



## REGULAR MEETING AGENDA

**October 6, 2016 at 2:00 p.m.**

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

Telephonic Locations:

27788 Hidden Trail Road  
Laguna Hills, CA 92653

City of Auburn  
1225 Lincoln Way, Auburn, CA 95603

### **A. OPENING AND PROCEDURAL ITEMS**

1. Roll Call.
 

_____ Dan Harrison, Chair _____ Larry Combs, Vice Chair _____ Kevin O'Rourke, Treasurer _____ Ron Holly, Secretary _____ Nav Gill, Alt. Member	_____ Tim Snellings, Member _____ Dan Mierzwa, Member _____ Irwin Bornstein, Member _____ Brian Moura, Alt. Member
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2. Consideration of the minutes of the September 15, 2016 Regular Meeting.
3. Consideration of the 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. Lancer Educational Housing, LLC, City of Riverside, County of Riverside; issue up to \$120,000,000 in student housing revenue bonds.
  - b. Mountain Shadows Support Group, Inc., City of Jurupa Valley, County of Riverside; City of Moreno Valley, County of Riverside; City of Escondido, County

This \_\_\_ page agenda was posted at 1100 K Street, Sacramento, California on \_\_\_\_\_, 2016 at \_\_\_: \_\_\_m, Signed \_\_\_\_\_. Please email signed page to [info@cscda.org](mailto:info@cscda.org)

of San Diego; City of San Marcos, County of San Diego; issue up to \$18,000,000 in revenue bonds.

c. Marygold Associates II, LP (Marygold Gardens Apartments), City of Fontana, County of San Bernardino; issue up to \$15,000,000 in multi-family housing revenue bonds.

d. Columbia Associates II, LP (Columbia Apartments), City of Los Angeles, County of Los Angeles; issue up to \$18,000,000 in multi-family housing revenue bonds.

6. Consideration of the Adoption of Ordinance Levying a Special Tax for Fiscal Year 2016-2017 and Following Fiscal Years Solely Within and Relating to California Statewide Communities Development Authority Community Facilities District No. 2016-01 (Napa Pipe), County of Napa, State of California.

**C. STAFF ANNOUNCEMENTS, REPORTS ON ACTIVITIES OR REQUESTS**

7. Executive Director Update.

8. Staff Updates.

9. Closed Session: Conference with Legal Counsel – Anticipated Litigation – Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Section 54956.9 (One Potential Case).

10. Report, if any, from Closed Session.

11. Adjourn.

**NEXT MEETING:** Thursday, October 20, 2016 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 Woodstone by Vintage, LP (Woodstone Apartments), City of Lompoc, County of Santa Barbara; issue up to \$30 million in multi-family housing revenue bonds.
- b. Inducement of Cascade Housing Association (Lincoln Senior Apartments), City of Lincoln, County of Placer; issue up to \$10 million in multi-family housing revenue bonds.
- c. Inducement of Serra LP (Serra Apartments), City of Fremont, County of Alameda, issue up to \$70 million in multi-family housing revenue bonds.
- d. Inducement of Kensington Apartments LP (Kensington Apartments), City of Sacramento, County of Sacramento, up to \$45 million in multi-family housing revenue bonds.
- e. Consideration of California Housing Consortium Annual Membership (\$2,500).
- f. Consideration of Legal Services Agreement with Orrick, Herrington & Sutcliffe for Spruce Finance under the Open PACE Program.
- g. Consideration of Services Agreement with David Taussig & Associates for Tax Administration Services for Spruce Finance under the Open PACE Program.
- h. Consideration of Legal Services Agreement with Jones Hall for CleanFund Commercial PACE Capital under the Open PACE Program.
- i. Consideration of Santa Rita School District; Chualar School District; Mission School District; Salinas Union High School District; and Alisal School District as CSCDA Program Participants.
- j. Consideration of PACE Operating Agreement with Contra Costa County.

October 6, 2016



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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 15, 2016

**MINUTES**

Commission chair Dan Harrison called the meeting to order at 2:02 pm.

1 Roll Call.

Commission members present: Dan Harrison. Alternate commissioner Brian Moura (representing Irwin Bornstein); Larry Combs (joined after agenda item 4); Dan Mierzwa; Ron Holly; and Tim Snellings, participated by conference telephone.

CSCDA Executive Director, Catherine Bando also participated by conference telephone.

Others present included: Norman Coppinger and Perry Stottlemeyer, League of California Cities; and James Hamill, Bridge Strategic Partners. Jon Penkower, Bridge Strategic Partners; Tricia Ortiz, Richards Watson & Gershon; Patricia Eichar and John Palmer, Orrick Herrington & Sutcliffe; Mimi Frusha, Renew Financial; Josh Anzel and Chris Lynch, Jones Hall; and Michael Gomez and Simon Gutman, Barclays Bank, participated by conference telephone.

2 Approval of the minutes of the September 1, 2016 regular meeting.

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

3 Approval of consent calendar:

- a Induce NHPAHP Mayberry, LP (Casa Puleta Apartments), City of San Diego, County of San Diego; issue up to \$7 million in multi-family housing revenue bonds.
- b Induce Levy Affiliated Holdings (Magnolia City Lights and Harbor City Lights), City of Los Angeles, County of Los Angeles; issue up to \$25 million in multi-family housing revenue bonds.
- c Approve California Affordable Housing Development Association sponsorship.

Motion to approve by Mierzwa; second by Holly; 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:

Commissioner Larry Combs joined the meeting at this point.

- a Redlands Community Hospital, City of Redlands, County of San Bernardino; issue up to \$110 million in Healthcare facility revenue bonds.

Executive Director Bando explained that this project is for the refinance of CSCDA's Series 2013 bonds, as well as for the construction, improvement, renovation and equipping of healthcare facilities at Redlands Community Hospital (RCH) in Redlands, California. This is RCH's third financing through CSCDA. The 30-year fixed rate bonds will be offered publicly.

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

Motion to approve Executive Director Bando's recommendation, subject to TEFRA approval, by Moura; second by Snellings; unanimously approved by roll-call vote.

- b Triangle Terrace Affordable, LP (Triangle Terrace Apartments), City of Orange, County of Orange; issue up to \$15 million in multi-family housing revenue bonds.

Executive Director Bando explained that this project is for the acquisition and rehabilitation of a 75-unit affordable housing project on 3.6 acres in Orange, California. This is the borrower's second financing with CSCDA. The 35-year fixed rate bonds will be privately placed.

Bando indicated that the financing complies with CSCDA's general and issuance policies and she recommends approval, subject to CDLAC allocation.

Motion to approve Executive Director Bando's recommendation, subject to CDLAC allocation, by Combs; second by Mierzwa; unanimously approved by roll-call vote.

- c Polo Run Family Apartments, LP (Polo Run Family Apartments), City of Stockton, County of San Joaquin; issue up to \$30 million in multi-family housing revenue bonds.

Executive Director Bando explained that this project is for the acquisition and rehabilitation of a 320-unit affordable housing unit on 9.66 acres in Stockton, California. This is the developer's 12th financing with CSCDA. The 35-year fixed rate bonds will be privately placed.

Bando indicated that the financing complies with CSCDA's general and issuance policies and she recommends approval, subject to CDLAC allocation.

Motion to approve Executive Director Bando's recommendation, subject to CDLAC allocation, by Snellings; second by Mierzwa; unanimously approved by roll-call vote.

6 Statewide Community Infrastructure Program (SCIP):

a Conduct proceedings with respect to SCIP (hearing to be held at 2:00 pm or shortly thereafter):

- 1 Chair Dan Harrison opened the Assessment Districts consolidated public hearing at 2:17 pm and asked for comments from the public.
- 2 Harrison closed the Assessment Districts consolidated public hearing at 2:17 pm due to no public comments.
- 3 Patricia Eichar, Orrick Herrington & Sutcliffe, opened the Assessment ballots and announced results. There is a single property owner in each of the districts, consequently a single ballot was cast for each, all indicating a “Yes” vote on the respective assessments. All property owners consent and pass all of the provided waivers with respect to the proceedings.

b Approval of the following resolutions for SCIP:

- 1 Resolution approving final engineer’s reports, levying assessments, ordering the financing of specified development impact fees and capital improvements, and confirming amounts of unpaid assessments.

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

- 2 Resolution providing for the issuance of seven separate series of SCIP limited obligation for improvement bonds and approving the form and substance of a trust agreement.

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

- 3 Resolution authorizing the issuance, sale and delivery of SCIP Revenue Bonds, Series 2016B and approving the forms of a trust agreement, a bond purchase agreement, a continuing disclosure agreement, and a preliminary official statement and authorizing certain other actions.

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

7 Approval of CFD No. 2016-01 (Napa Pipe), County of Napa:

a Conducted proceedings with respect to CFD No. 2016-01 (Napa Pipe):

- 1 Chair Dan Harrison opened the continued public hearing at 2:24 pm and asked for comments from the public.
- 2 Harrison closed the public hearing at 2:24 pm due to no public comments.

- b Approval of the following resolutions relating to the formation of and special election within CFD No. 2016-01 (Napa Pipe):

- 1 Resolution of formation establishing CFD No. 2016-01 (Napa Pipe), and providing for the levy of a special tax to finance certain environmental remediation.

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

- 2 Resolution deeming it necessary to incur bonded indebtedness to finance certain environmental remediation within CFD No. 2016-01 (Napa Pipe).

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

- 3 Resolution calling special mailed-ballot election within CFD No. 2016-01 (Napa Pipe).

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

- c Conducted special election within CFD No. 2016-01 (Napa Pipe).

Patricia Eichar, Orrick Herrington & Suttcliffe, reported that the Commission has received the ballot from the single property owner in the district, the ballot is for 152 total votes based on land area, the ballot cast indicated "Yes," so all ballots have been cast and all votes favored formation of the district.

- d Approval of resolution declaring results of special mailed-ballot election within CFD No. 2016-01 (Napa Pipe).

Motion to approve resolution declaring the results of the special election by Combs; second by Mierzwa; unanimously approved by roll-call vote.

- e Conduct first reading of "Ordinance Levying a Special Tax for Fiscal Year 2016-17 and Following Fiscal Years Solely Within and Relating to California Statewide Communities Development Authority Community Facilities District No. 2016-01 (Napa Pipe), County of Napa, State of California."

Motion to introduce the Ordinance, read the title, and waive further reading of Ordinance by Combs; second by Snellings; unanimously approved by roll-call vote.

- 8 Approval of resolution authorizing issuance of Community Facilities District No. 2016-02 (Delta Coves) Special Tax Bonds, Series 2016A and approving an indenture, bond purchase contract, official statement, continuing disclosure certificate, and related actions in connection with the issuance, sale and delivery of such bonds.

Executive Director Bando explained that this is the conclusion of the CFD process for CFD No. 2016-02 (Delta Coves), authorizing issuance of bonds not to exceed \$16 million. Bando recommends approval of the resolution.

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

- 9 Approval of an Assessment Contract and Indenture and the issuance of Limited Obligation Improvement Bonds not to exceed \$12 million to provide financing for the installation of renewable energy improvements on a commercial property of Pacific Ethanol in the County of Madera for the CaliforniaFIRST PACE program.

Executive Director Bando explained that any commercial PACE transaction exceeding \$10 million requires approval by Commissioners. This proposed \$12 million transaction is to finance a solar powered renewable energy improvement for 20 years for Pacific Ethanol in Madera County. Bando recommends approval of the \$2,000 sponsorship.

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

- 10 Approval of resolution approving CSCDA General Obligation Revenue Bonds (Monterey County GO Savers) Series 2016.

Executive Director Bando explained that the GO Savers program is a new vehicle developed by Barclays, PFM and Orrick Herrington & Sutcliffe and is designed to assist small school districts whereby they may pool general obligation bonds in order to achieve savings for local taxpayers. Here, several school districts in Monterey County are proposing to refund a collective group of small general obligation bond issuances. The collective overall savings of this refunding is estimated to be \$9.2 million. The 25-year bonds are not yet rated, so approval today will be subject to conforming to CSCDA policies. The bonds will be offered publicly.

Simon Gutman, Barclays Capital, added that all of the participants and bonds that are being refunded are currently callable.

Motion to approve Executive Director Bando's recommendation, subject to a rating conforming to CSCDA's policies, by Snellings; second by Mierzwa; approved by majority roll-call vote (Holly abstained).

- 11 Approval of amended and restated services agreement with Renew Financial Group LLC for the CaliforniaFIRST PACE program.

