



## REGULAR MEETING AGENDA

December 15, 2016 at 2:00 p.m.

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

Telephonic Locations:

709 Portwalk Place  
Redwood City, CA 94061

County of Monterey  
168 Alisal Street, Salinas, CA 93901

County of Kern  
1115 Truxtun Avenue, Bakersfield, CA 93301

### A. OPENING AND PROCEDURAL ITEMS

1. Roll Call.
 

_____ Dan Harrison, Chair	_____ Tim Snellings, Member
_____ Larry Combs, Vice Chair	_____ Dan Mierzwa, Member
_____ Kevin O'Rourke, Treasurer	_____ Irwin Bornstein, Member
_____ Ron Holly, Secretary	_____ Brian Moura, Alt. Member
_____ Jordan Kaufman, Alt. Member	
2. Consideration of the minutes of the December 1, 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. Harbor Park Apartments, L.P. (Harbor Park Apartments), City of Vallejo, County of Solano; issue up to \$35,000,000 in in multi-family housing revenue bonds.

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)

6. Consideration of a resolution authorizing the issuance, sale and delivery of Statewide Community Infrastructure Program Refunding Revenue Bonds and authorizing certain other documents and actions in connection therewith.
7. Recognition of Chris McKenzie's 17-year commitment to CSCDA.

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

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

**NEXT MEETING:** Thursday, January 5, 2017 at 2:00 p.m.  
League of California Cities  
1400 K Street, 3rd Floor, Sacramento, CA 95814

**CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY**

**CONSENT CALENDAR**

1. Consent Calendar

- a. Inducement of KDF Communities, LLC (Park Glenn Senior Apartments), City of Camarillo, County of Ventura; issue up to \$5 million in multi-family housing revenue bonds.
- b. Inducement of Visionary Homebuilders of California, Inc. (Hunter Street Apartments), City of Stockton, County of San Joaquin; issue up to \$30 million in multi-family housing revenue bonds.
- c. Inducement of Corporation for Better Housing (Camellia Place Phase II), unincorporated County of Kern; issue up to \$8 million in multi-family housing revenue bonds.
- d. Consideration and Ratification of the City of La Quinta as a CSCDA Program Participant.

December 15, 2016



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

League of California Cities  
1100 K Street, Sacramento, California

December 1, 2016

**MINUTES**

Commission Chair Dan Harrison called the meeting to order at 2:04p.m.

**1. Roll Call**

Commission members present: Dan Harrison.

Commission members participating by conference telephone: Irwin Bornstein, Larry Combs, Kevin O'Rourke and Ron Holly. Alternate commission member Brian Moura participating as a member of the public.

CSCDA Executive Director Catherine Bando participated by conference telephone.

Others present: Norman Coppinger, League of California Cities; and James Hamill, Bridge Strategic Partners.

Others participating by conference telephone: Chris Lynch, Jones Hall.

**2. Approval of Minutes**

The commission approved the minutes of the regular meeting held November 17, 2016.

Motion by Combs; second by Holly; unanimously approved by roll-call vote.

**3. Approval of Consent Calendar**

The commission approved by consent:

- a. Inducement of Rohnert Park Pacific Associates, A California Limited Partnership (University District Affordable Housing), City of Rohnert Park, County of Sonoma; issue up to \$80 million in multi-family housing revenue bonds.
- b. Closing memorandum for surrender and cancellation of Chevron Inc. USA Project Series 1994 Bonds.

Motion by Combs; second by O'Rourke; unanimously approved by roll-call vote.

#### **4. Public Comments**

No public comments were made.

#### **5. Financing Approval**

The commission approved an Assessment Contract and Indenture and the issuance of Limited Obligation Improvement Bonds not to exceed \$12,000,000 to finance the installation of energy efficiency improvements on a commercial property (Verseon, a bio-technology firm) in the City of Fremont, County of Alameda for the CaliforniaFIRST PACE program and authorized all necessary actions; the execution and delivery of all necessary documents; and authorized any member to sign all necessary financing documents.

Motion by O'Rourke; second by Holly; unanimously approved by roll-call vote.

#### **6. Executive Director Updates.**

Cathy Bando reported that she and James Hamill attended the California State Association of Counties (CSAC) 2016 annual meeting and expo in Palm Springs. Executive director Bando noted former League of California Cities executive director Chris McKenzie was the recipient of the 2016 CSAC Distinguished Service Award. Executive director Bando indicated former CSAC executive director Steve Szalay was also slated to receive a recognition.

Executive director Bando reminded commissioners a holiday luncheon will be held on December 15 during which Chris McKenzie will be honored for his years of service and dedication to CSCDA.

#### **7. Staff Updates.**

Staff indicated commissioners needing a hotel room for CSCDA's annual meeting that will be held in Sacramento on January 5, 2017, should contact James Hamill or Jon Penkower as soon as possible.

