



CSCDA
 CALIFORNIA STATEWIDE COMMUNITIES
 DEVELOPMENT AUTHORITY



REGULAR MEETING AGENDA

November 1, 2018 at 2:00 p.m.

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

Telephonic Locations:

County of Solano
 675 Texas Street, Fairfield, CA 94533

City of Sausalito
 420 Litho Street, Sausalito, CA 94965

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

3252 Southern Hills Drive
 Fairfield, CA 94534

County of Kern
 1115 Truxtun Avenue, Bakersfield, CA 93301

County of Butte
 7 County Drive, Oroville, CA 95965

A. OPENING AND PROCEDURAL ITEMS

1. Roll Call.

<input type="checkbox"/> Larry Combs, Vice Chair <input type="checkbox"/> Kevin O'Rourke, Treasurer <input type="checkbox"/> Tim Snellings, Secretary <input type="checkbox"/> Brian Moura, Member	<input type="checkbox"/> Jordan Kaufman, Member <input type="checkbox"/> Dan Mierzwa, Member <input type="checkbox"/> Marcia Raines, Member <input type="checkbox"/> Michael Cooper, Alt. Member
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2. Election of Officers.
3. Consideration of the Minutes of the October 18, 2018 Regular Meeting.
4. Consent Calendar.
5. Public Comment.

This ___ page agenda was posted at 1100 K Street, Sacramento, California on _____, 2018 at ___: __ __m, Signed _____ . Please email signed page to info@cscda.org

B. ITEMS FOR CONSIDERATION

6. 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. Maple & Main Apartments, LP (Maple & Main Apartments), City of Hayward, County of Alameda; issue up to \$110,000,000 in multi-family housing revenue bonds.
7. Community Facilities District No. 2018-02 (McSweeney) (“CFD No. 2018-02”):
 - i. Conduct public hearing (hearing to be held at 2 p.m. or shortly thereafter):
 1. Open CFD No. 2018-02 Public Hearing.
 2. Close CFD No. 2018-02 Public Hearing.
 - ii. Consideration of the following resolutions with respect to formation of CFD No. 2018-02:
 1. Resolution of formation establishing CFD No. 2018-02, designating Improvement Area No. 1 and Improvement Area No. 2 therein and providing for the levy of a special tax to finance the construction and acquisition of certain public capital improvements.
 2. Resolutions deeming it necessary to incur bonded indebtedness to finance the construction and acquisition of certain public capital improvements to mitigate the impacts of development within each Improvement Area.
 3. Resolutions calling special mailed-ballot election within each Improvement Area of CFD No. 2018-02.
 - iii. Conduct special election within each Improvement Area of CFD No. 2018-02.
 - iv. Consider resolutions declaring result of special mailed-ballot election for each Improvement Area of CFD No. 2018-02.
 - v. Conduct first reading of “Ordinance Levying a Special Tax for Fiscal Year 2018-2019 and Following Fiscal Years Solely Within and Relating to Improvement Area No. 1 of the California Statewide Communities Development Authority Community Facilities District No. 2018-02 (McSweeney), City of Hemet, County of Riverside, State of California”.
 - vi. Conduct first reading of “Ordinance Levying a Special Tax for Fiscal Year 2018-2019 and Following Fiscal Years Solely Within and Relating to Improvement Area No. 2 of the California Statewide Communities Development Authority Community Facilities District No. 2018-02 (McSweeney), City of Hemet, County of Riverside, State of California”.
8. Review 2018-2019 Q1 Financial Results and Bank Account Activity.
9. Consideration of Modification to Policy for Professional Services Contracts.

10. Closed Session: Conference with Legal Counsel – Initiation of Litigation, Government Code Section 54956.9(d)(4), One Case
11. Report, if any, from Closed Session.

C. STAFF ANNOUNCEMENTS, REPORTS ON ACTIVITIES OR REQUESTS

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

NEXT MEETING: Thursday, November 15, 2018 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. Inducement of Hallmark 2017, LP (Hallmark House Apartments), City of Redwood City, County of San Mateo; issue up to \$25 million in multi-family housing revenue bonds.
2. Approve Agreement with David Taussig & Associates for San Juan Soccer Club PACE Financing.

November 1, 2018



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MINUTES

REGULAR MEETING OF THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY

October 18, 2018 at 2:00 p.m.

California State Association of Counties
1100 K Street, 3rd Floor, Sacramento, CA 95814

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

1. Roll Call.

Commission members present: Dan Harrison, Larry Combs, Tim Snellings, and Kevin O'Rourke.