The CSCDA PACE ad-hoc committee and staff have determined that an extension of the CaliforniaFIRST PACE Program contract with Renew Financial Group is appropriate and is recommending extension, subject to a few modifications: (i) term of the contract is five years, commencing on September 15, 2016, with the potential of five one-year extensions; (ii) the contract grants Renew exceptions in Los Angeles County and Riverside County due to the current competitive environment in those areas. In Riverside County, once a city joins the Open PACE program, they are

required to transition that city over from any competing program; (iii) the renewable energy credits will be attributed to the property owner, not to CSCDA, unless the property owner does not claim such credits; and (iv) expanded scope of services is to include additional reporting requirements to CSCDA and its membership.

The recommended extension, along with the aforementioned modifications, has been reviewed and approved by CSCDA's General Counsel.

Motion to approve the ad-hoc committee and staff's recommendation by Moura; second by Combs; unanimously approved by roll-call vote.

## 12 Approval of amended indemnification language for commercial PACE projects.

CSCDA's General Counsel has reviewed and approved standardized modifications to certain language used in the property owner waiver, as well as indemnification language. Additionally General Counsel may, after consultation with CSCDA's Executive Director and CSCDA staff, approve minor changes to the waiver and indemnity provisions provided that the language remains substantially similar to the standardized language submitted for approval today.

Executive Director Bando recommends approval of the updated standardized waiver and indemnity language, and the subsequent minor modification to these provisions provided that the language remains substantially similar to the language reviewed and approved by General Counsel.

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

## 13 Approval of amendments to CaliforniaFIRST Master Indentures.

Orrick Herrington & Sutcliffe, Issuer Counsel to CSCDA, has reviewed and approved modifications to CaliforniaFIRST master indentures, which will result in streamlined procedures and improved efficiencies for the securitization process.

Executive Director Bando recommends approval of the resolution approving these modifications to CaliforniaFIRST master indentures.

Motion to approve Executive Director Bando's recommendation by Combs; second by Moura; approved by majority roll-call vote (Mierzwa abstained).

## 14 Approval of CSCDA policy for renewable energy credits for the PACE programs.

Historically, renewable energy credits (RECs) have been allocated to CSCDA rather than to the property owner. This is a proposal to change policy so that RECs would be allocated to the property owner or the third-party owner, as the rightful owner of the RECs, unless these parties do not accept them. PACE Counsel has reviewed and approved this policy change.

Executive Director Bando recommends approval of this policy change.

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

- 15 Approval of a resolution ratifying and approving the forms of certain documents and administration agreement to be used in connection with the issuance of CSCSDA Open PACE limited obligation improvement bonds not to exceed \$100 million for Clean Fund's Commercial PACEDirect and approving related documents and actions.

The CSCDA Commission approved the form of documents for Clean Fund's Commercial PACEDirect program at the April 7 and 21, 2016 meetings. Clean Fund has modified their documents and is requesting approval of the following: (i) the indenture now incorporates Clean Fund's commercial-only aspect of its PACE program. The changes pertain to the scope being limited to commercial versus residential financings; (ii) the PACEDirect program now has different forms for transactions with and without power purchase agreements, and assignments of contractual assessments with and without power purchase agreements. This requires the form of contract to be amended; ratification of \$100 million authorization; approval of their program handbook (copy provided).

Jones Hall, PACE Counsel, has reviewed and approved these proposed changes.

Executive Director Bando recommends approval of the resolutions ratifying and approving the forms of certain documents to be used with the issuance of Open PACE bonds not to exceed \$100 million, and approval of the program handbook.

Tim Snellings dropped off the call at this point.

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

- 16 Approval of general liability insurance for CSCDA.

Tim Snellings rejoined the call at this point.

Executive Director Bando explained that on the advice of General Counsel, staff requested quotes for general liability insurance for CSCDA (CSCDA already has Directors and Officers coverage) due to requests for proof of coverage from JPA members before joining CSCDA's PACE programs. Staff received a quote from Interwest Insurance Services for \$400 per year.

Executive Director Bando recommends approval to obtain general liability insurance from Interwest Insurance Services.

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

- 17 Executive Director update.

Executive Director Bando just left a CSAC Finance Corporation meeting where she provided a report of CSCDA's year-end results. The Finance Corporation is grateful for the work that CSCDA is doing.

18 Staff updates.

None.

19 Chair Dan Harrison adjourned the meeting at 3:07 pm.

Submitted by: Perry Stottlemeyer, League of California Cities staff

*The next regular meeting of the commission is scheduled for  
**Thursday, October 6, at 2:00 pm**  
in the California State Association of Counties' office at 1100 K Street, 1st Floor, Sacramento, California.*



## Agenda Item No. 3

### Agenda Report

**DATE:** October 6, 2016  
**TO:** CSCDA COMMISSIONERS  
**FROM:** Cathy Bando, Executive Director  
**PURPOSE:** Consent Calendar

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#### SUMMARY:

- e. Consideration of California Housing Consortium (CHC) Annual Membership (\$2,500). *CSCDA is currently a member to CHC. CHC represents the affordable housing community in Sacramento. The membership grants CSCDA access to policy forums, advocacy and annual conferences.*
- f. Consideration of Legal Services Agreement with Orrick, Herrington & Sutcliffe for Spruce Finance under the Open PACE Program. *Agreement for services with Orrick, Herrington & Sutcliffe to serve as bond counsel for Spruce Finance under the Open PACE program. Richards, Watson & Gershon has reviewed and approved the form and content of the agreement. All fees to be paid by Spruce Finance and/or Open PACE participants.*
- g. Consideration of Services Agreement with David Taussig & Associates for Tax Administration Services for Spruce Finance under the Open PACE Program. *Item Continued to a Future Agenda.*
- h. Consideration of Legal Services Agreement with Jones Hall for CleanFund Commercial PACE Capital under the Open PACE Program. *Agreement for services with Jones Hall to serve as bond counsel for Spruce Finance under the Open PACE program. Richards, Watson & Gershon has reviewed and approved the form and content of the agreement. All fees to be paid by Clean Fund and/or Open PACE participants.*
- j. Consideration of PACE Operating Agreement with Contra Costa County. *Item Continued to a Future Agenda.*

**RESOLUTION NO. 16H-\_\_**

**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 6, 2016.

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 6, 2016.

By: \_\_\_\_\_  
Authorized Signatory

**EXHIBIT A**

<b>Project Name</b>	<b>Project Location</b>	<b>Project Description (units)</b>	<b>New Construction/ Acquisition and Rehabilitation</b>	<b>Legal Name of initial owner/operator</b>	<b>Bond Amount</b>
Woodstone Apartments	City of Lompoc, County of Santa Barbara	204	Acquisition and Rehabilitation	Woodstone by Vintage, LP	\$30,000,000
Lincoln Senior Apartments	City of Lincoln, County of Placer	70	Acquisition and Rehabilitation	Lincoln Senior 2016 LP	\$10,000,000
Serra Apartments	City of Fremont, County of Alameda	179	New Construction	Serra, LP	\$70,000,000
Kensington Apartments	City of Sacramento, County of Sacramento	301	Acquisition and Rehabilitation	Kensington Apartments LP	\$45,000,000



# THE UNITED VOICE FOR AFFORDABLE HOUSING



CALIFORNIA HOUSING CONSORTIUM

## INDIVIDUAL MEMBERSHIP DUES SCHEDULE FOR 2016

It's easy to get involved in affordable housing and community development advocacy! We offer memberships for large organizations and memberships for small organizations and government entities. Choose the organization size and membership level that's right for you:

### STANDARD ORGANIZATION MEMBERSHIPS

This level of membership is available to non-profit and for-profit organizations that have annual revenues greater than \$500,000.

Full Member \$2,500

Basic Member \$1,000

### SMALL ORGANIZATION AND GOVERNMENT ENTITY MEMBERSHIPS

This level of membership is available to non-profit and for-profit organizations that have annual revenues less than \$500,000.

Full Member \$1,000

Basic Member \$500

**BASIC MEMBER** includes access to the monthly newsletter, policy updates and bulletins as they may be provided and invitations to attend Lobby Day, The Hall of Fame Luncheon and other special events as scheduled.

**FULL MEMBER** includes all the benefits of *Basic Membership*, as well as the ability to participate in policy roundtables, task forces and committees and to be eligible for consideration to become a member of the Board of Directors or Board of Governors.

**JOIN US AND BECOME A CALIFORNIA HOUSING CONSORTIUM MEMBER TODAY!**

ORGANIZATION NAME

PRIMARY NAME

ADDRESS

TITLE

ADDRESS

PHONE/FAX-REQUIRED

CITY, STATE, ZIP

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California Housing Consortium is a 501(c)3 entity, so your support is tax-deductible. To receive your tax deduction confirmation, make your check payable to:  
**California Housing Consortium**  
and mail to:  
**30141 Agoura Road, Suite 205,  
Agoura Hills, CA 91301**

### 2016 CONTRIBUTION

PLEASE CHECK THE APPROPRIATE CATEGORY

#### STANDARD ORGANIZATION MEMBERSHIP:

☐ BASIC MEMBER ☐ FULL MEMBER

#### SMALL ORGANIZATION/GOVERNMENT ENTITY:

☐ BASIC MEMBER ☐ FULL MEMBER

TOTAL: \$

You may mail a check or pay by credit card at [www.calhsng.org](http://www.calhsng.org)



**Orrick, Herrington & Sutcliffe LLP**

The Orrick Building  
405 Howard Street  
San Francisco, CA 94105-2669  
+1 415 773 5700  
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September 23, 2016

Spruce Finance  
c/o Darryl Cabonaro  
(email: [dcarbonaro@sprucefinance.com](mailto:dcarbonaro@sprucefinance.com))

California Statewide Communities Development Authority  
c/o Cathy Bando  
James Hamill  
John Penkower  
(email: [cbando@cscda.org](mailto:cbando@cscda.org))  
(email: [jhamill@cscda.org](mailto:jhamill@cscda.org))  
(email: [jpenkower@cscda.org](mailto:jpenkower@cscda.org))

Re: California Statewide Communities Development Authority  
Open PACE Program (Spruce Program)

Gentlemen:

This letter will confirm our understanding of the terms and conditions under which our firm, Orrick, Herrington & Sutcliffe LLP (“Orrick” or “Bond Counsel”), will be compensated for services rendered and expenses incurred as bond counsel to the California Statewide Communities Development Authority (“CSCDA” or the “Authority”) in connection with its Open PACE Program administered by Spruce Finance (“Spruce”) as Program Administrator (the “Program”).

Our services as bond counsel for CSCDA in the Program will consist of:

A. Initial Bond Issue:

- i. Consultation with representatives of Spruce, CSCDA, its issuer’s counsel (“Issuer Counsel”), the bond trustee and its counsel with respect to the timing, terms and structure of the proposed bonds.
- ii. Finalize the indenture, issuance certificate, electronic signature agreement, form of initial assessment contracts and related notices (based on the documents submitted to

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the court in the Open PACE validation action).

- iii. Prepare form of bond opinion to be delivered with each issuance of bonds.
- iv. Prepare forms of Issuer Counsel opinion and Trustee Counsel opinion (with objective that they need be issued only once, in connection with the initial issuance of bonds).
- v. Prepare bonds and bond closing documents.
- vi. Orchestrate initial closing and render initial bond opinions.
- vii. Establish a record keeping system for bond issuance documents.

B. Subsequent Bond Issues:

- i. Receive bond issuance data from Spruce, or other purchaser of the bonds, on Schedule I to Issuance Certificate.
- ii. Use that data to prepare the bonds (up to 6 series for each residential and commercial bond issuance, each series tailored to maturity, principal amount, interest rate, redemption, amortization and other terms applicable to the related assessments as set out in Schedule I), the bond opinions and any other closing documents included in the Issuance Certificate.
- iii. Distribute (via Box or similar website) Issuance Certificate with bond forms and opinions as exhibits, and email to CSCDA, Spruce, Trustee and bond purchasers (collectively, together with Bond Counsel, the “Parties”) notice of availability for signature (which may initially be accomplished by uploading facsimile, with the expectation that it will be fully electronic as soon as possible).
- iv. When signatures have been obtained, release Bond Counsel opinions, and confirm with Trustee by phone or email receipt of money and delivery of bonds (i.e., closing).
- v. Email notice of closing to all Parties.
- vi. Archive file of closing documents.

C. Non-Bond Assignment Transactions (no bonds secured by these Assessment Contracts are issued with the Assessment Contracts or later):

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the court in the Open PACE validation action).

- iii. Prepare form of bond opinion to be delivered with each issuance of bonds.
- iv. Prepare forms of Issuer Counsel opinion and Trustee Counsel opinion (with objective that they need be issued only once, in connection with the initial issuance of bonds).
- v. Prepare bonds and bond closing documents.
- vi. Orchestrate initial closing and render initial bond opinions.
- vii. Establish a record keeping system for bond issuance documents.