#### **8. Adjournment**

Commission Chair Harrison adjourned the meeting at 2:16 p.m.

Submitted by: Norman Coppinger, Assistant to the Secretary

*The next regular meeting of the commission is scheduled for  
**Thursday, December 15, 2016, at 2:00 P.M.**  
in the California State Association of Counties Office at 1100 K Street, Sacramento, CA 1<sup>st</sup> floor).*

**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 December 15, 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 December 15, 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>
Park Glenn Senior Apartments	City of Camarillo, County of Ventura	18	Acquisition and Rehabilitation	KDF Communities, LLC	\$5,000,000
Hunter Street Apartments	City of Stockton, County of San Joaquin	74	Acquisition and Rehabilitation	Visionary Home Builders of California, Inc.	\$30,000,000
Camellia Place Phase II	unincorporated County of Kern	16	New Construction	Corporation for Better Housing	\$8,000,000



## Agenda Item No. 5a

### Agenda Report

**DATE:** December 15, 2016

**TO:** CSCDA COMMISSIONERS

**FROM:** Cathy Bando, Executive Director

**PROJECT:** Harbor Park Apartments

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

**AMOUNT:** Not to Exceed \$35,000,000

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#### **EXECUTIVE SUMMARY:**

Harbor Park Apartments (the “Project”) is an acquisition and rehabilitation of a 182-unit rental affordable housing project located in the City of Vallejo. 40% of the units will remain rent restricted for low-income tenants.

#### **PROJECT DESCRIPTION:**

- Acquisition and rehabilitation of 182-unit affordable rental housing facility located at 969 Porter Street in the City of Vallejo.
- 12 acre site.
- 11 two and three story residential buildings.
- Consists of 34 restricted two-bedroom units, 39 restricted three-bedroom units, and one manager’s unit.

#### **PROJECT ANALYSIS:**

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

Klein Financial Corporation (“Klein”), founded in 1984 by Robert N. Klein, II, was created to meet a need in the real estate financing sector for innovative solutions to the lack of affordable housing mortgage financing. The firm provides financial, development, governmental, tax credit and other advisory services to clients pursuing the development of affordable housing and other real estate development opportunities which utilize governmental subsidy programs. Klein also develops real estate projects as a principal to validate new financial technologies and/or innovative project legal and capital structures it designs.

Klein has designed, structured, developed or consolidated approximately \$5.0 billion in bond financing for private developers and governmental agencies. For the most recent 15 years, Klein has developed or financed more than 50 properties, throughout California, Colorado and Arizona, consisting of approximately 12,498 units with a total value of approximately \$1,319,269,000. This will be Klein's fourth financing with CSCDA.

**Public Agency Approval:**

**TEFRA Hearing:** September 13, 2016 – City of Vallejo – unanimous approval

**CDLAC Approval:** October 19, 2016

**Public Benefits:**

- 40% of the units will be rent restricted for 55 years.
  - 10% (19 units) restricted to 50% or less of area median income households.
  - 30% (54 units) restricted to 60% or less of area median income households.
- The Project is within walking distance to mass transit, parks, an elementary school and grocery stores.

**Sources and Uses:**

Sources of Funds:

Tax-Exempt Bonds:	\$ 35,000,000
Tax Credits:	\$ 4,189,592
Deferred Developer Fee:	\$ 685,289
Equity:	<u>\$ 1,605,408</u>
Total Sources:	\$ 41,480,289

Uses of Funds:

Acquisition:	\$ 28,100,000
Construction Costs:	\$ 3,053,274
Solar PV System:	\$ 773,000
Loan Fees/Interest:	\$ 2,000,000
Costs of Issuance:	\$ 950,000
Project Contingency:	\$ 2,604,015
Developer Fee:	<u>\$ 4,000,000</u>
Total Uses:	\$ 41,480,259

**Finance Partners:**

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

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

Bond Purchaser: Deutsche Bank, New York

**Finance Terms:**

<b>Rating:</b>	Unrated
<b>Term:</b>	35 years
<b>Structure:</b>	Direct Placement
<b>Estimated Closing:</b>	December 19, 2016

**CSCDA Policy Compliance:**

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

**DOCUMENTS:** (as attachments)

1. Photos of Harbor Park Apartments (Attachment A)
2. CSCDA Resolution (Attachment B)

**COMMISSION ACTION RECOMMENDED BY THE EXECUTIVE DIRECTOR:**

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

## ATTACHMENT A

### Harbor Park Apartments



**ATTACHMENT B**

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

**A RESOLUTION OF THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY AUTHORIZING THE EXECUTION AND DELIVERY OF MULTIFAMILY HOUSING REVENUE BONDS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$35,000,000 FOR THE FINANCING OF A MULTIFAMILY RENTAL HOUSING PROJECT TO BE GENERALLY KNOWN AS HARBOR PARK 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**, Harbor Park Apartments, LP, a California limited partnership, and entities related thereto (collectively, the “Borrower”), has requested that the Authority execute and deliver its multifamily housing revenue bonds (the “Bonds”) to assist in the financing of the acquisition, construction and development of a 182-unit multifamily housing rental development to be located in the City of Vallejo, California, and to be known as “Harbor Park Apartments” (the “Project”);