Commission members participating via teleconference: Jordan Kaufman, Dan Mierzwa, Brian Moura, and Michael Cooper.

Others present: Cathy Bando, CSCDA Executive Director; James Hamill, Bridge Strategic Partners; Carolyn Coleman, League of California Cities; Greg Stepanicich, Richards Watson & Gershon; Peter Pierce, Richards Watson & Gershon; Laura Labanieh, CSAC Finance Corporation and Sendy Young, CSAC Finance Corporation.

Others participating via teleconference: Patricia Eichar, Orrick, Herrington & Sutcliffe.

2. Consideration of the Minutes of the October 3, 2018 Special Meeting.

The Commission approved the October 3, 2018 Special meeting minutes.

Motion to approve by L. Combs. Second by K. O'Rourke. Unanimously approved by roll-call vote.

3. Consideration of the Consent Calendar.

The Commission approved the Consent Calendar.

1. Inducement of Seaview Affordable Communities, L.P. (Seaview Village Apartments), City of Seaside, County of Monterey; issue up to \$60 million in multi-family housing revenue bonds.
2. Consideration of Inglewood Community Facilities District Reimbursement Resolution.

3. Consideration of Amendment to Clean Fund Agreement for Riverside County.

Motion to approve by T. Snellings. Second by L. Combs. Unanimously approved with the by roll-call vote.

4. Public Comment.

There was no public comment.

5. Recognition of Dan Harrison's Service to CSCDA.

CSCDA thanked Dan Harrison for all of his years of service to the organization.

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

a. UHC 0558 Oxnard, L.P. (Las Cortes Apartments), City of Oxnard, County of Ventura, up to \$1,600,000 in multi-family housing revenue bonds.

Executive Director Bando gave an overview of the project, and the financing complies with CSCDA's general and issuance policies. This is a supplemental allocation to complete the project. The project is a new 144-unit rental affordable housing project. 100% of the units will be rent restricted for low-income tenants. This project will be UHC's 8th financing with CSCDA. Executive Director Bando recommended approval of the financing.

Motion to approve by B. Moura. Second by L. Combs. Unanimously approved with the by roll-call vote.

7. Statewide Community Infrastructure Program (SCIP):

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

- a. Open Assessment District Public Hearing.
- b. Close Assessment District Public Hearing.
- c. Open assessment ballots and announce results.
- d. Consideration of resolution approving final engineer's report, levying assessments, ordering the financing of specified development impact fees and/or capital improvements, and confirming unpaid assessment amounts.

Commission Chair Dan Harrison opened the public hearing with respect to the Statewide Community Infrastructure Program (SCIP). There were no oral or written comments from the public. The hearing was closed. All ballots have been cast in favor of formation of the assessment district, and no ballots have been cast opposed. The assessment districts are being formed for the purpose of financing certain improvements and/or development impact fees.

Motion to close the public hearing by L. Combs. Second by K. O'Rourke. Unanimously approved by roll-call vote.

Motion to approve final engineer’s reports, levying assessments, ordering the financing of specified development impact fees and capital improvements, and confirming unpaid assessment amounts by T. Snellings. Second by D. Mierzwa. Unanimously approved by roll-call vote.

8. Consideration Administrative Agreement Renewal with PACE Funding.

Executive Director Bando gave an overview of the agreement. On September 10, 2015, CSCDA entered into a contract for services with PACE Funding Group LLC (“PFG”) to administer a residential PACE program. The term of the contract expired on September 10, 2018. After review of the current activities of PFG and its proactive consumer protection approach, an extension of the contract is appropriate. The attached agreement includes updates from the previous contract. CSCDA’s Executive Director recommends approval of the agreement with PACE Funding Group for its residential PACE program.

Motion to approve and adopt by K. O’Rourke. Second by T. Snellings. Unanimously approved by a roll-call vote.

9. Consideration of Key Card Sponsorship at CSAC Conference

Executive Director Bando informed the Commission that The California State Association of Counties (CSAC) is holding its annual conference November 27-30 in San Diego County. CSCDA has been asked to participate as the Hotel Key Card conference sponsor. CSCDA’s logo will be printed on both the front and back of each conference attendee’s hotel room key card. The cost of the sponsorship is \$10,000. The Executive Director recommends that CSCDA approve the Key Card Sponsorship.

Motion to approve and adopt by L. Combs. Second by K. O’Rourke. Unanimously approved by a roll-call vote.

