifeLong has requested that CSCDC provide \$16,500,000 in New Markets Tax Credit (NMTC) allocation for its new Richmond replacement primary medical care facility (the "Project"). LifeLong currently operates a clinic at 150 Harbour Way in Richmond out of two modular buildings, and two additional clinics within two miles of the Harbour Way property, both of which are small and inadequate to meet patient demand.

The Project will be the new construction of a three-story, 34,784 sq. ft. clinic on a 0.58 acre parcel. This new building will replace the existing three small Richmond clinics with a permanent health center for all of LifeLong's Richmond operations. The site will offer primary care, behavioral health services, dental care, and urgent care services, with lab, imaging and a broad array of wellness services – including yoga, smoking cessation, music and art groups, and stress management classes. Urgent care services are especially needed after the only local hospital closed in 2015. In addition, there are no safety net dental services in Richmond. The NMTC subsidy will allow LifeLong to add space for these urgent care and dental services to its clinic expansion.

LifeLong currently serves 11,000 Richmond residents, 5,600 of whom are served in the existing Richmond health centers; the remainder travel to LifeLong’s health center in San Pablo, an adjacent community to the north. LifeLong’s service area is home to 84,000 residents, 37,000 of whom live below 200% of the Federal Poverty Level. LifeLong estimates that annual patient volume will grow to 6,800 medical patients, 5,400 dental patients and 13,014 urgent care patients by 2023, who will be cared for through 44,000 patient visits annually. Half of the urgent care patients are expected to be existing LifeLong medical patients.

COMMUNITY OUTCOMES:

- Job Creation: The Project is expected to result in 120 construction jobs, 27 new permanent FTE jobs and 30 retained FTE jobs.
- Quality Jobs: Of the 27 new permanent FTE jobs, 100% are expected to be quality jobs. All of the new permanent jobs, which include physicians, behavioral health professionals, dentists, and support and administrative staff, will pay a living wage and offer health insurance, retirement benefits, and job training.
- Accessible Jobs: Based on information provided by LifeLong and the general contractor, approximately 50% of the construction jobs created by the Project are expected to be held by low-income persons or residents of the surrounding low-income community.
- Community Goods or Services to Low-Income Communities: The Project will allow LifeLong to provide important primary care, dental, behavioral health, and urgent care services to approximately 25,000 individuals annually, an increase of approximately 19,000 patients beyond their current levels, through 44,000 patient visits per year. Approximately 90% of LifeLong’s patients are low-income individuals.
- Environmental Sustainability: The design of the Project incorporates solar roof panels.
- Community Involvement: The City of Richmond as well as other local health safety net providers have been highly supportive of LifeLong’s role in the community, and in particular the impact the Project will have on the community’s health needs. The Project has widespread support from local city officials, and state and federal legislative representatives.

ADVISORY BOARD APPROVAL:

On January 30, 2017, CSCDC’s Advisory Board unanimously recommended approval of the Project.

FINANCE TEAM:

- Tax Credit Investor: U.S. Bancorp Community Development Corporation
- Investor Counsel: Stinson, Leonard, Street LLP, Omaha, NE
- CSCDC Counsel: Nixon Peabody LLP, Washington, DC

ESTIMATED SOURCES AND USES:

Sponsor					
	Sources			Uses	
	CIP Source Loan	6,000,000		Leverage Loan	16,420,000
	Costs Incurred	2,279,196		CIP Source Loan Interest Reserve	188,935
	Land	450,000		CIP Source Loan Origination Fee	75,000
	Cash	8,656,131		QALICB Contribution	1,701,392
	HRSA Grant	1,000,000			
	Total	\$ 18,385,327		Total	\$ 18,385,327
					-
Investment Fund					
	Sources			Uses	
	Leverage Loan	16,420,000		CSCDC QEI	16,500,000
	NMTC Equity	8,580,000		CIP QEI	7,500,000
				USB QEI	1,000,000
	Total	\$ 25,000,000		Total	\$ 25,000,000
					-
CSCDC Sub-CDE					
	Sources			Uses	
	QEI	16,500,000		Upfront Fee	495,000
				QLICI Loan A	10,837,200
				QLICI Loan B	5,167,800
	Total	\$ 16,500,000		Total	\$ 16,500,000
					-
CIP Sub-CDE					
	Sources			Uses	
	QEI	7,500,000		Upfront Fee	150,000
				QLICI Loan A	4,926,000
				QLICI Loan B	2,424,000
	Total	\$ 7,500,000		Total	\$ 7,500,000
					-
USB Sub-CDE					
	Sources			Uses	
	QEI	1,000,000		Upfront Fee	-
				QLICI Loan A	656,800
				QLICI Loan B	343,200
	Total	\$ 1,000,000		Total	\$ 1,000,000
					-
QALICB					
	Sources			Uses	
	CSCDC QLICI Loans	16,005,000		Acquisition	450,000
	CIP QLICI Loans	7,350,000		Hard Costs	18,034,500
	USB QLICI Loans	1,000,000		Soft Costs	3,399,781
	Sponsor Contribution	1,701,392		FF&E	2,487,246
				Transaction Costs	1,684,865
	Total	\$ 26,056,392		Total	\$ 26,056,392