**WHEREAS**, on October 19, 2016, the Authority received an allocation in the amount of \$35,000,000 from the California Debt Limit Allocation Committee in connection with the Project;

**WHEREAS**, the City of Vallejo (the “City”) is a Program Participant (as defined in the Agreement) of the Authority and has authorized the execution and delivery of the Bonds;

**WHEREAS**, the Authority is willing to issue the Bonds in an aggregate principal amount not to exceed \$35,000,000 and to loan the proceeds thereof to the Borrower to assist in providing financing for the Project, which will allow the Borrower to reduce the cost of the Project and to assist in providing housing for low income persons;

**WHEREAS**, the Bonds will be issued and delivered to Deutsche Bank AG, New York Branch (the “Purchaser”), as the initial holder of the Bonds;

**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 proposed form of Trust Indenture (the “Indenture”) to be entered into by the Authority and Wilmington Trust, National Association, as trustee (the “Trustee”);

(2) A proposed form of Loan Agreement (the “Loan Agreement”) to be entered into by the Authority and the Borrower; and

(3) A proposed form of Regulatory Agreement and Declaration of Restrictive Covenants (the “Regulatory Agreement”) to be entered into by the Authority 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 and the Indenture, and in accordance with the Housing Law, the Authority is hereby authorized to execute and deliver the Bonds in one or more series. The Bonds shall be designated as “California Statewide Communities Development Authority Multifamily Housing Revenue Bonds (Harbor Park Apartments) 2016 Series EE” including, if and to the extent necessary, one or more sub-series, with appropriate modifications and series and sub-series designations as necessary, in an aggregate principal amount not to exceed \$35,000,000. The Bonds shall be issued in the form set forth in and otherwise in accordance with the Indenture, and shall be executed on behalf of the Authority by the manual or facsimile signature of any Authorized Signatory. The Bonds shall be secured in accordance with the terms of the Indenture. Payment of the principal and purchase price of, and redemption premium, if any, and interest on, the Bonds shall be made solely from amounts pledged thereto under the Indenture, and the Notes 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”). The Bonds, when issued by the Authority and authenticated by the manual signature of the Trustee in accordance with the Indenture, shall be delivered to or upon the order of the Purchaser.

Section 3. The Indenture in the form presented at this meeting is hereby approved. Any Member, or any other person as may be designated and authorized to sign for the Authority pursuant to a resolution adopted thereby (including, without limitation, the administrative delegates duly authorized pursuant to Resolution No. 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 deliver the Indenture, with such changes and insertions therein as may be necessary to cause the same to carry out the intent of this Resolution and as are approved by counsel to the Authority, such approval to be conclusively evidenced by the delivery thereof. The date, maturity date or dates (which shall not extend beyond December 1, 2056), interest rate or rates (which shall



not exceed 12%), interest payment dates, denominations, form, registration privileges, manner of execution, place of payment, terms of redemption and other terms of the Bonds shall be as provided in the Indenture as finally executed.

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

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

Section 6. 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 Indenture and the other documents herein approved, which they, or any of them, may deem necessary or advisable in order to consummate the lawful execution 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 7. 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 Indenture and other documents approved herein.

Section 8. This Resolution shall take effect upon its adoption.

[Remainder of Page Intentionally Left Blank]

**PASSED AND ADOPTED** by the California Statewide Communities Development Authority this 15th day of December, 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 meeting of the Commission of the Authority held in accordance with law on December 15, 2016.

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



## **Agenda Item No. 6**

### **Agenda Report**

**DATE:** December 15, 2016

**TO:** CSCDA COMMISSIONERS

**FROM:** Cathy Bando, Executive Director

**PURPOSE:** Consideration of a resolution authorizing the issuance, sale and delivery of Statewide Community Infrastructure Program Refunding Revenue Bonds and authorizing certain other documents and actions in connection therewith.

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

CSCDA through the Statewide Community Infrastructure Program (SCIP) issued bonds for series 2006A and 2007A in the amount of \$14,419,536 and 19,941,994 respectively (the “Bonds”). A summary of the projects in each series are outlined in Attachment A.