B. Subsequent Bond Issues:

- i. Receive bond issuance data from Spruce, or other purchaser of the bonds, on Schedule I to Issuance Certificate.
- ii. Use that data to prepare the bonds (up to 6 series for each residential and commercial bond issuance, each series tailored to maturity, principal amount, interest rate, redemption, amortization and other terms applicable to the related assessments as set out in Schedule I), the bond opinions and any other closing documents included in the Issuance Certificate.
- iii. Distribute (via Box or similar website) Issuance Certificate with bond forms and opinions as exhibits, and email to CSCDA, Spruce, Trustee and bond purchasers (collectively, together with Bond Counsel, the "Parties") notice of availability for signature (which may initially be accomplished by uploading facsimile, with the expectation that it will be fully electronic as soon as possible).
- iv. When signatures have been obtained, release Bond Counsel opinions, and confirm with Trustee by phone or email receipt of money and delivery of bonds (i.e., closing).
- v. Email notice of closing to all Parties.
- vi. Archive file of closing documents.

C. Non-Bond Assignment Transactions (no bonds secured by these Assessment Contracts are issued with the Assessment Contracts or later):

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- i. Receive assignment data from Spruce or other purchaser/assignee.
- ii. Use that data to prepare or review assignment documentation, opinions and other documents.
- iii. Distribute (via Box or similar website).
- iv. Email to CSCDA, Spruce and purchasers (collectively, together with Bond Counsel, the “Parties”) availability to signature.
- v. When signatures have been obtained, release documents, including Orrick’s opinions by email notice of closing to all Parties.
- vi. Archive file of closing documents.

D. Other:

- i. Changes to Program, amendment or changes in form of documents, review of documents or questions not covered in part A, B or C above, research legal issues, render opinions (other than the bond opinion referred to above), review or prepare resolutions, review or prepare legislative changes.
- ii. Any other matters not required to perform the services described in part A or B above.

In rendering opinions and performing legal services pursuant to this letter agreement, Orrick shall be entitled to rely, without independent investigation, verification or responsibility, on (a) the accuracy and completeness of information provided and certifications made by, and opinions rendered by counsel to, the Parties, including (without limitation) the information and representations contained in Schedule I and elsewhere in the Issuance Certificate, (b) the proper form, authorization, execution, delivery, recordation, validity and enforceability (against CSCDA and all required property owners and any other parties) of the individual Assessment Contracts, Assessments and related liens, notices, assignments, power purchase agreements and leases, and (c) the improvements financed with proceeds of the bonds or Assignments (for convenience, unless the context requires otherwise, Bonds and Assignments are referred to herein collectively as “bonds” or “Bonds”) being located within a city or county that is a member of CSCDA and whose legislative body has adopted (and not rescinded) an applicable resolution (“opt-in resolution”) approving operation of the Program in that city or county.

Unless otherwise expressly agreed in writing by Bond Counsel, Bond Counsel’s services with respect to the Program are limited to those specifically set forth above. For example, Bond

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Counsel services in respect of the Program do not include responsibility for (a) representing CSCDA, Spruce or any other party in any litigation or other legal or administrative proceedings, audit or investigation involving any of the Bonds, the Assessment Contracts, the Assessments, the participating properties, the financed improvements or installation thereof (the “Projects”) or any related matter; (b) any information provided by Spruce or bond purchasers or otherwise in Schedule I or otherwise for use in preparing the Bonds, opinions and any other documents; (c) execution, delivery, review, conformance with legal or Program requirements, receipt, maintaining, archiving, filing or recording of any Assessment Contract, notice or lien or any related matter or any power purchase agreement or lease entered into by the property owners in connection therewith; (d) any consumer protection, lending, securities, environmental, land use, construction, real estate, insurance or similar laws or matters, or federal or state tax treatment of any of the Parties, the Assessment Contracts, Assessments, Projects or property owners; (e) preparing or obtaining any individual opt-in resolution or conformance therewith of any Assessment Contract; (f) the PACE Loss Reserve Program administered by California Alternative Energy and Advanced Transportation Financing Authority; (g) any foreclosure, judicial sale or other enforcement proceedings; (h) any preliminary or final reports required to be filed with California Debt and Investment Advisory Commission or other governmental authority; (i) any other matter not explicitly covered by the services described in parts A, B, C or D above; or (j) any financial advice or analysis.

With respect to the residential Program, Bond Counsel will be paid a fee for the foregoing services as follows: (a) for the services described in part A above a one-time fee (the “Residential Initial Fee”) of \$50,000 plus expenses (at a fixed amount of \$1,500) payable at the time of issuance of the first issue of bonds or abandonment of the bond program or March 1, 2017, whichever occurs first; (b) for the services described in part B or C above a fee (the “Residential Issuance Fee”) payable on each date of bond issuance (of up to 6 series of bonds with different maturities) or on each date of non-bond assignment of Assessment Contracts equal to the greater of 85 basis points (“bps”) (0.85%) times the aggregate principal amount of the bonds issued or aggregate principal amount of Assessment Contracts assigned (as applicable).

If a commercial PACE program is launched, separate documents and processes may be required and separate fees to be negotiated may apply.

Notwithstanding the foregoing, the Residential Issuance Fee will be discounted by 15% for non-bond assignment transactions, and a minimum fee of \$5,000 will apply to all bond and assignment transactions. If Assessment Contracts are assigned prior to and separately from issuance of bonds secured by those Assessment Contracts, the discount for non-bond assignments will not apply, and an additional 0.25% of the principal amount of bonds will be paid at the time those bonds are issued.

In addition to the foregoing, if the aggregate Issuance Fees for Open PACE programs



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(which does not include any Initial Fees) in the first year following the initial issuance of bonds, or assignment of Assessment Contracts (whichever occurs sooner), for either program, or for any 12 month period thereafter, does not exceed \$100,000, the difference ("Make Whole Fee") will be paid to Orrick.

For the services, if any, described in part D above, compensation to Orrick will be deemed included in the Issuance Fees up to \$20,000 per calendar year and payable monthly if and after \$20,000 is exceeded (based on Orrick's usual hourly billing rates), except for any opinion or legal memorandum requested by Spruce or, with the prior approval of Spruce, CSCDA, the fee for which will be agreed to at the time of such request.

The Issuance Fees (in whole or part) will be paid by the Authority from proceeds of the bonds or proceeds of non-bond assignments (as applicable). The Issuance Fees shall be paid at bond issuance or assignment (or both if applicable) and fees for part D services or Issuance Fees not paid as aforesaid shall be paid by Spruce within 30 days of invoice by Bond Counsel. CSCDA shall not be responsible for payment of any of the foregoing fees or expenses of Bond Counsel from any of its own funds.

The amount of the foregoing Issuance Fees may be adjusted from time to time in the event there is compression in the California PACE market generally in the amount of fees included in the principal amount of assessments, in the same proportion as adjustment to the Authority's base fee and the Program Administrator's fee; provided that solely for purposes of calculating that proportionate reduction (and notwithstanding anything else contained in this agreement), Orrick's Issuance Fees will be assumed to be equal to the highest fees charged by bond counsel on any other CSCDA PACE program prior to such compression, the maximum aggregate amount of reductions shall not be greater than 50%, will not result in actual Issuance Fees being less than 50 bps, and the Issuance Fee for each date of bond issuance or non-bond assignment shall not be less than \$5,000.

Orrick will be considered for the role of securitization counsel to Spruce or other party with respect to any securitization of any residential or commercial PACE bonds or Assessment Contracts related to the Program, although no assurance is given here that such appointments will be made.

The scope of services and fees set forth above are based on the following additional assumptions with respect to the Program: (a) all bonds will be issued or assignments delivered on the same day of the week (for example, Wednesday) and not more frequently than weekly, (b) all documents will be electronic and, as soon as Bond Counsel is prepared, all signatures will be electronic, and (c) any Party that desires paper copies will be responsible for printing them out from the closing website, which will constitute the official transcript (provided that the actual bonds may be in paper form authenticated by the Trustee and delivered as arranged with the Trustee by the bond purchasers).

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This agreement may be terminated at any time, but not sooner than three years from the date of initial bond issuance, by written notice, at least 3 months prior to termination, from CSCDA plus Spruce to Bond Counsel or from Bond Counsel to CSCDA and Spruce. In addition, at any time following the aforementioned three years, Spruce, upon at least 3 months prior written notice to Bond Counsel and CSCDA, may terminate its status as a party to and all of its rights and obligations under this agreement, except as otherwise provided in this paragraph. In the event of termination, all finished documents prepared for adoption or execution by CSCDA, shall, at the option of CSCDA, become its property and shall be electronically delivered to it or to any party it may designate; provided that Bond Counsel shall have no liability whatsoever for any subsequent use of such documents. Bond Counsel shall be paid for all work to and including the date of termination plus expenses and for any unpaid Issuance Fees accruing through the Termination Date. Except as stated above, Bond Counsel retains the right to discard any files and materials.

In addition to the provisions of the preceding paragraph, in the event Bond Counsel fails to provide the services described in part B or C above in a timely and professional manner, for reasons not permitted in this agreement, or due to nonpayment or late payment of any fees, and subject to the limitations, assumptions and conditions set forth herein, and such failure is material, does not result from the failure of CSCDA, Spruce, bond purchasers, Trustee or any other party to perform its obligations in a timely and professional manner, is continuing and results in a material impairment of the Program, CSCDA may provide written notice to Bond Counsel of such failure, together with a request that Bond Counsel either explain why it believes no such failure exists or how such failure will be addressed. If there is such a failure and it is not corrected within 60 days, CSCDA may provide notice of termination of this agreement, and this agreement will terminate after payment to Orrick for all work to and including the date of termination (including expenses) and any unpaid Issuance Fees, to the date of termination.

It is standard practice that bond counsel represent the issuer of the bonds, even where, as here, another party is participating in contracting for the services of bond counsel and is responsible for paying all or part of bond counsel's fees and expenses. Therefore, in performing its services as bond counsel in connection with Bonds or assignment of Assessment Contracts, Bond Counsel will act as special counsel to CSCDA; i.e., Bond Counsel will assist Issuer Counsel in representing Issuer but only with respect to the services described above. Spruce should be represented by its own counsel in connection with the Program. Bond Counsel shall have no attorney-client relationship with or duty of any kind to Spruce and purchasers of Bonds or assignees of Assessment Contracts in connection with the Program.

You should also be aware that Orrick has represented, represents or may in the future represent many public and private entity clients, including underwriters, trustees, rating agencies, lenders, contractors, suppliers, financial, assessment and other consultants/advisors, accountants,

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investment providers/brokers, companies that may be competitors of the Program or Spruce, and others who may have a role or interest in the bond financings, the Assessment Contracts, the Program or the Projects or that may be involved with or adverse to CSCDA or Spruce in this or some other matter; and, further, that Orrick also has represented, represents or may in the future represent or otherwise work with California Municipal Finance Authority, Energy Efficient Equity, Renovate America, Ygrene Energy, Deutsche Bank, CounterPointe, AllianceNRG, Rockwood Management Corporation, Renovate America, OnPACE, Sunrun, California Home Finance Authority (dba Golden State Finance Authority), several cities, counties and authorities and other issuers, program administrators, lenders, investors, property owners, bond or assessment purchasers, equipment providers, tax credit enterprises, securitization issuers or underwriters and others in respect of PACE and similar matters in California and several other states. Orrick may also represent Spruce in connection with tax equity or securitization or otherwise related to the Program or in connection with other PACE or non-PACE matters not related to the Program. Given the special limited role of Bond Counsel, CSCDA acknowledges and agrees that no conflict of interest exists or would exist and CSCDA waives any actual or potential conflict of interest that might be deemed to arise, now or in the future from this agreement or any such other relationship that Orrick may have had, have or enter into. Spruce acknowledges that Orrick has no attorney-client relationship to it in connection with the Program as described in this agreement and agrees that no conflict of interest exists, and waives any actual or potential conflict of interest that may be deemed to arise, on account of Orrick's attorney-client relationship with the Authority in respect of its PACE programs or with Orrick's aforementioned other PACE related clients on their respective PACE programs. Such waiver of any actual conflict of interest, based on an attorney-client relationship with Spruce not derived from this agreement, will not apply to any litigation brought against Spruce. Orrick will, of course, not share with other clients (except the Authority) proprietary new product information developed by Spruce for the Program, prior to such information becoming public, although some benefit of the research, learning and document development associated with new product information may indirectly benefit other clients in the ordinary course of providing legal services to them.

Nothing in this agreement or in any of the documents contemplated hereby, expressed or implied, is intended or construed to give any person other than CSCDA, Spruce and Bond Counsel any legal or equitable right or claim under or in respect of this agreement, and this agreement shall inure to the sole and exclusive benefit of CSCDA, Spruce and Bond Counsel.