DOCUMENTS:

1. Resolutions (Attachment A)

ACTIONS RECOMMENDED BY THE EXECUTIVE DIRECTOR:

1. Approve the financing of the Project;
2. Approve all necessary actions and documents in connection with the financing;
and
3. Authorize any member of the Board of Directors or Authorized Signatory to
sign all necessary documents.

ATTACHMENT A

RESOLUTION OF THE BOARD OF DIRECTORS OF CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT CORPORATION (LifeLong Medical Care)

At a meeting duly called on October 5, 2017, the Board of Directors of California Statewide Communities Development Corporation, a California nonprofit public benefit corporation (the “Allocatee”), for itself and in its capacity as managing member the Sub-CDE (defined below), does hereby adopt the following resolutions:

- WHEREAS,** the Allocatee and CSCDC 12 LLC, a California limited liability company (“Sub-CDE”), were organized for the purpose of participating in the federal New Markets Tax Credit (“NMTC”) program, designed by Congress to encourage investment in (i) the rehabilitation and construction of commercial, retail, office and manufacturing space in low-income communities; (ii) businesses and nonprofits active in low-income communities; and (iii) the provision of technical assistance and other services to businesses active in low-income communities; and
- WHEREAS,** by law, NMTC investments must be made through a qualified community development entity (a “CDE”), which is a legal entity that (i) has as its primary mission serving or providing investment capital for low-income communities or low-income persons, and (ii) maintains accountability to residents of low-income communities through their representation on an advisory board to the CDE; and
- WHEREAS,** the Allocatee was certified by the Community Development Financial Institutions Fund (the “CDFI Fund”) as a CDE, and the Allocatee submitted a Thirteenth Round (2015–2016) New Markets Tax Credit Allocation Application (the “Application”); and
- WHEREAS,** Sub-CDE was certified by the CDFI Fund as a subsidiary CDE of the Allocatee; and
- WHEREAS,** the Allocatee received an allocation of NMTCs under Section 45D of the Internal Revenue Code of 1986, as amended, in the amount of \$70,000,000 of NMTC authority (the “Allocation”) in connection with its Application; and
- WHEREAS,** the Allocatee, as managing member, and CSCDC Manager, LLC, as the non-member manager, entered into that certain operating agreement of Sub-CDE dated as of December 15, 2016 and effective as of March 31, 2015 (the “Initial Sub-CDE Operating Agreement”) to govern the Sub-CDE; and
- WHEREAS,** pursuant to a Sub-Allocation Agreement, by and between the Allocatee and Sub-CDE, the Allocatee will sub-allocate a \$16,500,000 portion of the Allocation to the Sub-CDE (the “Sub-Allocation”); and
- WHEREAS,** the Allocatee and Twain Investment Fund 255, LLC, a Missouri limited liability company (the “Investor Member”) seek to amend and restate the Initial Sub-CDE Operating Agreement (as amended and restated, the “A&R Sub-CDE Operating Agreement”) pursuant to which the Investor Member will make an equity

investment in the Sub-CDE by making a capital contribution in an amount equal to \$16,500,000 in return for a 99.99% equity interest in the Sub-CDE (the “CDE Investment”); and

WHEREAS, the CDE Investment will be designated as a “qualified equity investment” as such term is defined in Section 45D of the Code (“QEI”, collectively the “QEIs”); and

WHEREAS, in accordance with the A&R Sub-CDE Operating Agreement, the Sub-CDE will use substantially all of the QEI proceeds to make one or more loans to Friends of Lifelong Medical Care, a California nonprofit public benefit corporation (“QALICB”), in the aggregate original principal amount of \$16,005,000 (the “CDE Loan”); and

WHEREAS, the CDE Loan is expected to constitute a “qualified low-income community investment” (as defined in Section 45D of the Code and the Treasury Regulations and Guidance) (a “QLICI”) for purposes of the NMTC program which have flexible, non-conventional, or non-conforming terms and conditions; and

WHEREAS, it is the intention of the Board that the Allocatee enter into certain transaction documents, for itself or in its capacity as the managing member of the Sub-CDE, in connection with the above described transactions and QEIs that are necessary to evidence and govern such transactions, including, but not limited to the agreements set forth on Exhibit A attached hereto and made a part hereof (collectively, the “Transaction Documents”).