#### **REFUNDING ANALYSIS:**

Interest rates have decreased substantially since the Bonds were issued, from 5% to an estimated 3.9% due to favorable market conditions and the combined build out of the projects at 48%. The current value to lien ratio is 12 to 1 for the refinancing. In addition, interest rates are anticipated to increase and the refunding will allow the Bonds to lock in at the lower interest rates. At current interest rates RBC Capital Markets expects that the net present value savings will be approximately \$1.9 million or 5.4% of the outstanding par amount.

The savings would be credited back to property owners within the districts, and the property owners would not pay any out of pocket expenses for the refinancing as costs would be paid out of the remaining administrative expense reserves.

#### **CSCDA FEES:**

The fee assessed for the SCIP program is 1.5% on the par amount per CSCDA’s approved fee schedule. Since the refunding does not require the same upfront administrative requirements, it is recommended that CSCDA assess an issuance fee of 0.75%, which is half of the normal fee. This SCIP refunding fee would be added to the CSCDA fee schedule for future refundings.

## **SOURCES AND USES:**

### **Sources:**

Bonds	\$ 35,221,981.20
DSRF	\$ 2,809,991.79
Redemption Fund	<u>\$ 1,921,735.63</u>
	\$ 39,953,508.62

### **Uses:**

Escrow:	\$ 36,410,500.00
DRSF:	\$ 2,526,125.00
COI:	\$ 458,137.50
Underwriter Discount:	\$ 556,275.00
Additional Proceeds:	<u>\$ 2,471.12</u>
	\$ 39,953,508.62

## **Finance Partners:**

Bond Counsel:	Orrick, Herrington & Sutcliffe, LLP, San Francisco
Authority Counsel:	Orrick, Herrington & Sutcliffe, LLP, Sacramento
Underwriter:	RBC Capital Markets, San Francisco

## **CSCDA Policy Compliance:**

The refunding for SCIP 2006A and 2007A complies with CSCDA's general, issuance and land secured policies.

### **DOCUMENTS:** (as attachments)

1. 2006A & 2007A Project List (Attachment A)
1. CSCDA Resolution (Attachment B)

## **COMMISSION ACTION RECOMMENDED BY THE EXECUTIVE DIRECTOR:**

1. Approves the issuance of the refunding Bonds;
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

### SCIP 2006A

Livermore Airway Associates, LLC	Livermore	AD 06-01	Oaks Business Park	Industrial
OTO Development, LLC	Elk Grove	AD 06-01	Hampton Inn & Suites	Commercial
Lipp CDS Inc.	Elk Grove	AD 06-01	Sheldon Oaks Shopping Center	Commercial
Empire West Lonetree, LLC	Rocklin	AD 06-01	Lonetree Professional Center	Industrial
Sakoin Group LLC	Elk Grove	AD 06-01	Sheldon Crossing	Commercial
Silvercreek Yuba I, LLC	Roseville	AD 06-01	Pleasant Grove Marketplace Phase II	Commercial
Foothill Tech Properties, LLC	Elk Grove	AD 06-01	Harbour Point	Commercial

### SCIP 2007A

Cambay Group	El Dorado	AD 07-01	Silver Springs	Residential
KB Homes	Petaluma	AD 07-01	Quarry Heights	Residential
Venture Corp.	Dublin / Hercules	AD 07-01	Venture Commerce Center	Commercial / Industrial
Coastal Partners LLC	Roseville	AD 07-01	Hampton Inn & Suites	Commercial
Blue Northern Builders	Lincoln	AD 07-01	Lincoln Gateway	Commercial
Argonaut Holdings, Inc.	Dublin	AD 07-01	Hummer, Saab and Saturn of Dublin	Commercial
Panattoni Development Company, LLC	Roseville	AD 07-01	Granite Bay Pavilions	Commercial
Panattoni Development Company, LLC	Sterling Point Parkway	AD 07-01	Sterling Point Parkway	Commercial / Retail

## ATTACHMENT B

### RESOLUTION NO. 16SCIP-\_\_\_\_\_

**A RESOLUTION OF THE COMMISSION OF THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY AUTHORIZING THE ISSUANCE, SALE AND DELIVERY OF NOT TO EXCEED \$50,000,000 OF ITS STATEWIDE COMMUNITY INFRASTRUCTURE PROGRAM REFUNDING REVENUE BONDS, SERIES 2017R1; APPROVING THE FORMS OF AN AMENDED AND RESTATED TRUST AGREEMENT, A BOND PURCHASE AGREEMENT, A CONTINUING DISCLOSURE AGREEMENT, AND AN ESCROW AGREEMENT, AUTHORIZING CHANGES THERETO AND EXECUTION AND DELIVERY THEREOF AS MODIFIED; APPROVING A PRELIMINARY OFFICIAL STATEMENT AND AUTHORIZING CHANGES THERETO AND DELIVERY THEREOF AS MODIFIED; AUTHORIZING THE PREPARATION OF A FINAL OFFICIAL STATEMENT SUBSTANTIALLY DERIVED FROM THE PRELIMINARY OFFICIAL STATEMENT AND EXECUTION AND DELIVERY THEREOF; AND AUTHORIZING CERTAIN OTHER ACTIONS IN CONNECTION WITH THE ISSUANCE, SALE AND DELIVERY OF SUCH BONDS AND IMPLEMENTATION OF THE RELATED FINANCING PROGRAM**