10. Closed Session: Conference with Legal Counsel-Initiation of Litigation, Government Code Section 54956.9(d)(4), One Case

The CSCDA Special Meeting reconvened at 3:04 pm.

11. Report, if any, from Closed Session.

There was nothing to report.

12. Executive Director Update.

Executive Director Bando informed the Commission that she will be attending the CAO’s conference in Carmel the following week.

13. Staff Update.

There was no staff update. Commission Member Snellings asked about PACE. James Hamill informed the Commission that PACE has been slowing down but in terms of revenue everything is recalibrating to balance out. James will provide a report regarding PACE in a future meeting.

14. Adjourn.

The meeting was adjourned at 3:10 pm.

Submitted by: Sendy Young, CSAC Finance Corporation

NEXT MEETING: Thursday, November 1, 2018 at 2:00 p.m.
League of California Cities
1400 K Street, 3rd Floor, Sacramento, CA 95814



Agenda Item No. 3

Agenda Report

DATE: November 1, 2018
TO: CSCDA COMMISSIONERS
FROM: Cathy Bando, Executive Director
PURPOSE: Consent Calendar

SUMMARY:

2. Approve Agreement with David Taussig & Associates for San Juan Soccer Club PACE Financing.

CSCDA completed a PACE financing for the San Juan Soccer Club in August, 2018. As part of the financing, an assessment administrator needs to be engaged and the transaction team chose David Taussig and Associates. The attached agreement has been reviewed by CSCDA General Counsel.

RESOLUTION NO. 18H-__

**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 November 1, 2018.

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 November 1, 2018.

By: _____
Authorized Signatory

EXHIBIT A

Project Name	Project Location	Project Description (units)	New Construction/ Acquisition and Rehabilitation	Legal Name of initial owner/operator	Bond Amount
Hallmark House Apartments	City of Redwood City, County of San Mateo	72	Acquisition and Rehabilitation	Hallmark 2017, LP	\$25,000,000



Agenda Item No. 6a

Agenda Report

DATE: November 1, 2018

TO: CSCDA COMMISSIONERS

FROM: Cathy Bando, Executive Director

PROJECT: Maple & Main Apartments

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

AMOUNT: Not to Exceed \$110,000,000

EXECUTIVE SUMMARY:

Maple & Main Apartments (the “Project”) is the new construction of a mixed income 240-unit rental affordable housing project located in the City of Hayward. Twenty-percent of the units will be rent restricted for low-income tenants. On March 15, 2018, CSCDA approved the issuance of bonds for the Project. The bond purchaser has changed and an amended resolution must now be approved by the CSCDA Commission.

PROJECT DESCRIPTION:

- Construction of 240-unit affordable rental housing facility located at 22330 Main Street in the City of Hayward.
- 2.92 acre site.
- Restricted apartments are comprised of studio, one-bedroom, two-bedroom and three-bedroom units.

PROJECT ANALYSIS:

Background on Applicant:

New Cities Investment Partners, LLC, was formed to acquire, entitle and develop urban infill apartment sites in the greater San Francisco Bay Area. Its formation is the culmination of 40 years of legal and real estate development experience of its founder and principal owner, Lee E. Newell. For over 36 years, Mr. Newell has successfully developed mixed income multifamily residential projects, planned communities and other single family residential, condominium, office, industrial and retail developments totaling over \$2.5 Billion in value. Mr. Newell has financed multiple affordable housing projects through CSCDA since as early as 1997.

Public Agency Approval:

TEFRA Hearing: June 26, 2018 – City of Hayward – unanimous approval

CDLAC Approval: July 19, 2017

Public Benefits:

- 20% of the units will be rent restricted for 55 years.
 - All restricted units (48 units) restricted to 50% or less of area median income households.
- The Project is in walking distance to recreational facilities, grocery stores, and public K-12 schools.

Sources and Uses:

Sources of Funds:

Tax-Exempt Bonds:	\$ 86,000,000
Tax Credits:	\$ 7,007,908
Equity:	<u>\$ 16,573,708</u>
Total Sources:	\$ 109,581,616

Uses of Funds:

Land:	\$ 15,832,480
Hard Construction Costs:	\$ 66,682,800
Soft Construction Costs:	\$ 11,081,720
Professional Services:	\$ 2,425,000
Construction Finance:	\$ 3,061,500
Capitalized Interest:	\$ 3,086,870
Negative Arbitrage:	\$ 1,355,026
Tax Credit Fees:	\$ 404,720
Developer Fee:	\$ 2,500,000
Reserves:	\$ 500,000
Soft Cost Contingency:	<u>\$ 7,792,480</u>
Total Uses:	\$ 109,581,616