Bond Counsel may not assign its obligations under this agreement without written consent of CSCDA and Spruce, except to a successor partnership or corporation to which all or substantially all of the assets and operations of Bond Counsel (including its public finance group) are transferred. Spruce shall not assign its rights or obligations under this agreement without the written consent of CSCDA and Bond Counsel, provided that any such assignment shall not



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relieve the assignor of any obligation for fees and expenses of Bond Counsel it may have as of the effective date of assignment. All references to Bond Counsel, CSCDA, and Spruce in this agreement shall be deemed to refer to any such permitted successor of Bond Counsel and to any such permitted assignee of CSCDA or Spruce, as the case may be, and shall bind and inure to the benefit of such successor and assignee whether so expressed or not.

This agreement may be executed in any number of counterparts and each counterpart shall for all purposes be deemed to be an original, and all such counterparts shall together constitute but one and the same agreement.

If the foregoing is acceptable, please so indicate by returning a copy of this letter, signed by an authorized officer, and retain an original for your files. We look forward to working with you and to helping make the Program as successful as possible.

ORRICK, HERRINGTON & SUTCLIFFE LLP

By   
Roger L. Davis

ACCEPTED AND AGREED TO:

CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY

By \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

ACCEPTED AND AGREED TO:

By SPRUCE FINANCE

By: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

~~April 7, 2016~~ September 20, 2016

California Statewide Communities  
Development Authority  
2999 Oak Road, Suite 710  
Walnut Creek, CA 94597  
Attn: James Hamill

Re: CSCDA Open PACE: CleanFund Commercial PACE Capital

Ladies and Gentlemen:

This letter will confirm our understanding of the terms and conditions under which our firm, Jones Hall, A Professional Law Corporation ("Jones Hall" or "Bond Counsel"), will be compensated for services rendered and expenses incurred since ~~January 2015~~ July 2015, and continuing from this date as bond counsel to the California Statewide Communities Development Authority ("CSCDA" or the "Authority") in connection with its Open PACE commercial property program (the "Program") administered by CleanFund Commercial PACE Capital ("CleanFund").

**Commented [GS1]:** Look for your guidance on this date, but would seem to be back into the summer of 2015?

Jones Hall's ongoing services as bond counsel for CSCDA in the Program will consist of:

A. Bond Issues:

- i. Receive bond issuance data from CleanFund.
- ii. Use that data to prepare or review the bonds, legal documentation, bond opinions and closing documents.
- iii. Email notice of closing to all parties participating in the Program,
- iv. Archive file of electronic copies of closing documents.

B. Assignment Transactions:

- i. Receive assignment data from CleanFund.
- ii. Use that data to prepare or review the assignment documentation, opinions and closing documents.
- iii. Email notice of closing to all parties participating in the Program.
- iv. Archive file of electronic copies of closing documents.

C. Other:

Assist with changes to the Program, or the following in connection with the Program: amendments or changes in the forms of documents for the Program, review of documents or questions not covered in paragraphs A or B above, research legal issues, render opinions (other than the opinions referred to above), review or prepare resolutions, review or prepare legislative changes.

In rendering opinions and performing legal services pursuant to this letter agreement, Bond Counsel shall be entitled to rely, without independent investigation, verification or responsibility, on (a) the accuracy and completeness of information provided and certifications made by, and opinions rendered by counsel to, the Authority and CleanFund, including (without limitation) the information described in subparagraphs A(i) and B(i) above, (b) the proper form, authorization, execution, delivery, recordation, validity and enforceability (against CSCDA and all required property owners and any other parties) of the individual assessment contracts, contractual assessments and related liens, notices, assignments, power purchase agreements and leases, and (c) the improvements financed being located within a city or county that is a member of CSCDA and whose legislative body has adopted (and not rescinded) an applicable resolution ("opt-in resolution") approving operation of the Program in that city or county.

Unless otherwise expressly agreed in writing by Bond Counsel, Bond Counsel's services with respect to the Program are limited to those specifically set forth above. For example, Bond Counsel services in respect of the Program do not include responsibility for (a) representing CSCDA, CleanFund or any other party in any litigation or other legal or administrative proceedings, audit or investigation involving any of the Bonds, the contractual assessments, the participating properties, the financed improvements or installation thereof (the "Projects") or any related matter; (b) any information provided by CleanFund or bond purchasers for use in preparing the Bonds, opinions and any other documents; (c) execution, delivery, review, conformance with legal or Program requirements, receipt, maintaining, filing or recording of any assessment contract, notice or lien or any related matter or any power purchase agreement or lease entered into by the property owners in connection therewith; (d) any consumer protection, lending, environmental, land use, construction, real estate, insurance or similar laws or matters, or federal or state tax treatment of any of the Parties, contractual assessments, Projects or property owners; (e) preparing or obtaining any individual opt-in resolution or conformance therewith of any assessment contract; (f) the PACE Loss Reserve Program administered by California Alternative Energy and Advanced Transportation Financing Authority; (g) any foreclosure, judicial sale or other enforcement proceedings; (h) any other matter not explicitly covered by the services described in paragraphs A, B or C above; or (i) any financial advice or analysis.

Bond Counsel will be paid a fee in connection with the issuance of bonds for transactions in which assignments of contractual assessments were not involved (the "Issuance Fees") payable on each date of bond issuance as follows:

<u>Principal Amount</u>	<u>% of Program Fund Deposit</u>
<\$500,000	1.500%
\$500,001-\$999,999	1.000
\$1,000,000+	0.500

Bond Counsel will be paid a fee in connection with assignments of contractual assessments (an "Assignment Fee") as follows:

a. At the time of assignment:

<u>Principal Amount</u>	<u>% of Program Fund Deposit</u>
<\$500,000	1.125%
\$500,001-\$999,999	0.750
\$1,000,000-\$3,000,000	0.375
\$3,000,000+	0.25

b. At the issuance of bonds, 0.25% with a minimum fee of \$10,000 and a maximum fee of \$250,000.

For the services, if any, described in paragraph C above that are requested by CleanFund or, with the prior approval of CleanFund, CSCDA, unless otherwise agreed by Jones Hall, CSCDA and CleanFund, Jones Hall will be compensated for this work as part of its compensation for the issuance of bonds or the assignment of contractual assessments, and the Authority and CleanFund acknowledge that the compensation described above is intended to compensate Jones Hall for this work.

The Issuance Fees (in whole or part) will be paid by the Authority from proceeds of the bonds, and the Assignment Fees will be paid from the proceeds of an assignment. The Issuance Fees shall be paid at bond issuance, and the Assignment Fee shall be paid upon assignment and at bond issuance as described above. All other amounts payable to Bond Counsel shall be paid within 60 days of invoice by Bond Counsel. CSCDA shall not be responsible for payment of any of the foregoing fees or expenses of Bond Counsel from any of its own funds.The compensation set forth above is not set by law but is negotiable between Attorneys and Client.

The amount of the foregoing Issuance Fees and Assignment Fees may be adjusted from time to time in the event there is compression in the California PACE market generally in the amount of fees included in the principal amount of assessments, in the same proportion as adjustment to the Authority's base fee and CleanFund's fee.

The scope of services and fees set forth above are based on the following additional assumptions with respect to the Program: (a) all documents and all signatures will be electronic to the extent permitted by law, and (b) any party hereto that desires paper copies will be responsible for printing them out from the closing website, which will constitute the official transcript (provided that the actual bonds may be in paper form authenticated by the bond trustee (the "Trustee") and delivered as arranged with the Trustee by the bond purchasers).

This agreement may be terminated at any time, but not sooner than two years from the date hereof, by written notice, at least three months prior to termination, from CSCDA and CleanFund to Bond Counsel or from Bond Counsel to CSCDA and CleanFund. At any time following the aforementioned two-year period, CleanFund, upon at least three months prior written notice to Bond Counsel and CSCDA, may terminate its status as a party to and all of its rights and obligations under this agreement. In the event of termination, all finished documents prepared for adoption or execution by CSCDA, shall, at the option of CSCDA, become its property and shall be electronically delivered to it or to any party it may designate; provided that

Bond Counsel shall have no liability whatsoever for any subsequent use of such documents. Bond Counsel shall be paid for all work to and including the date of termination plus expenses and for any unpaid Issuance Fees and Assignment Fees accruing through the Termination Date. Except as stated above, Bond Counsel retains the right to discard any files and materials.

In addition to the provisions of the preceding paragraph, and subject to the limitations, assumptions and conditions set forth herein, if Bond Counsel fails to provide the services described in paragraphs A or B above in a timely and professional manner (except as permitted in this agreement or as a result of nonpayment or late payment of any fees), and such failure is material, does not result from the failure of CSCDA, CleanFund, bond purchasers, Trustee or any other party to perform its obligations in a timely and professional manner, is continuing and results in a material impairment of the Program, CSCDA may provide written notice to Bond Counsel of such failure, together with a request that Bond Counsel either explain why it believes no such failure exists or how such failure will be addressed. If such a failure exists, but is not corrected within 30 days (if correction may reasonably be accomplished within such 30-day period), CSCDA may provide notice of termination of this agreement, and after payment to Jones Hall for all work to and including the date of termination (including expenses) and any unpaid Issuance Fees, this agreement shall terminate.

It is standard practice that bond counsel represent the issuer of the bonds, even where, as here, another party is participating in contracting for the services of bond counsel and is responsible for paying all or part of bond counsel's fees and expenses. Therefore, in performing its services as bond counsel in connection with bonds or assignment of contractual assessments, Bond Counsel will act as special counsel to CSCDA with respect to issuance of the bonds; i.e., Bond Counsel will assist Issuer Counsel in representing Issuer but only with respect to the services described above. CleanFund and purchasers of bonds and assignees of contractual assessments should be represented by their own counsel in connection with the Program. Bond Counsel shall have no attorney-client relationship with or duty of any kind to CleanFund or purchasers of bonds or assignees of contractual assessments in connection with the Program.

You should also be aware that Jones Hall has represented, represents or may in the future represent many public and private entity clients, including underwriters, trustees, rating agencies, lenders, contractors, suppliers, financial, assessment and other consultants/advisors, accountants, investment providers/brokers, companies that may be competitors of the Program or CleanFund, and others who may have a role or interest in the Program financings, the Program or the Projects or that may be involved with or adverse to CSCDA or CleanFund in this or some other matter; and, further, that Jones Hall also has represented, represents or may in the future represent or otherwise work with other issuers, program administrators, lenders, investors, property owners, bond or assessment purchasers, securitization issuers or underwriters and others in respect of PACE and similar matters in California and other states. Given the special limited role of Bond Counsel, CSCDA acknowledges and agrees that no conflict of interest exists or would exist and CSCDA waives any actual or potential conflict of interest that may be deemed to arise, now or in the future from this agreement or any such other relationship that Jones Hall may have had, have or enter into. CleanFund acknowledges, as to itself, that Jones Hall has no attorney-client relationship to it in connection with the Program and agrees that no conflict of interest exists, and waives any actual or potential conflict of interest that may be deemed to arise, on account of Jones Hall's attorney-client relationship with the Authority in respect of its PACE programs or with Jones Hall's other PACE related clients on their respective PACE programs. Jones Hall will, of course, not share with other clients (except the Authority) proprietary new product information developed by CleanFund for the Program,

prior to such information becoming public, although some benefit of the research, learning and document development associated with new product information may indirectly benefit other clients in the ordinary course of our providing legal services to them.

Nothing in this agreement or in any of the documents contemplated hereby, expressed or implied, is intended or construed to give any person other than CSCDA, CleanFund and Bond Counsel any legal or equitable right or claim under or in respect of this agreement, and this agreement shall inure to the sole and exclusive benefit of CSCDA, CleanFund and Bond Counsel.

Bond Counsel may not assign its obligations under this agreement without the written consent of CSCDA and CleanFund, except to a successor partnership or corporation to which all or substantially all of the assets and operations of Bond Counsel (including its public finance group) are transferred. CleanFund shall not assign its rights or obligations under this agreement without the written consent of CSCDA and Bond Counsel, provided that any such assignment shall not relieve the assignor of any obligation for fees and expenses of Bond Counsel it may have as of the effective date of the assignment. All references to Bond Counsel, CSCDA and CleanFund in this agreement shall be deemed to refer to any such permitted successor of Bond Counsel and to any such permitted assignee of CSCDA and CleanFund, as the case may be, and shall bind and inure to the benefit of such successor and assignee whether so expressed or not.

This agreement may be executed in any number of counterparts and each counterpart shall for all purposes be deemed to be an original, and all such counterparts shall together constitute but one and the same agreement.

If the foregoing is acceptable, please so indicate by returning a copy of this letter, signed by an authorized officer, and retain an original for your files. We look forward to working with you and to helping make the Program as successful as possible.