**WHEREAS**, the California Statewide Communities Development Authority is a joint exercise of powers entity duly organized and existing under and by virtue of the laws of the State of California (the “Authority”), with this Commission (this “Commission”) serving as the legislative body of the Authority; and

**WHEREAS**, the Authority has previously issued its Statewide Community Infrastructure Program Revenue Bonds, Series 2006A (the “Series 2006A Bonds”), currently outstanding in the principal amount of \$\_\_\_\_\_, and its Statewide Community Infrastructure Program Revenue Bonds, Series 2007A (the “Series 2007A Bonds”), currently outstanding in the principal amount of \$5,835,000; and

**WHEREAS**, this Commission is empowered under the provisions of Article 4, Chapter 5, Division 7, Title 1 of the California Government Code (the “Law”) to issue bonds of the Authority for the purpose of refunding bonds, notes and other securities of the Authority, including the Series 2006A Bonds and the Series 2007A Bonds; and

**WHEREAS**, the Commission now finds it necessary and desirable to authorize and undertake the issuance of the Authority’s Statewide Community Infrastructure Program Refunding Revenue Bonds, Series 2017R1 (the “Bonds”) pursuant to an Amended and Restated Trust Agreement (the “Trust Agreement”), between the Authority and Wells Fargo Bank, National Association, as Trustee (the “Trustee”), to refund the Series 2006A Bonds and the Series 2007A Bonds, to fund a reserve fund and to pay costs of issuance (the “Refunding Plan”); and

**WHEREAS**, this Commission has determined that the estimated amount necessary to refund the Series 2006A Bonds and the Series 2007A Bonds, to fund a reserve fund and to pay costs of issuance will require the issuance of the Bonds in the aggregate principal amount not to exceed \$50,000,000; and

**WHEREAS**, this Commission has determined that all things necessary to make the Bonds, when authenticated by the Trustee and issued as provided in the Trust Agreement the valid, binding and legal obligations of the Authority according to the import thereof and hereof have been done and performed; and

**WHEREAS**, in furtherance of implementing the financing described above, there have been made available to the Commission for consideration and approval at this meeting, forms of the following:

- (a) the Trust Agreement, described above;
- (b) a Bond Purchase Agreement, under the terms of which, among other things, the Authority agrees to sell and RBC Capital Markets, LLC, the underwriter (the “Underwriter”) agrees to purchase the Bonds;
- (c) a Preliminary Official Statement, describing the Bonds;
- (d) a Continuing Disclosure Agreement, under the terms of which, among other things, the Authority agrees and covenants to provide certain annual financial information and notice of certain enumerated events to assist the Underwriter in complying with Rule 15c2-12 of the Securities Exchange Commission; and
- (e) an Escrow Agreement, to be entered into in connection with the refunding of the Series 2006A Bonds and the Series 2007A Bonds; and

**WHEREAS**, being fully advised in the matter of the financing, this Commission wishes to proceed with implementation of the Refunding Plan; and

**WHEREAS**, all acts, conditions and things required by the Constitution and laws of the State of California to exist, to have happened and to have been performed precedent to and in connection with the consummation of the Financing Program do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the Authority is now duly authorized and empowered, pursuant to each and every requirement of law, to authorize the execution and delivery of certain documents in order to further implement the financing in the manner and upon the terms herein provided; and

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

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

Section 2. Pursuant to the Law, the Bonds shall be issued in the aggregate principal amount of not to exceed \$50,000,000; provided, however, that (a) the net present value savings

of the Refunding shall be not less than 3.0%, (b) the true interest cost of the Bonds shall not exceed 6.0%, and (c) the maximum term of any maturity shall not extend beyond the year 2037.

Section 3. The form and substance of the Trust Agreement is hereby approved. Any member of the Commission of the Authority or their administrative delegates duly authorized pursuant to a resolution of the Authority (each an “Authorized Signatory”), is hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver the Trust Agreement in substantially the form made available to the Commissioners, with such changes therein as any member of the Commission may require or approve in consultation with Bond Counsel, such approval to be conclusively evidenced by the execution and delivery thereof.

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

Section 5. The form and substance of the Continuing Disclosure Agreement is hereby approved. Any Authorized Signatory is hereby authorized to execute and deliver said Continuing Disclosure Agreement in substantially the form made available to the Commissioners, with such changes as any member of the Commission may require or approve in consultation with Disclosure Counsel, such approval to be conclusively evidenced by such execution and delivery.