NOW, THEREFORE, BE IT

RESOLVED, that each of the Transaction Documents and the transactions contemplated thereby are hereby approved, ratified and confirmed in all respects;

RESOLVED, that each of the following individuals (each an “Authorized Signatory”) be, and each of them hereby is singly or jointly, authorized, empowered and directed, to execute, deliver and perform any Transaction Document for or in the name of the Allocatee and on behalf of the Allocatee as managing member of the Sub-CDE, and with such changes, variations, omissions and insertions as they shall approve, the execution and delivery thereof by them to constitute conclusive evidence of such approval: Norman Coppinger, Catherine Bando, Laura Labanieh, Jonathan Penkower, and James Hamill; and be it further

RESOLVED, that the Authorized Signatories, acting singly or jointly be, and hereby are, authorized and directed to execute and deliver all other affidavits, certificates, agreements, instruments and documents, to pay all fees, charges and expenses, and to do or cause to be done all other acts and things which are required or provided for under the terms of the Transaction Documents or which may be necessary or, in his or her or their opinion, desirable and proper in order to effect the purposes of the foregoing resolution and to cause compliance by the Allocatee or Sub-CDE, as the case may be, with all of the terms, covenants and conditions of the Transaction Documents on the part of the Allocatee or Sub-CDE, as the case may be, to be performed or observed; and be it further; and be it further

RESOLVED, that any and all documents, instruments and other writings previously executed and delivered or acts performed by the Authorized Signatories, in the name and on behalf of the Allocatee or the Sub-CDE, as the case may be, in connection with the transactions, be, and the same hereby are, consented to in all respects and are hereby ratified, confirmed and approved.

RESOLVED, that the Authorized Signatories, acting singly or jointly be, and hereby are, authorized and directed to execute and deliver all other documents approved by the Board and to do or cause to be done all other acts and things which may be necessary in the ordinary course of the business of Allocatee and/or the Sub-CDE; and be it further

RESOLVED, that these resolutions may be executed in counterparts, including by signature pages provided by facsimile or in PDF format, which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the Board of Directors of the Allocatee have executed and adopted these Resolutions at its meeting duly called and held on the date first written above, at which a quorum of the Board of Directors was present or represented.

Dan Harrison
President

ATTEST:

Larry Combs
Vice President

EXHIBIT A

Transaction Documents

1. New Market Tax Credit Indemnification Agreement, by and among Allocatee, Sub-CDE, and U.S. Bancorp Community Development Corporation, a Minnesota corporation, and its successors and assigns (“USBCDC”),
2. A&R Sub-CDE Operating Agreement by and among Allocatee, Investor Member, and CSCDC Manager, LLC, a Delaware limited liability company, as withdrawing member,
3. New Markets Fee and Expense Agreements, by and among QALICB, Lifelong Medical Care, a California nonprofit public benefit corporation (“Guarantor”), the Allocatee, and Sub-CDE,
4. Sub-Allocation Agreement by and among Allocatee and Sub-CDE,
5. Loan and Security Agreement, by and among the Sub-CDE, Impact CDE 62 LLC, a Delaware limited liability company, USBCDE SUB-CDE 161, LLC, a Missouri limited liability company (collectively, the “CDE Lenders”), and QALICB,
6. Assignment of Contracts and Ancillary Documents, by and among CDE Lenders and Borrower,
7. Environmental Indemnity Agreement, by and among CDE Lenders and Borrower,
8. Community Benefits Agreement, by and among QALICB, Sponsor, and the CDE Lenders,
9. Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion, by Sub-CDE,
10. Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion, by Allocatee,
11. Bank Account Pledge Agreement (Disbursement Account) by and among the CDE Lenders, QALICB, and USBCDC,
12. Blocked Account Control Agreement (Disbursement Account) by and among the CDE Lenders, QALICB, and U.S. Bank National Association, a national banking association (“Bank”),
13. Bank Account Pledge Agreement (CDE Reserve Account) by and among the Sub-CDE and QALICB,
14. Blocked Account Control Agreement (CDE Reserve Account) by and among the Sub-CDE, QALICB, and Bank,

15. Construction Monitoring and Disbursement Agreement by and among QALICB, Capital Impact Partners, a District of Columbia nonprofit corporation, the CDE Lenders and USBCDC, and

Other related documents.