JONES HALL, A Professional Law  
Corporation

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Christopher K. Lynch

ACCEPTED AND AGREED TO:

CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY

By: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

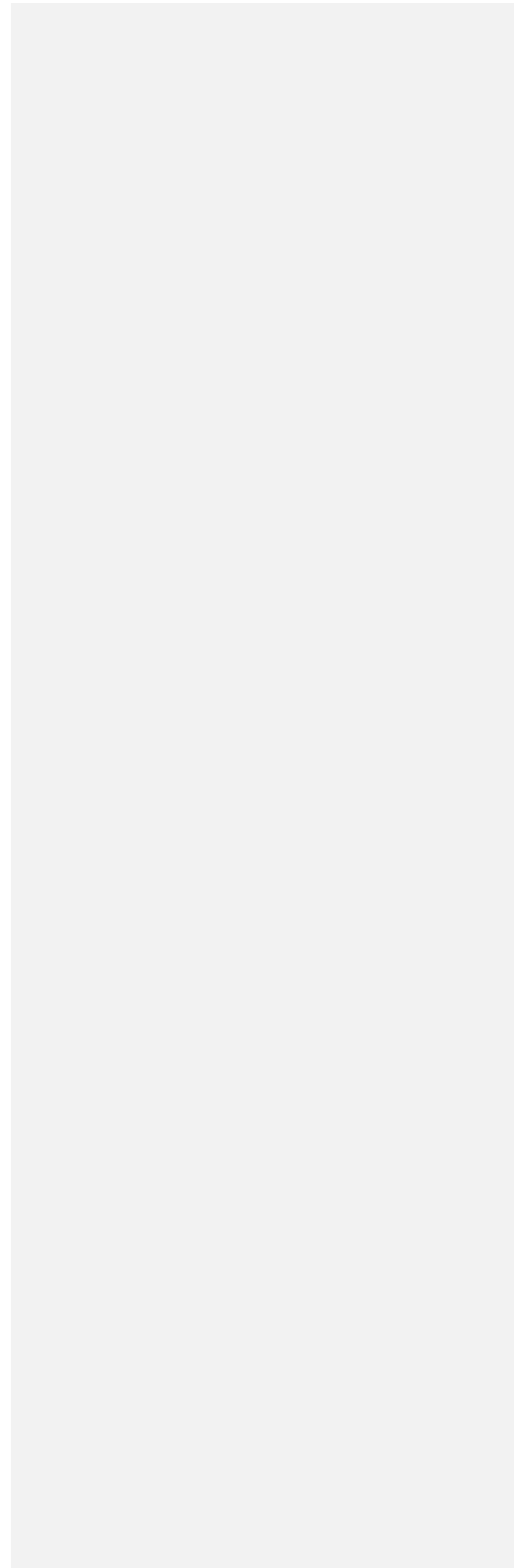
ACCEPTED AND AGREED TO:

By CleanFund Commercial PACE Capital

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_



## **RESOLUTION NO. 16R-41**

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

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

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

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

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

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

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

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

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

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

PASSED AND ADOPTED by the California Statewide Communities Development Authority on October 6, 2016.

\* \* \* \* \*

I, the undersigned, a duly appointed, and qualified Authorized Signatory of the Commission of the California Statewide Communities Development Authority, DO HEREBY CERTIFY that the foregoing resolution was duly adopted by the Commission of said Authority at a duly called meeting of the Commission of said Authority held in accordance with law on October 6, 2016.

By \_\_\_\_\_  
Authorized Signatory

## **EXHIBIT A**

### **CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY PROGRAM PARTICIPANTS**

- 1. Alisal Union School District**
- 2. Chualar Union School District**
- 3. Mission Union Elementary School District**
- 4. Salinas Union School District**
- 5. Santa Rita Union School District**



## **Agenda Item No. 5a**

### **Agenda Report**

**DATE:** October 6, 2016

**TO:** CSCDA COMMISSIONERS

**FROM:** Cathy Bando, Executive Director

**PROJECT:** California Baptist University

**PURPOSE:** Consideration of the financing and refinancing for Lancer Educational Housing, LLC, student housing revenue bonds

**AMOUNT:** Not to Exceed \$120,000,000

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#### **EXECUTIVE SUMMARY:**

Lancer Educational Housing, LLC, (“Lancer”), has requested that CSCDA issue student housing revenue bonds in an amount not to exceed \$120,000,000 (the “Bonds”) to finance and refinance existing CSCDA bonds originally issued for the acquisition, construction, improvement and equipping of student housing facilities located at California Baptist University, and finance the acquisition of new facilities (the “Project”).

#### **PROJECT ANALYSIS:**

##### **About Lancer:**

Lancer was formed in 2007 for the purpose of receiving, holding, and administering housing related property for the direct benefit of California Baptist University (the “University”), which addresses a critical component of the University’s mission.

##### **About the Project:**

The Series 2016A Bonds are proposed to be issued to:

(1) finance and refinance the acquisition, construction, improvement, renovation, furnishing and equipping of certain housing facilities for faculty, staff and students of the University by Lancer, including related administrative facilities, site improvements, and parking, including but not limited to:

(a) a 32-unit apartment complex known as College Park Apartments (“College Park”) located at 8230 Magnolia Avenue in Riverside;

- (b) student housing facilities known as The Point located at 3622 Adams Street on the University's main campus, the address of which is 8432 Magnolia Avenue, Riverside California 92504;
- (c) student housing facilities known as The Colony located at 3675 and 3697 Monroe Street in Riverside;
- (d) an apartment complex located on a parcel adjacent to the College Park project; and
- (e) other improvements to existing housing facilities located on the University's campus.

(2) advance refund for savings all of the outstanding (a) CSCDA Revenue Bonds (Lancer Educational Student Housing Project) Series 2007A, and (b) CSCDA Revenue Bonds (Lancer Educational Student Housing Project) Series 2010A.

**Public Agency Approval:**

**TEFRA Hearing:** The TEFRA hearing was held on September 27, 2016 at the City of Riverside and unanimously approved by the City Council.

**Public Benefit:**

Lancer was formed for the sole benefit of the University. All excess funds, generated by Lancer, are used for either the direct benefit of the University via charitable gifts or indirectly through financial assistance for students (housing assistance) or improvements to the student housing.

The University provides financial assistance to approximately 92 percent of its enrolled undergraduate students. Approximately 75 percent of traditional undergraduate students receive more than \$9,500 in institutional financial aid. Approximately 50 percent of University students also receive Pell Grants, which further demonstrates the University's support of an underserved (i.e., low-income) population.

The University is known for its commitment to community outreach. The University strives to provide students, faculty, and staff with opportunities to expand their global vision and gain hands-on ministry experience in a cross-cultural setting. Students, faculty, and staff are involved in University sponsored programs and events, church ministries, and community service organizations in the Riverside area, the Inland Empire (mainly located in the Riverside and San Bernardino Counties), across the State of California, and around the world.

**Sources and Uses:**

Sources of Funds:

Bond Proceeds:	\$ 105,155,000
Bond Premium:	\$ 2,572,853
Release of Reserves	<u>\$ 5,307,405</u>
Total Sources:	\$ 113,035,258

Uses of Funds:

Project Fund Deposits:	\$ 61,663,589
Refunding Escrow Deposits:	\$ 42,663,373
Debt Service Reserve Fund:	\$ 6,723,250
Costs of Issuance:	\$ 1,977,475
Rounding Amount:	<u>\$ 7,571</u>
Total Uses:	\$ 113,035,258

**Finance Partners:**

Bond Counsel:	Squire Patton Boggs, Los Angeles
Authority Counsel:	Orrick, Herrington & Sutcliffe, LLP, Sacramento
Underwriter:	D.A. Davidson, Denver

**Finance Terms:**

<b>Anticipated Rating:</b>	Unrated
<b>Term:</b>	30 years at a fixed interest rate
<b>Structure:</b>	Limited public offering. Bonds to be sold to accredited investors and/or qualified institutional buyers.
<b>Estimated Closing:</b>	November 9, 2016

**CSCDA Policy Compliance:**

The financing complies with CSCDA's general and issuance policies.

**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. \_\_NP-\_\_**

**CALIFORNIA STATEWIDE COMMUNITIES  
DEVELOPMENT AUTHORITY**

**A RESOLUTION AUTHORIZING THE ISSUANCE OF REVENUE  
BONDS IN A PRINCIPAL AMOUNT NOT TO EXCEED \$120,000,000 TO  
FINANCE AND REFINANCE THE ACQUISITION, CONSTRUCTION,  
IMPROVEMENT AND EQUIPPING OF CERTAIN STUDENT HOUSING  
FACILITIES FOR LANCER EDUCATIONAL HOUSING, LLC 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;

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;

WHEREAS, the Authority is authorized by a resolution adopted March 21, 1991, to issue bonds, notes or other evidences of indebtedness, or certificates of participation in leases or other agreements to finance or refinance facilities owned and/or leased and operated by organizations described in Section 501(c)(3) of the Internal Revenue Code of 1986 which are determined by the Authority to satisfy the criteria set forth in such resolution (the “Eligible Organizations”);

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;

WHEREAS, the City of Riverside (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;

WHEREAS, pursuant to the provisions of the Act and the Agreement, the Authority is authorized to enter into installment purchase and/or sale agreements with the Eligible Organizations and to deliver certificates of participation evidencing interests therein;

WHEREAS, pursuant to the provisions of the Act, the Authority may, at its option, issue bonds, rather than certificates of participation, and enter into a loan agreement with the Eligible Organizations;

WHEREAS, Lancer Educational Housing, LLC, a California limited liability company (the "Borrower"), the sole member of which is Lancer Educational Housing Corporation, a California nonprofit public benefit corporation ("Lancer Corporation"), wishes to: (1) finance and refinance the Series 2016 Project, defined below; (2) prepay and retire all of the outstanding (a) California Statewide Communities Development Authority Revenue Bonds (Lancer Educational Student Housing Project) Series 2007A (the "Series 2007 Bonds"), issued for the Series 2007 Project, defined below, and (b) California Statewide Communities Development Authority Revenue Bonds (Lancer Educational Student Housing Project) Series 2010A (the "Series 2010 Bonds"), issued for the Series 2010 Project, defined below (together with the Series 2016 Project and the Series 2007 Project, the "Project"); (3) pay capitalized interest on the Bonds, defined below; (4) finance a debt service reserve fund for the Bonds; and (5) pay certain expenses incurred in connection with the issuance of the Bonds;

WHEREAS, the term "Series 2016 Project" means financing and refinancing the acquisition, construction, improvement, renovation, furnishing and equipping of certain housing facilities for faculty, staff and students of California Baptist University (the "University") by the Borrower, including related administrative facilities, site improvements, and parking, including but not limited to (1) a 32-unit apartment complex known as College Park Apartments located at 8230 Magnolia Avenue ("College Park") in the City of Riverside (the "City"); (2) student housing facilities known as The Point located at 3622 Adams Street on the University's main campus, the address of which is 8432 Magnolia Avenue, Riverside California 92504 (the "Campus"); (3) student housing facilities known as The Colony located at 3675 and 3697 Monroe Street on the Campus; (4) an apartment complex located on a parcel adjacent to the College Park; and (5) other improvements to existing housing facilities located on the Campus;

WHEREAS, the proceeds that the University will receive from the sale of the improvements constituting the student housing facilities of College Park to the Borrower will be used to reimburse the University for all or a portion of the cost of the University's acquisition of College Park;

WHEREAS, the improvements constituting the student housing facilities of The Point will be acquired by the Borrower from the University, and the proceeds that the University will receive from the sale of The Point to the Borrower will be used to finance and refinance all or a portion of the acquisition, construction, improvement and equipping of educational and related facilities, including related administrative facilities, site improvements, parking structures and surface parking, including but not limited to construction of or renovation of existing space for a new library and/or study spaces and other improvements located on the Campus and at 8775 Magnolia Avenue;

WHEREAS, the improvements constituting the student housing facilities of The Colony will be acquired by the Borrower from Colony Student Housing, LLC, a California limited liability company ("Colony"), the sole member of which is Lancer Corporation, and the sale proceeds will be used to prepay and retire all or a portion of the California Statewide Communities Development Authority Revenue Bonds (Colony Student Housing, LLC) Series 2012 (the "Series

2012 Bonds”) and the outstanding revolving business loan with California Bank and Trust, both issued to finance or refinance the acquisition of The Colony;

WHEREAS, the term “Series 2007 Project” means the financing of the costs of acquisition, construction, improvement, renovation, remodeling, furnishing and equipping of certain housing facilities for faculty, staff and students of the University by the Borrower, all located on the Campus, more particularly described as follows: Smith Hall located at 8525 Diana Avenue; Simmons Hall located at 8555 Diana Avenue; the Lancer Arms Apartments located at 8447, 8449, 8451 and 8471 Diana Avenue; the University Place residence facilities located at 8374 and 8350 Magnolia Avenue; the Adams Villas residence facilities located at 3780 Adams Street; and the Magnolia Hacienda residence facilities located from 8386 to 8398 Magnolia Avenue;