Section 6. The form and substance of the Escrow Agreement is hereby approved. Any Authorized Signatory is hereby authorized to execute and deliver an Escrow Agreement in connection with the refunding of the Series 2006A Bonds and the Series 2007A Bonds, such Escrow Agreement to be in substantially the form made available to the Commissioners, with such changes as any member of the Commission may require or approve in consultation with Bond Counsel, such approval to be conclusively evidenced by each such execution and delivery.

Section 7. (a) The form and substance of the Preliminary Official Statement is hereby approved. Any Authorized Signatory is hereby authorized to execute the final Official Statement to be derived therefrom.

(b) Any Authorized Signatory is hereby authorized to find and determine that said Preliminary Official Statement in preliminary form is, and as of its date shall be, deemed “final” for purpose of Rule 15c2-12 of the Securities and Exchange Commission, and such Member is hereby authorized to execute a certificate to such effect in the customary form.

(c) Any Authorized Signatory is hereby authorized in consultation with Disclosure Counsel to approve corrections and additions to the Preliminary Official Statement by supplement or amendment thereto, by appropriate insertions, or otherwise as appropriate, provided that such corrections or additions shall be regarded by any member of the Commission as necessary to cause the information contained in the Preliminary Official Statement to conform to facts material to the Bonds or the Local Obligations or to the proceedings of this Commission or that such corrections or additions are in form rather than in substance.



(d) The Underwriter is authorized to distribute said Preliminary Official Statement and the final Official Statement to be derived therefrom in connection with the sale and delivery of the Bonds.

Section 8. The Chair, the Vice Chair, the Secretary, the Treasurer, any other members of the Commission of the Authority and other appropriate officers and agents of the Authority are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents which they may deem necessary or advisable in order to carry out, give effect to and comply with the terms and intent of this resolution. 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 transactions contemplated by this resolution are hereby ratified, confirmed and approved.

Section 9. This Resolution shall take effect immediately upon its passage.

**PASSED AND ADOPTED** by the Commission of the California Statewide Communities Development Authority this 15th day of December, 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 December 15, 2016.

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

Authorized Signatory  
California Statewide Communities  
Development Authority

# Certificate of Appreciation

*The California Statewide Communities Development Authority  
would like to recognize and extend its sincere appreciation to*

**Chris McKenzie**

*for his outstanding efforts in providing innovation, guidance and stewardship in serving local governments throughout California.  
His contributions over the last 17 years have exemplified his commitment to helping communities grow and prosper through economic  
development.*

*His commitment as a CSCDA Commissioner and as the Executive Director of the League of California Cities went above and beyond  
the call of duty. It is with great appreciation and admiration that we wish Chris the best in his retirement. His presence will be missed.*



**CSCDA**  
CALIFORNIA STATEWIDE COMMUNITIES  
DEVELOPMENT AUTHORITY

December 15, 2016

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Dan Harrison, Chair

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Larry Combs, Vice Chair



**CSCDC**  
CALIFORNIA STATEWIDE COMMUNITIES  
DEVELOPMENT CORPORATION



## **REGULAR MEETING AGENDA**

**December 15, 2016**

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

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

Telephonic Locations:

709 Portwalk Place  
Redwood City, CA 94061

County of Monterey  
168 Alisal Street, Salinas, CA 93901

County of Kern  
1115 Truxtun Avenue, Bakersfield, CA 93301

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

1. Roll Call.

_____ Dan Harrison, President	_____ Tim Snellings, Member
_____ Larry Combs, Vice President	_____ Dan Mierzwa, Member
_____ Kevin O'Rourke, Treasurer	_____ Irwin Bornstein, Member
_____ Ron Holly, Secretary	_____ Brian Moura, Alt. Member
_____ Jordan Kaufman, Alt. Member	
2. Consideration of the minutes of the January 7, 2016 Meeting.
3. Public Comment.

### **B. ITEMS FOR CONSIDERATION**

4. Consideration of (i) Resolution authorizing execution of an Allocation Agreement with the CDFI Fund to receive \$70,000,000 in New Markets Tax Credits; (ii) Unanimous Written Consent of Members of Subsidiary Allocatees; and (iii) Certificate in Support of Opinion of Allocatee and Subsidiary Allocatees.

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

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

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)

**ANNUAL MEETING OF THE  
CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT CORPORATION  
(CSCDC)**

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

January 7, 2016

**MINUTES**

Commission chair Dan Harrison called the meeting to order at 4:23 pm.