Finance Partners:

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

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

Bond Purchaser: CIM Mortgage

Finance Terms:

Rating:	Unrated
Term:	30 Years at a Fixed Interest Rate
Structure:	Private Placement
Estimated Closing:	November 5, 2018

CSCDA Policy Compliance:

The financing of the Project 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. 18H-__

A RESOLUTION OF THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY AUTHORIZING THE ISSUANCE AND DELIVERY OF MULTIFAMILY HOUSING REVENUE BONDS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$110,000,000 FOR THE FINANCING OF A MULTIFAMILY RENTAL HOUSING PROJECT TO BE GENERALLY KNOWN AS MAPLE & MAIN APARTMENTS; DETERMINING AND PRESCRIBING CERTAIN MATTERS AND APPROVING AND AUTHORIZING THE EXECUTION OF AND DELIVERY OF VARIOUS DOCUMENTS RELATED THERETO; RATIFYING ANY ACTION HERETOFORE TAKEN AND APPROVING RELATED MATTERS IN CONNECTION WITH THE BONDS.

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

WHEREAS, Maple and Main Apartments, LP, a California limited partnership, and entities related thereto (collectively, the "Borrower"), has requested that the Authority issue and deliver its multifamily housing revenue bonds to assist in the financing of the acquisition, construction and development of a 240-unit multifamily housing rental development to be located in the City of Hayward, California, and to be known as "Maple & Main Apartments" (the "Project");

WHEREAS, on July 19, 2017, the Authority received an allocation in the amount of \$110,000,000 (the "Allocation Amount") from the California Debt Limit Allocation Committee in connection with the Project;

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

WHEREAS, this Resolution amends and restates in full Resolution No. 18H-5 previously adopted on March 15, 2018 by the Authority and shall take effect immediately upon its passage;

WHEREAS, the Authority is willing to issue not to exceed \$110,000,000 aggregate principal amount of its California Statewide Communities Development Authority Multifamily Housing Revenue Bonds (Maple & Main Apartments) 2018 Series G (the "Senior");

Bonds”) and its California Statewide Communities Development Authority Multifamily Housing Revenue Bonds (Maple & Main Apartments) 2018 Subordinate Series G (the “Subordinate Bonds,” and together with the Senior Bonds, the “Bonds”), provided that the portion of such Bonds issued as federally tax-exempt obligations shall not exceed the Allocation Amount, and loan the proceeds thereof to the Borrower to assist in providing financing for the Project, which will allow the Borrower to reduce the cost of the Project and to assist in providing housing for low and moderate income persons;

WHEREAS, the Senior Bonds will be privately placed with CIM Real Estate Credit, LLC, or a related entity (the “Senior Bond Purchaser”), as the initial purchaser of the Senior Bonds, and the Subordinate Bonds will be privately placed with RTS Hayward, LLC or its designee (the “Subordinate Bond Purchaser”), as the initial purchaser of the Subordinate Bonds, each in accordance with the Authority’s private placement policy;

WHEREAS, pursuant to Section 5852.1 of the California Government Code, the Authority, as a conduit financing provider, has received certain representations and good faith estimates from the Borrower and has disclosed such good faith estimates as set forth on Exhibit A attached hereto;

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

(1) a Master Agency Agreement (the “Senior Agency Agreement”) to be entered into between the Authority and the Senior Bond Purchaser, as agent (the “Agent”);

(2) a Master Pledge and Assignment (the “Senior Pledge Agreement”) to be entered into among the Authority, the Agent and the Senior Bond Purchaser, as holder;

(3) a Subordinate Master Agency Agreement (the “Subordinate Agency Agreement”) to be entered into between the Authority and the Subordinate Bond Purchaser, as agent (the “Subordinate Agent”);

(4) a Subordinate Master Pledge and Assignment (the “Subordinate Pledge Agreement”) to be entered into among the Authority, the Subordinate Agent and the Subordinate Bond Purchaser, as holder; and

(5) a proposed form of Regulatory Agreement and Declaration of Restrictive Covenants (the “Regulatory Agreement”) to be entered into by and among the Authority, Hayward MMA, LP, a California limited partnership, and the Borrower.