WHEREAS, the term “Series 2010 Project” means the financing of the costs of acquisition, improvement, renovation, remodeling, furnishing and equipping of certain housing facilities including a 94-unit apartment complex known as Tower Hall (fka the Royal Rose Apartments) and a 121-unit apartment complex known as The Village @ CBU (fka Rose Garden Village Apartments), each operated by the University and located on the Campus;

WHEREAS, the proceeds the University received from the sale of the Series 2010 Project to the Borrower were used to finance the costs of the acquisition of land located at 3520 through 3594 Adams Street and construction of improvements thereon, which facilities and improvements are owned and operated by Lancer Plaza, LLC, a Delaware limited liability company, of which Lancer Corporation is the sole member;

WHEREAS, the Project is or will be owned and operated by the Borrower and located in the City;

WHEREAS, the Borrower is requesting the assistance of the Authority in financing and refinancing the Project;

WHEREAS, pursuant to an Indenture of Trust, dated as of June 1, 2007 (the “Original Indenture” and as amended, the “Indenture”), as amended by a First Supplemental Indenture of Trust, dated as of February 1, 2010 (the “First Supplemental Indenture”), and a Second Supplemental Indenture of Trust (the “Second Supplemental Indenture”), each between the Authority and U.S. Bank National Association (the “Trustee”), the Authority will issue the California Statewide Communities Development Authority Revenue Bonds (Lancer Educational Student Housing Project) Series 2016A (the “Bonds”) for the purpose, among others, of financing and refinancing the Project;

WHEREAS, pursuant to a Loan Agreement, dated as of June 1, 2007 (the “Original Loan Agreement” and as amended, the “Loan Agreement”), as amended by a First Supplemental Loan Agreement, dated as of February 1, 2010 (the “First Supplemental Loan Agreement”), and a Second Supplemental Loan Agreement (the “Second Supplemental Loan Agreement”), each between the Authority and the Borrower, the Authority will loan the proceeds of the Bonds to the Borrower for the purpose, among others, of financing and refinancing the Project;

WHEREAS, pursuant to a Bond Purchase Contract, to be dated the date of sale of the Bonds (the “Purchase Contract”), among D.A. Davidson & Co., as underwriter (the

“Underwriter”), the Authority and the Borrower, the Bonds will be sold to the Underwriter, and the proceeds of such sale will be used as set forth in the Indenture to finance and refinance the Project, to fund a debt service reserve account and to pay costs incurred in connection with the issuance of the Bonds;

WHEREAS, the Bonds will be offered for sale to Approved Buyers (as defined in the Second Supplemental Indenture) through a limited offering memorandum;

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

- (1) A proposed form of the Second Supplemental Indenture;
- (2) A proposed form of the Second Supplemental Loan Agreement;
- (3) A proposed form of the Purchase Contract;
- (4) A proposed form of limited offering memorandum (the “Limited Offering Memorandum”) to be used by the Underwriter in connection with the offering and sale of the Bonds; and

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 Indenture, the Authority is hereby authorized to issue its revenue bonds designated as the “California Statewide Communities Development Authority Revenue Bonds (Lancer Educational Student Housing Project) Series 2016A” in an aggregate principal amount not to exceed one hundred twenty million dollars (\$120,000,000). The Bonds shall be issued and secured in accordance with the terms of, and shall be in the form or forms set forth in, the Indenture. The 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 Second Supplemental 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 Second Supplemental 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 trustee, dated date, maturity date or dates, interest rate or rates, interest payment dates, denominations, forms, registration privileges, manner of execution, place or places of payment, terms of redemption and other terms of the Bonds shall be as provided in the Second Supplemental Indenture, as finally executed.

**Section 3.** The proposed form of Second Supplemental Loan 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 Second Supplemental Loan 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 the Purchase Contract, 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 Contract, 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 preliminary form of Limited Offering Memorandum, as made available to the Commissioners, is hereby approved. The Underwriter is hereby authorized to distribute the Limited Offering Memorandum in preliminary form, to persons who may be interested in the purchase of the Bonds and to deliver the Limited Offering Memorandum in final form, in substantially the form of the preliminary Limited Offering Memorandum, to the purchasers of the Bonds.

**Section 6.** The Bonds, when executed as provided in Section 1, shall be delivered to the Trustee for authentication by the Trustee. The Trustee is hereby requested and directed to authenticate the Bonds by executing the Trustee's Certificate of Authentication appearing thereon, and to deliver the Bonds, when duly executed and authenticated, to the purchaser or purchasers thereof in accordance with written instructions executed on behalf of the Authority by an 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 Trustee. Such instructions shall provide for the delivery of the Bonds to the purchaser or purchasers thereof, upon payment of the purchase price thereof.

**Section 7.** 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 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 8.** 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 Bonds are hereby ratified, confirmed and approved.

**Section 9.** 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 Bonds as may be required thereby and in accordance with Section 9 of the Agreement to provide financing and refinancing for the Project.

**Section 10.** This Resolution shall take effect from and after its adoption.

PASSED AND ADOPTED by the California Statewide Communities Development Authority this 6th day of October, 2016.

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 6, 2016.

By: \_\_\_\_\_  
Authorized Signatory  
California Statewide Communities  
Development Authority



## **Agenda Item No. 5b**

### **Agenda Report**

**DATE:** October 6, 2016

**TO:** CSCDA COMMISSIONERS

**FROM:** Cathy Bando, Executive Director

**PROJECT:** Mountain Shadows Support Group

**PURPOSE:** Consideration of refinancing for Mountain Shadows Support Group revenue bonds

**AMOUNT:** Not to Exceed \$18,000,000

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#### **EXECUTIVE SUMMARY:**

Mountain Shadows Support Group (“MSSG”) has requested that CSCDA issue revenue bonds in an amount not to exceed \$18,000,000 (the “Bonds”) to refinance existing CSCDA bonds originally issued for the acquisition, construction, improvement and equipping of facilities located at the MSSG campuses in Riverside County and San Diego County. MSSG will also be refinancing existing taxable loans (collectively, the “Project”).

#### **PROJECT ANALYSIS:**

##### **About MSSG:**

MSSG was formed in 1988 for the purpose of promoting the welfare of the residents of its homes, all whom have developmental disabilities and supporting special programs to assist in the residents’ development. MSSG is organized to provide care and treatment for the developmentally disabled in a residential or neighborhood environment as opposed to an institutional hospital-like setting.

##### **About the Project:**

MSSG plans to refinance its outstanding CSCDA Series 2002A Health Care Facilities Revenue Bonds and Series 2006B Health Care Facilities Revenue Bonds, as well as refinance four taxable bank term loans for facilities located in San Diego and Riverside counties.

The outstanding balance on the Series 2002A Bonds is \$6,020,900 and will be \$5,855,900 by the expected closing date of the financing. The Series 2002A Bonds are insured by ACA Financial Guaranty. The Series 2002A Bonds were originally issued to fund a loan to MSSG to acquire licensed health care facilities consisting of eight residential buildings, a maintenance building and

an administration building located in the City of Escondido, California and consisting of two four-bedroom residences, each located in the City of San Marcos, California.

The outstanding balance on the Series 2006B Bonds is \$5,585,000 and will be \$5,465,000 by the expected closing date of the financing. The Series 2006B Bonds are insured by ACA Financial Guaranty. The Series 2006B Bonds were originally issued to fund a loan to MSSG to finance the acquisition and equipping of nine licensed health care facilities located in the County of Riverside, California and the equipping of four additional license health care facilities located in Riverside, California.

**Public Agency Approval:**

**TEFRA Hearing:** The TEFRA hearings were held on July 26, 2016 at the County of Riverside, and August 2, 2016 at the County of San Diego and unanimously approved by both Boards of Supervisors.

**Public Benefit:**

MSSG meets the needs of individuals diagnosed with an intellectual disability requiring long term care in an Intermediate Care Facility – Developmentally Disabled Nursing or Intermediate Care Facility – Developmentally Disabled Habilitative residential home. As a long term health care provider MSSG is aware of the community beliefs and practices of its clients. The delivery of health care services is in a manner that is respectful and appropriate to an individual's language and culture and goes beyond client's right, but is, in fact a key facet in the safety and quality of client care. MSSG accommodates its services based upon a client's cultural, religious, dietary and linguistic needs.

**Sources and Uses:**

Sources of Funds:

Bond Proceeds:	\$ 11,660,000
Bond Premium:	\$ 1,937,007
Equity Contribution:	\$ 204,992
Release of Reserves:	\$ 1,085,118
Total Sources:	\$ 14,887,117

Uses of Funds:

Project Fund Deposits:	\$ 500,000
Refunding Escrow Deposits:	\$ 12,494,070
Debt Service Reserve Fund:	\$ 861,616
Costs of Issuance:	\$ 306,970
Underwriter's Discount:	\$ 169,962
Cal-Mortgage:	\$ 552,047
Additional Proceeds:	\$ 2,452
Total Uses:	\$ 14,887,117

**Finance Partners:**

Bond Counsel: Squire Patton Boggs, Los Angeles  
Authority Counsel: Orrick, Herrington & Sutcliffe, LLP, Sacramento  
Underwriter: Cain Brothers, San Francisco

**Finance Terms:**

**Anticipated Rating:** AA- by S&P. Bonds to be insured by Cal-Mortgage  
**Term:** 15 years at a fixed interest rate  
**Structure:** Public offering  
**Estimated Closing:** October 19, 2016

**CSCDA Policy Compliance:**

The financing complies with CSCDA's general and issuance policies.

**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. \_\_NP-\_\_**

**CALIFORNIA STATEWIDE COMMUNITIES  
DEVELOPMENT AUTHORITY**

**A RESOLUTION AUTHORIZING THE ISSUANCE OF REVENUE BONDS IN A  
PRINCIPAL AMOUNT NOT TO EXCEED \$14,000,000 TO FINANCE AND REFINANCE  
THE ACQUISITION, IMPROVEMENT AND EQUIPPING OF FACILITIES FOR THE  
PROVISION OF SERVICES TO THE DEVELOPMENTALLY DISABLED FOR  
MOUNTAIN SHADOWS SUPPORT GROUP AND MOUNTAIN SHADOWS  
ANCILLARY SERVICES AND AUTHORIZING THE EXECUTION AND DELIVERY  
OF A FIRST SUPPLEMENTAL SUBORDINATE INDENTURE 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;

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;

WHEREAS, the Authority is authorized by a resolution adopted March 21, 1991, to issue bonds, notes or other evidences of indebtedness, or certificates of participation in leases or other agreements to finance or refinance facilities owned and/or leased and operated by organizations described in Section 501(c)(3) of the Internal Revenue Code of 1986 which are determined by the Authority to satisfy the criteria set forth in such resolution (the "Eligible Organizations");

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;

WHEREAS, the County of San Diego and the County of Riverside (collectively, the "Counties") are Program Participants, and such Counties are authorized to acquire and dispose of property, both real and personal, pursuant to the provisions of Chapter 1, Division 1 of Title 3 of the Government Code of the State of California;

WHEREAS, pursuant to the provisions of the Act and the Agreement, the Authority is authorized to enter into installment purchase and/or sale agreements with the Eligible Organizations and to deliver certificates of participation evidencing interests therein;

WHEREAS, pursuant to the provisions of the Act, the Authority may, at its option, issue bonds, rather than certificates of participation, and enter into a loan agreement with the Eligible Organizations;

WHEREAS, at the request of Mountain Shadows Support Group, a California nonprofit public benefit corporation (“MSSG”), the Authority previously issued its Health Facilities Revenue Bonds (Mountain Shadows Community Homes) Series 2002A (the “2002 Senior Bonds”), which are currently outstanding, pursuant to that certain Indenture of Trust between the Authority and the trustee, BNY Western Trust Company (“BNY Western”), dated as of October 1, 2002 (the “2002 Indenture of Trust”);

WHEREAS, the proceeds of the 2002 Senior Bonds were loaned to MSSG to finance the acquisition of long term licensed intermediate care facilities for the developmentally disabled and to promote opportunities for the creation or retention of employment within the County of San Diego, pursuant to that certain Loan Agreement between the Authority, BNY Western and MSSG, dated as of October 1, 2002 (the “2002 Loan Agreement”);

WHEREAS, upon the additional request of MSSG, the Authority previously issued its Health Facilities Revenue Bonds (Mountain Shadows Community Homes) Series 2002A-S (the “Subordinate Bonds”), which are currently outstanding, pursuant to that certain Subordinate Indenture between the Authority and BNY Western, dated as of October 1, 2002 (the “Subordinate Indenture”);

WHEREAS, the proceeds of the Subordinate Bonds were loaned to MSSG pursuant to that certain Subordinate Loan Agreement between the Authority and BNY Western, dated as of October 1, 2002 (the “Subordinate Loan Agreement”);