**1 Roll Call.**

Commission members present: Larry Combs, Kevin O'Rourke, Terry Schutten, Dan Harrison, Irwin Bornstein, Tim Snellings, Alternate commissioner Brian Moura (not voting), and Alternate Commissioner Ron Holly (representing Dan Mierzwa). Commissioner Dan Mierzwa participated by conference telephone, but did not vote.

CSCDA Executive Director, Catherine Bando was also present.

Others present included: Chris McKenzie, Norman Coppinger and Perry Stottlemeyer, League of California Cities; Laura Labanieh and Alan Fernandes, CSAC Finance Corporation; James Hamill and Jon Penkower, Bridge Strategic Partners; Roger Davis, Justin Cooper and Trish Eichar, Orrick Herrington & Sutcliffe; Cliff Staton and Mimi Frusha, Renew Financial; Marshall Linn, Raette Frazeur and Sara Tobin, Urban Futures; Scott Waller and Nancy Midden, Gilmore & Bell; Bob Williams, RBC Capital Markets; and Mark Paxson, State Treasurer's Office. Greg Stepanicich, Richards Watson & Gershon participated by conference telephone.

**2 Approval of the minutes of the December 3, 2015 regular meeting.**

Motion to approve by Combs; second by Schutten; unanimously approved by voice-vote.

**3 Election of officers.**

Motion to nominate all four CSCDA officers as officers of CSCDC by Schutten; second by Snellings; unanimously approved by voice-vote.

**4 Public comment.**

None.

**5 Approval of CSCDC's audited financial statements for fiscal year 2014-15.**

Executive Director Bando explained that CSCDC's financial statements are fairly straight-forward, and that it has about \$48,000 in net assets after the year ended.

Motion to approve by Combs; second by Holly; unanimously approved by voice-vote.

6 Executive Director update.

None.

7 Staff updates.

Jon Penkower indicated that last month the board approved submission of a new markets tax credit allocation application, and that application was prepared and submitted. There is a six to eight month wait to hear whether CSCDC will receive an allocation. This is CSCDC's fourth application. He indicated he feels CSCDC is in a good position to receive an award this year, in light of no award last year.

8 Chair Dan Harrison adjourned the meeting at 4:28 pm.

Submitted by: Perry Stottlemeyer, League of California Cities staff

## **Agenda Report**

**DATE:** December 15, 2016

**TO:** CSCDC BOARD OF DIRECTORS

**FROM:** Cathy Bando, Executive Director

**PURPOSE:** Consideration of (i) Resolution authorizing execution of an Allocation Agreement with the CDFI Fund to receive \$70,000,000 in New Markets Tax Credits; (ii) Unanimous Written Consent of Members of Subsidiary Allocatees; and (iii) Certificate in Support of Opinion of Allocatee and Subsidiary Allocatees

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### **BACKGROUND AND SUMMARY:**

On December 14, 2015, CSCDC filed an application with the U.S. Treasury Department's Community Development Financial Institutions Fund ("CDFI Fund") seeking an allocation of New Markets Tax Credits ("NMTCs"). On November 17, 2016, CSCDC was awarded \$70 million in New Markets Tax Credit investment authority by the CDFI Fund. CSCDC's first step in deploying the allocation is signing an allocation agreement with the CDFI Fund. The allocation agreement includes as parties each of the subsidiary community development entities ("CDE's") formed by CSCDC in anticipation of the allocation.

In connection with the allocation agreement, the CDFI Fund requires CSCDC to deliver an allocation agreement legal opinion from counsel to CSCDC that addresses typical transactional state law issues like good standing, authorization and enforceability and certain federal law issues regarding tax status and some specific to the New Markets Tax Credit Program. CSCDC's New Markets counsel Nixon Peabody will deliver the allocation agreement opinion.

With a fully executed and effective allocation agreement, each of CSCDC's subsidiary CDEs may accept an investment that it will designate as a Qualified Equity Investment ("QEI") earning NMTCs for the investor so long as QEI proceeds are used to make loans or investments to Qualified Active Low Income Community Businesses or "QALICBs". CSCDC will provide NMTC financing for QALICBs that promote public benefit through: 1) economic development through creating jobs, technologies, and goods and services; 2) health and social welfare and healthy living; and 3) education and job training.

Three documents are presented for board consideration:

1. Resolution taking actions necessary to ratify steps taken to date in connection with the NMTC allocation and formation of the subsidiary CDEs and authorizing execution of the allocation agreement enabling CSCDC to proceed with deploying its allocation;
2. Allocation Agreement opinion certificate; and

3. Unanimous Written Consent of the Subsidiary CDEs to enter into the Allocation Agreement.

**RECOMMENDED ACTION:**

CSCDC's Executive Director recommends that the directors of CSCDC approve (a) the Resolution Authorizing Execution of an Allocation Agreement with the CDFI Fund to Receive \$70,000,000 in New Markets Tax Credits (in the form of Attachment 1), (b) the Unanimous Written Consent of Members of Subsidiary Allocatees (in the form of Attachment 2), and (c) the Certificate in Support of Opinion of Allocatee and Subsidiary Allocatees (in the form of Attachment 3), as submitted to the directors.