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

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

Section 2. Pursuant to the JPA Law, the Senior Pledge and Assignment, and the Subordinate Pledge and Assignment, as applicable, and in accordance with the Housing Law, the Authority is hereby authorized to issue and deliver the Bonds in one or more series. The Senior Bonds shall be designated as “California Statewide Communities Development Authority Multifamily Housing Revenue Bonds (Maple & Main Apartments) 2018 Series G” including, if and to the extent necessary, one or more sub-series, with appropriate modifications and series and sub-series designations as necessary. The Subordinate Bonds shall be designated as “California Statewide Communities Development Authority Multifamily Housing Revenue Bonds (Maple & Main Apartments) 2018 Subordinate Series G” including, if and to the extent necessary, one or more sub-series, with appropriate modifications and series and sub-series designations as necessary. The Bonds shall be issued in an aggregate principal amount not to exceed \$110,000,000, shall be in the form set forth in and otherwise in accordance with the Senior Pledge and Assignment and the Subordinate Pledge and Assignment, as applicable, and shall be executed on behalf of the Authority by the manual or facsimile signature of any Authorized Signatory. The Bonds shall be secured in accordance with the terms of the Senior Pledge and Assignment and the Subordinate Pledge and Assignment, as applicable. Payment of the principal and purchase price of, and redemption premium, if any, and interest on, the Bonds shall be made solely from amounts pledged thereto under the Senior Pledge and Assignment and the Subordinate Pledge and Assignment, as applicable, and the Bonds shall not be deemed to constitute a debt or liability of the Authority or any Program Participant or Member of the Commission of the Authority (each, a “Member”).

Section 3. The Senior Pledge and Assignment in the form presented at this meeting is hereby approved. Any Member, or any other person as may be designated and authorized to sign for the Authority pursuant to a resolution adopted thereby (including, without limitation, the administrative delegates duly authorized pursuant to Resolution No. 18R-2 of the Authority, adopted on April 19, 2018) (together with the Members, each such person is referred to herein individually as an “Authorized Signatory”), acting alone, is authorized to execute by manual signature and deliver the Senior Pledge and Assignment, with such changes and insertions therein as may be necessary to cause the same to carry out the intent of this Resolution and as are approved by counsel to the Authority, such approval to be conclusively evidenced by the delivery thereof. The date, maturity date or dates (which shall not extend 45 years from the date of execution and delivery thereof), interest rate or rates (which shall not exceed 12%), interest payment dates, denominations, form, registration privileges, manner of execution, place of payment, terms of redemption and other terms of the Senior Bonds shall be as provided in the Senior Pledge and Assignment as finally executed.

Section 4. The Senior Agency 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 Senior Agency Agreement, with such changes and insertions therein as may be necessary to cause the same to carry out the intent of this Resolution and as are approved by counsel to the Authority, such approval to be conclusively evidenced by the delivery thereof.

Section 5. The Subordinate Pledge and Assignment 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 Subordinate Pledge and Assignment, with such changes and insertions therein as may be necessary to cause the same to carry out the intent of this Resolution and as are approved by counsel to the Authority, such approval to be conclusively evidenced by

the delivery thereof. The date, maturity date or dates (which shall not extend 45 years from the date of execution and delivery thereof), interest rate or rates (which shall not exceed 12%), interest payment dates, denominations, form, registration privileges, manner of execution, place of payment, terms of redemption and other terms of the Subordinate Bonds shall be as provided in the Subordinate Pledge and Assignment as finally executed.

Section 6. The Subordinate Agency 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 Subordinate Agency Agreement, with such changes and insertions therein as may be necessary to cause the same to carry out the intent of this Resolution and as are approved by counsel to the Authority, such approval to be conclusively evidenced by the delivery thereof.

Section 7. The Regulatory Agreement in the form presented at this meeting is hereby approved. Any Authorized Signatory, acting alone, is authorized to execute by manual signature and deliver the Regulatory Agreement, with such changes and insertions therein as may be necessary to cause the same to carry out the intent of this Resolution and as are approved by counsel to the Authority, such approval to be conclusively evidenced by the delivery thereof.

Section 8. All actions heretofore taken by the officers and agents of the Authority with respect to the financing of the Project and the issuance and delivery of the Bonds are hereby approved, ratified and confirmed, and any Authorized Signatory, acting alone, is hereby authorized and directed, for and in the name and on behalf of the Authority, to do any and all things and take any and all actions and execute and deliver any and all certificates, agreements and other documents, including but not limited to a tax certificate, loan related documents, an assignment of deed of trust, an endorsement, allonge or assignment of any note and such other documents as described in the Senior Pledge and Assignment, the Subordinate Pledge and Assignment and the other documents herein approved, which they, or any of them, may deem necessary or advisable in order to consummate the lawful issuance and delivery of the Bonds and to effectuate the purposes thereof and of the documents herein approved in accordance with this resolution and resolutions heretofore adopted by the Authority and otherwise in order to carry out the financing of the Project.