WHEREAS, at the further request of MSSG, the Authority previously issued its Health Facilities Revenue Bonds (Mountain Shadows Community Homes) Series 2006B (the “2006 Senior Bonds”), which are currently outstanding, pursuant to that certain 2002 Indenture of Trust as amended by the First Supplement to Indenture of Trust between the Authority and The Bank of New York Mellon Trust Company, N.A. (the “Trustee”), dated as of February 1, 2006;

WHEREAS, the proceeds of the 2006 Senior Bonds were loaned to MSSG to finance the acquisition and equipping of nine licensed Health Facilities and the equipping of four licensed Health Facilities for the developmentally disabled and promote opportunities for the creation or retention of employment within the County of Riverside pursuant to that certain 2002 Loan Agreement and that certain First Amendment to Loan Agreement between the Authority, the Trustee and MSSG, dated as of February 1, 2006 (the “2006 Loan Amendment”);

WHEREAS, MSSG, and Mountain Shadows Ancillary Services, a California nonprofit public benefit corporation (“MSAS” and collectively with MSSG, the “Borrowers”) wish to finance and refinance the acquisition, improvement, rehabilitation and equipping of facilities for the provision of services to the developmentally disabled through the defeasance, on a current refunding basis, of the 2002 Senior Bonds, the 2006 Senior Bonds and the Subordinate Bonds, the repayment of certain bank loans incurred for the acquisition of facilities in Riverside County, and the improvement, rehabilitation and equipping of its facilities in the Counties (collectively, the

“Project”), with all such facilities owned and operated by the Borrowers and located in the Counties;

WHEREAS, the Borrowers are requesting the assistance of the Authority in financing and refinancing the Project;

WHEREAS, pursuant to an Indenture (the “Indenture”) between the Authority and the Trustee, the Authority will issue the California Statewide Communities Development Authority Insured Revenue Bonds (Mountain Shadows Support Group), Series 2016A and the California Statewide Communities Development Authority Taxable Insured Revenue Bonds (Mountain Shadows Support Group) Series 2016A-T (collectively, the “Bonds”) for the purpose, among others, of financing and refinancing the Project, to pay the costs of the issuance of the Bonds, and, together with other funds, provide a bond reserve fund for the Bonds;

WHEREAS, pursuant to a Loan Agreement (the “Loan Agreement”), between the Authority and the Borrowers, the Authority will loan the proceeds of the Bonds to the Borrowers for the purpose, among others, of financing and refinancing the Project;

WHEREAS, payment of the principal of and interest on the Bonds will be insured pursuant to a Contract of Insurance (the “Contract of Insurance”) among the Authority, the Borrowers and the Office of Statewide Health Planning and Development of the State of California (the “Office”);

WHEREAS, pursuant to a Bond Purchase Contract, to be dated the date of sale of the Bonds (the “Bond Purchase Contract”), among Cain Brothers and Company, LLC, as underwriter (the “Underwriter”), the Authority, the Borrowers, and the Treasurer of the State of California as agent of sale, the Bonds will be sold to the Underwriter, and the proceeds of such sale will be used as set forth in the Indenture to finance and refinance the Project, to fund a bond reserve account and to pay costs incurred in connection with the issuance of the Bonds;

WHEREAS, to facilitate the issuance of the Bonds for the purpose, in part, of accomplishing the defeasance and redemption of all of the Authority’s outstanding bonds issued for the benefit of MSSG, it is necessary and advisable, with the consent of the holders of the Subordinate Bonds, to amend the Subordinate Indenture, effective upon the defeasance of the 2002 Senior Bonds and the 2006 Senior Bonds, in order to provide for the optional redemption of the Subordinate Bonds upon the optional redemption of the Senior Bonds;

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

- (1) A proposed form of the Indenture;
- (2) A proposed form of the Loan Agreement;
- (3) A proposed form of the Bond Purchase Contract;
- (4) A proposed form of the official statement (the “Official Statement”) to be used by the Underwriter in connection with the offering and sale of the Bonds;

- (5) A proposed form of the Contract of Insurance;
- (6) A proposed form of the Regulatory Agreement between the Borrowers, the Office and the Authority dated as of the closing date (the “Regulatory Agreement”); and
- (8) A proposed form of the First Supplemental Subordinate Indenture (the “First Supplemental Subordinate Indenture”) between the Authority and the Trustee;

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 Indenture, the Authority is hereby authorized to issue its revenue bonds designated as (i) the “California Statewide Communities Development Authority Insured Revenue Bonds (Mountain Shadows Support Group), Series 2016A” in an aggregate principal amount not to exceed Eleven Million Dollars (\$11,000,000), and (ii) the “California Statewide Communities Development Authority Taxable Insured Revenue Bonds (Mountain Shadows Support Group) Series 2016A-T” in an aggregate principal amount not to exceed Three Million Dollars (\$3,000,000) (all such bonds collectively, the “Bonds”). The Bonds shall be issued and secured in accordance with the terms of, and shall be in the form or forms set forth in, the Indenture. The 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 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 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 trustee, dated date, maturity date or dates, interest rate or rates, interest payment dates, denominations, forms, registration privileges, manner of execution, place or places of payment, terms of redemption and other terms of the Bonds shall be as provided in the Indenture, as finally executed.

**Section 3.** The proposed form of Loan 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 Loan 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 Bond Purchase Contract, 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 Bond Purchase Contract, 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 preliminary form of Official Statement, as made available to the Commissioners, is hereby approved. The Underwriter is hereby authorized to distribute the Official Statement in preliminary form, to persons who may be interested in the purchase of the Bonds and to deliver the Official Statement in final form, in substantially the form of the preliminary Official Statement, to the purchasers of the Bonds.

**Section 6.** The proposed form of Contract of Insurance, 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 Contract of Insurance, 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 7.** The proposed form of Regulatory 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 Regulatory 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 8.** The proposed form of First Supplemental Subordinate 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 First Supplemental Subordinate 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.

**Section 9.** The Bonds, when executed as provided in Section 1, shall be delivered to the Trustee for authentication by the Trustee. The Trustee is hereby requested and directed to authenticate the Bonds by executing the Trustee's Certificate of Authentication appearing thereon, and to deliver the Bonds, when duly executed and authenticated, to the purchaser or purchasers thereof in accordance with written instructions executed on behalf of the Authority by an 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 Trustee. Such instructions shall provide for the delivery of the Bonds to the purchaser or purchasers thereof, upon payment of the purchase price thereof.

**Section 10.** 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 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 11.** 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 Bonds are hereby ratified, confirmed and approved.

**Section 12.** Notwithstanding anything to the contrary in this Resolution, no documents referenced in this Resolution may be executed and delivered until each of the Counties have held the hearing pursuant to Section 147(f) of the Internal Revenue Code of 1986, if required by said Section, and have approved the issuance of the Bonds as may be required thereby and in accordance with Section 9 of the Agreement to provide financing and refinancing for the Project.

**Section 13.** Notwithstanding anything to the contrary in this Resolution, no documents referenced in this Resolution may be executed and delivered until the Office has indicated its willingness to insure the Bonds.

**Section 14.** This Resolution shall take effect from and after its adoption.

PASSED AND ADOPTED by the California Statewide Communities Development Authority this \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

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 \_\_\_\_\_, 20\_\_.

By: \_\_\_\_\_  
Authorized Signatory  
California Statewide Communities  
Development Authority



## **Agenda Item No. 5c**

### **Agenda Report**

**DATE:** October 6, 2016

**TO:** CSCDA COMMISSIONERS

**FROM:** Cathy Bando, Executive Director

**PROJECT:** Marygold Gardens Apartments

**PURPOSE:** Approve the Financing of Rental Affordable Housing Project Located in the City of Fontana, County of San Bernardino

**AMOUNT:** Not to Exceed \$15,000,000

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#### **EXECUTIVE SUMMARY:**

Marygold Gardens Apartments (the “Project”) is an acquisition and rehabilitation of a 79-unit rental affordable housing project located in the City of Fontana. 100% of the units will remain rent restricted for low-income tenants.

#### **PROJECT DESCRIPTION:**

- Acquisition and rehabilitation of 79-unit affordable rental housing facility located at 17215 Marygold Avenue in the City of Fontana.
- Consists of 16 one-bedroom units, 46 two-bedroom units and 17 three-bedroom units.

#### **PROJECT ANALYSIS:**

##### **Background on Applicant:**

Intercontinental Affordable Housing, Inc., (“IAHI”) is a California 501(c)(3) nonprofit dedicated to developing, constructing, owning and operating affordable housing projects to assist low-income family households. IAHI works with existing owners, investors and agencies to construct, acquire and rehabilitate “at-risk” projects. These “at-risk” projects currently house low-income families, which if the projects are converted to market rate projects, will displace thousands of tenants. IAHI has been successful in developing low-income housing projects by using a combination of tax-exempt bonds and tax credits. IAHI is currently working with other non-profits in developing social programs to its tenants as well as getting involved in outreach programs. The resident programs will include professional development education assistance, ESL classes, Internet and Computer classes, job counseling and placement assistance to promote sustainable communities. This is IAHI’s 3rd financing with CSCDA.

**Public Agency Approval:**

**TEFRA Hearing:** January 12, 2016 – City of Fontana – unanimous approval

**CDLAC Approval:** September 21, 2016

**Public Benefits:**

- 100% of the units will be rent restricted for 55 years.
  - 100% (79 units) restricted to 60% or less of area median income households.
- The Project is in close proximity to recreational facilities, grocery stores and public K-12 schools. The Project will also provide wireless internet access to each unit.

**Sources and Uses:**

Sources of Funds:

Tax-Exempt Bonds:	\$ 11,000,000
Seller's Note:	\$ 2,000,000
Tax Credits:	\$ 6,534,297
Deferred Developer Fee:	\$ 1,771,333
Solar Tax Credit Equity:	<u>\$ 638,872</u>
Total Sources:	\$ 21,944,502

Uses of Funds:

Acquisition:	\$ 13,050,000
Construction Costs:	\$ 3,861,834
Architecture & Engineering:	\$ 128,650
Relocation:	\$ 40,000
Developer Fee:	\$ 2,303,837
Reserves:	\$ 1,145,150
Cost of Issuance:	\$ 1,160,281
Soft Costs:	<u>\$ 254,750</u>
Total Uses:	\$ 21,944,502

**Finance Partners:**

Bond Counsel: Kutak Rock, LLP, Omaha

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

Private Placement Purchasers: Jones, Lang LaSalle Multifamily

**Finance Terms:**

**Rating:** Unrated  
**Term:** 40 years at a fixed interest rate  
**Structure:** Private Placement  
**Closing:** October 19, 2016

**CSCDA Policy Compliance:**

The financing for Marygold Gardens 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. 16\_\_\_\_\_

**A RESOLUTION OF THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY AUTHORIZING THE ISSUANCE AND DELIVERY OF MULTIFAMILY HOUSING REVENUE NOTES IN ONE OR MORE SERIES IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$11,000,000 FOR THE FINANCING OF A MULTIFAMILY RENTAL HOUSING PROJECT TO BE KNOWN AS MARYGOLD 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 and rehabilitation 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**, Marygold Associates II, LP, a California limited partnership (the “**Borrower**”), has requested that the Authority issue and sell revenue notes to assist in the financing of the acquisition and rehabilitation of a 80-unit multifamily housing development located at 17215 Marygold Avenue, in the City of Fontana, California (the “**City**”), to be known as Marygold Apartments (the “**Project**”);

**WHEREAS**, during a meeting held on September 21, 2016, the California Debt Limit Allocation Committee adopted its Resolution No. 16-134 transferring an aggregate of \$11,000,000 (the “**Allocation Amount**”) of the State of California ceiling of carry forward qualified private activity bond authority for 2013 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 January 12, 2016, following the conduct by it of a public hearing on the financing of the Project, the City Council of the City adopted a resolution 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 \$11,000,000 aggregate principal amount of its California Statewide Communities Development Authority Multifamily Housing Revenue Note (Marygold Apartments) 2016 Series Y in one or more series (the “**Note**”), 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, Wilmington Trust, National Association as fiscal agent (the “**Fiscal Agent**”) and Jones Lang LaSalle Multifamily, LLC, as the initial funding lender (the “**Funding Lender**”), providing for the issuance of the Note;

(2) Project Loan Agreement (the “**Project Loan Agreement**”), to be entered into by the Authority, the Fiscal Agent 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 as “California Statewide Communities Development Authority Multifamily Housing Revenue Note (Marygold Apartments) 2016 Series Y” with appropriate modifications and designations as necessary, in an aggregate principal amount not to exceed the Allocation 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 or facsimile signature of the Chair of the Authority or the manual or facsimile 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. 15R-53 of the Authority, adopted on October 22, 2015) (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 October 1, 2061), interest rate or rates (which shall not exceed 12%), interest payment dates, denominations, purchase price, 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 Project 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 Project 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 Project 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 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 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 Project 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 \_\_\_\_\_, 2016.

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 \_\_\_\_\_, 2016.

By

\_\_\_\_\_  
Authorized Signatory



## **Agenda Item No. 5d**

### **Agenda Report**

**DATE:** October 6, 2016

**TO:** CSCDA COMMISSIONERS

**FROM:** Cathy Bando, Executive Director

**PROJECT:** Columbia Apartments

**PURPOSE:** Approve the Financing of Rental Affordable Housing Project Located in the City of Los Angeles, County of Los Angeles

**AMOUNT:** Not to Exceed \$18,000,000

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#### **EXECUTIVE SUMMARY:**

Columbia Apartments (the “Project”) is an acquisition and rehabilitation of a 122-unit rental affordable housing project located in the City of Los Angeles. 100% of the units will remain rent restricted for low-income tenants.

#### **PROJECT DESCRIPTION:**

- Acquisition and rehabilitation of 122-unit scattered site affordable rental housing facility located at 415 E. Adams; 1034 S. Catalina Avenue; 1043 S. Kingsley Drive; 1137 & 1147 S. Bronson Avenue; and 1522 W. 11<sup>th</sup> Place in the City of Los Angeles.
- Consists of 73 studios, 34 one-bedroom units and 11 two-bedroom units.

#### **PROJECT ANALYSIS:**

##### **Background on Applicant:**

Intercontinental Affordable Housing, Inc. (“IAHI”) is a California 501(c)(3) nonprofit dedicated to developing, constructing, owning and operating affordable housing projects to assist low-income family households. IAHI works with existing owners, investors and agencies to construct, acquire and rehabilitate “at-risk” projects. These “at-risk” projects currently house low-income families, which if the projects are converted to market rate projects, will displace thousands of tenants. IAHI has been successful in developing low-income housing projects by using a combination of tax-exempt bonds and tax credits. IAHI is currently working with other non-profits in developing social programs to its tenants as well as getting involved in outreach programs. The resident programs will include professional development education assistance, ESL classes, Internet and

Computer classes, job counseling and placement assistance to promote sustainable communities. This is IAHI's 2nd financing with CSCDA.

**Public Agency Approval:**

**TEFRA Hearing:** April 5, 2016 – City of Los Angeles – unanimous approval

**CDLAC Approval:** September 21, 2016

**Public Benefits:**

- 100% of the units will be rent restricted for 55 years.
  - 64% (78 units) restricted to 60% or less of area median income households.
  - 36% (44 units) restricted to 50% or less of area median income households.
- The Project is in close proximity to recreational facilities, grocery stores and public K-12 schools. The Project will also provide wireless internet access to each unit.

**Sources and Uses:**

Sources of Funds:

Tax-Exempt Bonds:	\$ 18,000,000
Seller's Note:	\$ 4,000,000
Tax Credits:	\$ 11,980,377
Deferred Developer Fee:	\$ 1,678,770
Solar Tax Credit Equity:	<u>\$ 321,535</u>
Total Sources:	\$ 35,980,682

Uses of Funds:

Acquisition:	\$ 24,285,000
Construction Costs:	\$ 6,715,712
Architecture & Engineering:	\$ 130,000
Relocation:	\$ 63,500
Developer Fee:	\$ 2,500,000
Reserves:	\$ 871,162
Cost of Issuance:	\$ 1,121,608
Soft Costs:	<u>\$ 293,700</u>
Total Uses:	\$ 35,980,682

**Finance Partners:**

Bond Counsel: Kutak Rock, LLP, Omaha

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

Private Placement Purchaser: Jones, Lang LaSalle Multifamily

**Finance Terms:**

**Rating:** Unrated  
**Term:** 40 years at a fixed interest rate  
**Structure:** Private Placement  
**Closing:** October 19, 2016

**CSCDA Policy Compliance:**

The financing for Columbia 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**

**A RESOLUTION OF THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY AUTHORIZING THE ISSUANCE AND DELIVERY OF MULTIFAMILY HOUSING REVENUE NOTES IN ONE OR MORE SERIES IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$18,000,000 FOR THE FINANCING OF A SCATTERED SITE MULTIFAMILY RENTAL HOUSING PROJECT TO BE KNOWN AS COLUMBIA 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 and rehabilitation 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**, Columbia Associates II, LP, a California limited partnership (the “**Borrower**”), has requested that the Authority issue and sell revenue notes to assist in the financing of the acquisition and rehabilitation of a 127-unit scattered site multifamily housing development located at: (1) 415 E. Adams Blvd., Los Angeles, CA 90011, (2) 1034 S. Catalina St., Los Angeles, CA 90006, (3) 1043 S. Kingsley Dr., Los Angeles, CA 90006, (4) 1137 S. Bronson Ave., Los Angeles, CA 90019, (5) 1147 S. Bronson Ave., Los Angeles, CA 90019 and (6) 1522 W. 11<sup>th</sup> Pl., Los Angeles, CA 90015, all in the City of Los Angeles, California (the “**City**”), to be known as Columbia Apartments (the “**Project**”);

**WHEREAS**, during a meeting held on September 21, 2016, the California Debt Limit Allocation Committee adopted its Resolution No. 16-133 transferring an aggregate of \$18,000,000 (the “**Allocation Amount**”) of the State of California ceiling of carry forward qualified private activity bond authority for 2013 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 April 6, 2016, following the conduct by it of a public hearing on the financing of the Project, the City Council of the City adopted a resolution 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 \$18,000,000 aggregate principal amount of its California Statewide Communities Development Authority

Multifamily Housing Revenue Note (Columbia Apartments) 2016 Series U in one or more series (the “**Note**”), 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, Wilmington Trust, National Association as fiscal agent (the “**Fiscal Agent**”) and Jones Lang LaSalle Multifamily, LLC, as the initial funding lender (the “**Funding Lender**”), providing for the issuance of the Note;

(2) Project Loan Agreement (the “**Project Loan Agreement**”), to be entered into by the Authority, the Fiscal Agent 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 as “California Statewide Communities Development Authority Multifamily Housing Revenue Note (Columbia Apartments) 2016 Series U” with appropriate modifications and designations as necessary, in an aggregate principal amount not to exceed the Allocation 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 or facsimile signature of the Chair of the Authority or the manual or facsimile 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. 15R-53 of the Authority, adopted on October 22, 2015) (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 October 1, 2061), interest rate or rates (which shall not exceed 12%), interest payment dates, denominations, purchase price, 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 Project 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 Project 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 Project 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 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 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 Project 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 \_\_\_\_\_, 2016.

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 \_\_\_\_\_, 2016.

By

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Authorized Signatory



## **Agenda Item No. 6**

### **Agenda Report**

**DATE:** October 6, 2016

**TO:** CSCDA COMMISSIONERS

**FROM:** Cathy Bando, Executive Director

**PURPOSE:** Consideration of the Second Reading and Adoption of Ordinance Levying a Special Tax for Fiscal Year 2016-2017 and Following Fiscal Years Solely Within and Relating to California Statewide Communities Development Authority Community Facilities District No. 2016-01 (Napa Pipe), County of Napa, State of California.

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#### **BACKGROUND AND SUMMARY:**

On June 2, 2016 the CSCDA Commission approved the resolution of intention to form CFD No. 2016-01 Napa Pipe. The public hearing was held on September 15, 2016, the District was formed and the first reading of the ordinance levying the assessment was adopted by the Commission.

#### **Summary of Project:**

The Napa Pipe Redevelopment Project (the “Project”) was established to finance environmental remediation for a proposed project in the County of Napa through the establishment of a community facilities district (CFD). The environmental remediation consists of the removal of soil contamination for the development of a 154 acre project that includes high density residential development with open space, neighborhood-servicing retail, restaurants, a hotel and a Costco on the eastern portion of the site. The Project is located in the southern portion of Napa County, just outside the Napa city limits. Attachment A is an artist’s renderings of the future development.

The amount of bonds to be issued will not exceed \$25 million.

#### **RECOMMENDED ACTIONS:**

CSCDA’s Executive Director recommends that the Commission:

1. Waive full reading, read by title only, and introduce for second reading and adoption of an ordinance levying a Special Tax for Fiscal Year 2016-2017 and Following Fiscal Years Solely Within and Relating to California Statewide Communities Development Authority Community Facilities District No. 2016-01 (Napa Pipe), County of Napa, State of California.

ATTACHMENT A

ORDINANCE NO. 16ORD-\_\_

CALIFORNIA STATEWIDE COMMUNITIES  
DEVELOPMENT AUTHORITY

ORDINANCE LEVYING A SPECIAL TAX FOR FISCAL YEAR 2016-2017  
AND FOLLOWING FISCAL YEARS SOLELY WITHIN AND RELATING TO  
CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY  
COMMUNITY FACILITIES DISTRICT NO. 2016-01 (NAPA PIPE),  
COUNTY OF NAPA, STATE OF CALIFORNIA

BE IT ENACTED BY THE COMMISSION OF THE CALIFORNIA  
STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY:

SECTION 1. Pursuant to California Government Code Sections 53316 and 53340, and in accordance with the Rate and Method of Apportionment (the “RMA”), as set forth in Exhibit A of Resolution No. 16SCIP-\_\_ (the “Resolution of Formation”), adopted September 15, 2016, with respect to the California Statewide Communities Development Authority Community Facilities District No. 2016-01 (Napa Pipe), County of Napa, State of California (the “Community Facilities District”), a special tax is hereby levied on all taxable parcels within the Community Facilities District for the 2016-2017 fiscal year and for all subsequent fiscal years in the amount determined by the Community Facilities District in accordance with the RMA, until collection of the Special Tax by the Commission ceases and a Notice of Cessation of Special Tax is recorded in accordance with Section 53330.5 of the Act, provided that this amount may in any fiscal year be levied at a lesser amount by resolution of the Commission.

SECTION 2. The Authority’s special tax consultant, currently David Taussig & Associates, Inc., 5000 Birch Street, Suite 6000, Newport Beach, California 92660, telephone (949) 955-1500, is authorized and directed, with the aid of the appropriate officers and agents of the Authority, to determine each year, without further action of the Commission, the appropriate amount of the Special Tax (pursuant to, and as that term is defined in, the Resolution of Formation) to be levied for the Community Facilities District, to prepare the annual Special Tax roll in accordance with the RMA, and to present the roll to the Commission for consideration.

SECTION 3. Upon approval by the Commission, whether as submitted or as modified by the Commission, the special tax consultant is authorized and directed, without further action of the Commission, to provide all necessary and appropriate information to the Napa County Auditor in proper form, and in proper time, necessary to effect the correct and timely billing and collection of the Special Tax on the secured property tax roll of the County; provided, that as stated in the Resolution of Formation and in Section 53340 of the California Government Code, the Commission has reserved the right to utilize any method of collecting the Special Tax which it shall, from time to time, determine to be in the best interests of the Authority, including but not limited to, direct billing by the Authority to the property owners, supplemental billing and, under

the circumstances provided by law, judicial foreclosure, all or any of which the Commission may implement in its discretion by resolution.

SECTION 4. The appropriate officers and agents of the Authority are authorized to make adjustments to the Special Tax roll prior to the final posting of the Special Tax to the Napa County tax roll each fiscal year, as may be necessary to achieve a correct match of the Special Tax levy with the assessor's parcel numbers finally utilized by the Napa County Auditor in sending out property tax bills.

SECTION 5. The Authority agrees that, in the event the Special Tax is collected on the secured tax roll of Napa County, the County may charge its reasonable and agreed charges for collecting the Special Tax as allowed by law, prior to remitting the Special Tax collections to the Authority.

SECTION 6. Taxpayers claiming that the amount of the Special Tax on their property is not correct are referred to Section F of the RMA for the proper claims procedure.

SECTION 7. If for any cause any portion of this Ordinance is found to be invalid, or if the Special Tax is found inapplicable to any particular parcel by a court of competent jurisdiction, the balance of this Ordinance, and the application of the Special Tax to all other parcels, shall not be affected.

SECTION 8. This Ordinance shall take effect and be in force thirty (30) days after its final passage; and before the expiration of fifteen (15) days after its passage the same shall be published, with the names of the members voting for and against the same, at least once in a newspaper of general circulation published and circulated in the area of the Community Facilities District.

\* \* \*

I, the undersigned, the duly appointed and qualified representative of the Commission of the California Statewide Communities Development Authority, DO HEREBY CERTIFY that the foregoing ordinance was first read at a regular meeting of the Commission on September 15, 2016, and was duly passed and 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 6, 2016.

AYES:

NOES:

ABSENT:

By: \_\_\_\_\_  
Authorized Signatory  
California Statewide Communities  
Development Authority