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

This Resolution shall take effect upon its adoption.

PASSED AND ADOPTED by the California Statewide Communities Development Authority this 1st day of November, 2018.

The undersigned, an Authorized Signatory of the California Statewide Communities Development Authority, DOES HEREBY CERTIFY that the foregoing resolution was duly adopted by the Commission of the Authority at a duly called meeting of the Commission of the Authority held in accordance with law on November 1, 2018.

By _____
Authorized Signatory



Agenda Item No. 7

Agenda Report

DATE: November 1, 2018
TO: CSCDA COMMISSIONERS
FROM: Cathy Bando, Executive Director
PROJECT: McSweeny Farms (City of Hemet) – Community Facilities District
PURPOSE: Community Facilities District No. 2018-02 (McSweeny)

1. Conduct public hearing (hearing to be held at 2 p.m. or shortly thereafter):
 - a. Open CFD No. 2018-02 Public Hearing.
 - b. Close CFD No. 2018-02 Public Hearing.
2. Consideration of the following resolutions with respect to formation of CFD No. 2018-02:
 - a. Resolution of formation establishing CFD No. 2018-02, designating Improvement Area No. 1 and Improvement Area No. 2 therein and providing for the levy of a special tax to finance the construction and acquisition of certain public capital improvements.
 - b. Resolutions deeming it necessary to incur bonded indebtedness to finance the construction and acquisition of certain public capital improvements to mitigate the impacts of development within each Improvement Area.
 - c. Resolutions calling special mailed-ballot election within each Improvement Area of CFD No. 2018-02.
3. Conduct special election within each Improvement Area of CFD No. 2018-02.
4. Consider resolutions declaring result of special mailed-ballot election for each Improvement Area of CFD No. 2018-02.
5. Conduct first reading of “Ordinance Levying a Special Tax for Fiscal Year 2018-2019 and Following Fiscal Years Solely Within and Relating to Improvement Area No. 1 of the California Statewide Communities Development Authority Community Facilities District No. 2018-02 (McSweeny), City of Hemet, County of Riverside, State of California”.
6. Conduct first reading of “Ordinance Levying a Special Tax for Fiscal Year 2018-2019 and Following Fiscal Years Solely Within and Relating to Improvement

BACKGROUND:

On September 20, 2018, the Commission approved the following to initiate the formation of the McSweeny CFD for the City of Hemet: (1) a joint community facilities agreement; (2) a declaration of intention to levy a special tax; (3) a resolution to incur bond indebtedness; and (4) set the public hearing to November 1, 2018.

The actions requested today are the second step in the formation of the McSweeny CFD. The first series of bonds are anticipated to be issued in the first quarter of 2019 and will finance the following:

- Public Facilities
- State Street Improvements
- McSweeny Parkway Improvements
- Newport Road Improvements
- North Village Loop Improvements
- Master Plan Landscaping & Park Improvements (Park Areas 36 & 37)
- Drainage Improvements
 - Avery Canyon Wash
 - Lorenz Canyon Wash

The City approved the formation of the CFD by CSCDA on January 26, 2016.

BACKGROUND:

McSweeny is located in the City of Hemet in Riverside County between Diamond Valley Lake, San Bernardino National Forest & Mt. San Jacinto, approximately 90 miles from downtown Los Angeles and 85 miles from downtown San Diego.

The District will be a part of the McSweeny Farms 600-acre master-planned community of 1,646 single family residences and amenities being developed by Raintree Partners. McSweeny Farms will include The Farm House community center and other amenities including a pool and fitness center, community parks, trails, a community vegetable garden, and various outdoor recreational activities.

The CFD is expected to include two (2) Improvement Areas composed of:

- **IA-1:** 496 residential units – Maximum Bonded Indebtedness: \$25,000,000
 - **Home Sizes:** Range: 1,550 sq. ft. – 2,750 sq. ft. Average: 2,280 sq. ft.
 - **Home Prices:** Range: \$299,990 – 355,000 Average: \$327,253
 - **Effective Total Tax Rate:** 2.00%
- **IA-2:** 841 residential units – Maximum Bonded Indebtedness: \$50,000,000
 - **Home Sizes:** Range: 1,500 sq. ft. – 3,750 sq. ft. Average: 1,997 sq. ft.
 - **Home Prices:** Range: \$305,990 – 499,000 Average: \$338,107
 - **Effective Total Tax Rate:** 2.00%

The financing will be brought back to the Commission for completion of the formation of the CFD and for final approval of bond issuance.

COMMISSION ACTION RECOMMENDED BY THE EXECUTIVE DIRECTOR:

CSCDA's Executive Director recommends the following actions and approving the following resolutions. Resolutions can be found at the following link:

<https://www.dropbox.com/sh/x5v7iwzreyspjer/AABiA5xF1YbgyhakT6c8fO7ya?dl=0>

1. Conduct public hearing (hearing to be held at 2 p.m. or shortly thereafter):
 - a. Open CFD No. 2018-02 Public Hearing.
 - b. Close CFD No. 2018-02 Public Hearing.
2. Consideration of the following resolutions with respect to formation of CFD No. 2018-02:
 - a. Resolution of formation establishing CFD No. 2018-02, designating Improvement Area No. 1 and Improvement Area No. 2 therein and providing for the levy of a special tax to finance the construction and acquisition of certain public capital improvements.
 - b. Resolutions deeming it necessary to incur bonded indebtedness to finance the construction and acquisition of certain public capital improvements to mitigate the impacts of development within each Improvement Area.
 - c. Resolutions calling special mailed-ballot election within each Improvement Area of CFD No. 2018-02.
3. Conduct special election within each Improvement Area of CFD No. 2018-02.
4. Consider resolutions declaring result of special mailed-ballot election for each Improvement Area of CFD No. 2018-02.
5. Conduct first reading of "Ordinance Levying a Special Tax for Fiscal Year 2018-2019 and Following Fiscal Years Solely Within and Relating to Improvement Area No. 1 of the California Statewide Communities Development Authority Community Facilities District No. 2018-02 (McSweeny), City of Hemet, County of Riverside, State of California".
6. Conduct first reading of "Ordinance Levying a Special Tax for Fiscal Year 2018-2019 and Following Fiscal Years Solely Within and Relating to Improvement Area No. 2 of the California Statewide Communities Development Authority Community Facilities District No. 2018-02 (McSweeny), City of Hemet, County of Riverside, State of California".



Agenda Item No. 8

Agenda Report

DATE: November 1, 2018
TO: CSCDA COMMISSIONERS
FROM: Cathy Bando, Executive Director
PURPOSE: Review of First Quarter FY 2018-19 Financials and Bank Account Activity

CSCDA's first quarter bank account activity and budget to actual figures for FY 2018-19 are provided on the attached financial reports.

FY 2018-2019 Q1 BUDGET REPORT:

The budget report provides FY 2016-18 actual figures for CSCDA, 2018-19 budget information, and actual figures for the quarter ending September 30, 2018. The variances represent 2018-19 budget figures compared to actual amounts received or disbursed through September 30, 2018. While CSCDA's receipts and disbursements are annual figures and not budgeted on a quarterly basis, a variance of 25% reflects that the amount is on target for the first quarter while variances below 25% are below budget and variances above 25% are above budget.

1. **Issuance Fee Receipts** - Issuance fees received through the first quarter were \$1.34 million which represented 26.8% of the annual budget, or \$91.7 thousand over the quarterly budget amount.
 - **Qualified 501(c)(3)** issuance fees were at 31.4% of the amount budgeted for the year and ahead of the quarterly budget by about \$45 thousand.
 - **Affordable Housing** was below budget at 21% of the amount budgeted for the fiscal year, or \$37 thousand below the quarterly budget amount. This represents the cyclical nature of closings.
 - **PACE** generated \$676 thousand in fees representing 33.8% of the amount budgeted for the year, or \$176 thousand above the quarterly budget amount.
 - **SCIP/CFD** issuance fees were at 15% of the amount budgeted for the year and below first quarter budget by \$119 thousand. Pipeline transactions should bring SCIP/CFD business on budget by the end of the fiscal year.
 - **Other Municipal Bond Programs** are above budget at 69% reflecting the cyclical and infrequent nature of other municipal bond programs.
2. **Bond Administrative Fee Receipts** - Bond administrative fee collections were \$2.478 million and right on track for the quarter.
3. **Issuance Fee Disbursements** - Issuance fee disbursements were \$1.34 million representing 26.7% of the amount budgeted for the year.
4. **Bond Administration Fee Disbursements** - Bond Administration Fee Disbursements were \$2.36 million at 25.3% of the amount budgeted for the year.

5. **General Administrative** - General Administrative disbursements were behind the amount budgeted for the first quarter of the year at only 7.3%. The shortfall in disbursements is primarily due to the timing of disbursement requests.

BANK ACCOUNT ACTIVITY:

CSCDA's fee collections are disbursed monthly after funding the professional services and operations accounts. Descriptions of disbursements and balances as of September 30, 2018 in the two accounts are described below.

1. **Professional Services Account**

- The balance as of September 30, 2018 was \$169 thousand.
- Deposits of \$117 thousand and disbursements of \$118 thousand have been made.

2. **Operations Account**

- The balance as of September 30, 2018 was \$304 thousand and is slightly above the targeted amount for the account.

SUMMARY AND QUESTIONS

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

CSCDA

Budget-to-Actual Comparison for the Three Months Ended September 30, 2018

	Actual 2017-18	Budget 2018-19	YTD 2018-19	Variance 2018-19
Amounts collected				
Issuance fees				
Qualified 501 (c)(3)	853,793	700,000	220,000	31.43%
Qualified residential rental program	1,016,343	1,000,000	212,649	21.26%
PACE	2,438,292	2,000,000	676,550	33.83%
SCIP / Mello Roos	960,225	1,250,000	193,050	15.44%
Other municipal bond programs	53,125	50,000	34,375	68.75%
Investment income	14,931	0	5,083	
Total issuance fees	5,336,709	5,000,000	1,341,707	26.83%
Bond administrative fees				
Qualified 501 (c)(3)	2,084,895	2,100,000	314,654	14.98%
Qualified residential rental program	6,890,946	7,000,000	1,808,732	25.84%
SCIP / Mello Roos	330,408	340,000	218,418	64.24%
Other municipal bond programs	352,173	400,000	141,646	35.41%
Investment income	(13,481)	0	(5,438)	
Total bond administrative fees	9,644,941	9,840,000	2,478,012	25.18%
Total amounts collected	14,981,649	14,840,000	3,819,718	25.74%
Amounts disbursed				
Issuance				
Program management fees - BSP	2,214,882	2,253,332	606,018	26.89%
Program governance fees - CSAC	1,262,186	1,373,334	365,303	26.60%
Program governance fees - League	1,262,186	1,373,334	365,303	26.60%
Total issuance	4,739,255	5,000,000	1,336,624	26.73%
Bond administration				
Program management fees - BSP	468,617	525,000	174,052	33.15%
Compliance monitoring fees - BSP	262,776	275,000	95,457	34.71%
Administration fees - HB Capital	5,098,732	5,000,000	1,199,050	23.98%
Program governance fees - CSAC	1,495,539	1,686,500	425,627	25.24%
Program governance fees - League	1,495,539	1,686,500	425,627	25.24%
Compliance fees - Urban Futures	187,950	175,000	46,550	26.60%
Charitable Contribution	0	0	0	
Total bond administration	9,009,153	9,348,000	2,366,363	25.31%
Subtotal Issuance & Bond Administration	13,748,408	14,348,000	3,702,987	25.81%

CSCDA
Budget-to-Actual Comparison for the Three Months Ended September 30, 2018

	Actual 2017-18	Budget 2018-19	YTD 2018-19	Variance 2018-19
General administrative				
Executive Director	66,851	72,000	0	0.00%
General Counsel - Richards Watson Gershon	89,614	115,000	16,275	14.15%
Insurance	26,939	30,000	0	0.00%
Board travel reimbursements	1,470	5,000	161	3.22%
Issuer counsel - Orrick	80,000	80,000	0	0.00%
Auditor - MUN CPAs	15,900	30,000	0	0.00%
Other professional services	21,334	20,000	0	0.00%
BSP municipal advisor fee	24,000	24,000	6,000	25.00%
Bank service fees	2,663	7,000	0	0.00%
Marketing and Sponsorships	48,935	100,000	13,236	13.24%
Other	3,615	9,000	226	2.51%
Total general administrative	381,320	492,000	35,898	7.30%
Total amounts disbursed	14,129,728	14,840,000	3,738,885	25.19%
Net surplus (deficit)	851,922	(0)	80,833	

CSCDA
Bank Account Activity
For the Three Months Ended September 30, 2018

	Beg Bal	Add:	Less:	End Bal
	06/30/18	Deposits	Disbursements	09/30/18
Bank account:				
Professional Services	169,800	117,562	(118,210)	169,152
Operations	302,875	1,130	0	304,005
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	472,675	118,692	(118,210)	473,157
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