## **Attachment 1**

### **RESOLUTION OF THE BOARD OF DIRECTORS OF CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT CORPORATION**

As of December 15, 2016, the Board of Directors of California Statewide Communities Development Corporation, a California nonprofit public benefit corporation (the “Allocatee”), does hereby adopt the following resolutions:

**WHEREAS**, the Allocatee and CSCDC 9 LLC, CSCDC 10 LLC, CSCDC 11 LLC, CSCDC 12 LLC, CSCDC 13 LLC, CSCDC 14 LLC and CSCDC 15 LLC (collectively, the “Subsidiary Allocatees”) were organized for the purpose of participating in the federal New Markets Tax Credit (“NMTC”) program, designed by Congress to encourage investment in (1) the rehabilitation and construction of commercial, retail, office and manufacturing space in low-income communities; (2) businesses and nonprofits active in low-income communities; and (3) the provision of technical assistance and other services to businesses active in low-income communities; and

**WHEREAS**, by law, NMTC investments must be made through a qualified community development entity (a “CDE”), which is a legal entity that (i) has as its primary mission serving or providing investment capital for low-income communities or low-income persons, and (ii) maintains accountability to residents of low-income communities through their representation on an advisory board to the CDE; and

**WHEREAS**, the Allocatee was certified by the Community Development Financial Institutions Fund (the “CDFI Fund”) as a CDE, and the Allocatee submitted a Thirteenth Round (2015-2016) New Markets Tax Credit Allocation Application (the “Application”); and

**WHEREAS**, each Subsidiary Allocatee was certified by the CDFI Fund as a subsidiary CDE of the Allocatee; and

**WHEREAS**, the Allocatee received an allocation of NMTCs under Section 45D of the Internal Revenue Code of 1986, as amended, in the amount of \$70,000,000 of NMTC authority (the “Allocation”) in connection with its Application; and

**WHEREAS**, the Allocatee is the managing member of each of the Subsidiary Allocatees and intends to sub-allocate all or a portion of its Allocation to the Subsidiary Allocatees.

#### **NOW, THEREFORE, BE IT**

**RESOLVED**, that the form, terms, and provisions of, and the transactions contemplated by, the Allocation Agreement to be entered into by and between the Allocatee, the Subsidiary Allocatees and the CDFI Fund (the “Allocation Agreement”) and the schedules (which are a part of the Allocation Agreement), the material provisions of the Application and the attachments, exhibits, appendices, and supplements to the Application be, and hereby are, authorized, adopted and approved in all respects; and be it further

**RESOLVED**, that all actions taken by Jonathan Penkower in connection with the formation of the Subsidiary Allocatees and on behalf of the Allocatee and the Subsidiary Allocatees pursuant to the Allocation Agreement, the Allocation Application, the Unanimous Written Consent

of Members of the Subsidiary Allocatees and any related documents, including without limitation, signing as Managing Director, are hereby ratified, approved and adopted in all respects; and be it further

**RESOLVED**, that each of the following individuals (each an “Authorized Signatory”) be, and each of them hereby is singly or jointly, authorized, empowered and directed, to execute, deliver and perform the Allocation Agreement on behalf of the Allocatee in its own capacity and in its capacity as managing member of the Subsidiary Allocatees, and all related documents with such changes, additions, deletions, amendments or modifications to the Allocation Agreement as the Authorized Signatory may deem necessary, proper or advisable Jonathan Penkower, James Hamill, Catherine Bando, Laura Labanieh, and Norman Coppinger; and be it further

**RESOLVED**, that each of the Subsidiary Allocatees is hereby authorized to receive sub-allocations of all or a portion of the Allocation, and agrees to accept such sub-allocations; and be it further

**RESOLVED**, that the Allocatee is authorized to negotiate any further changes to the Allocation Agreement and all related documents as may be required and take any action necessary to implement the business plan of the Allocatee and the Subsidiary Allocatees within the NMTC requirements set forth in the Allocation Agreement and otherwise in furtherance of the NMTC program, including forming additional subsidiary limited liability companies, serving as managing member or manager of the Subsidiary Allocatees and such other subsidiaries, as may be the case, and taking any action necessary to certify such other subsidiaries as CDEs under the NMTC program; and be it further

**RESOLVED**, that each of the Allocatee and the Subsidiary Allocatees be, and each of them hereby is singly or jointly, authorized, empowered and directed, to take or cause to be taken any and all actions, to make all payments, and to negotiate, enter into, execute, deliver and perform all other agreements, instruments, notices, certificates, filings, written consents and other documents as may be necessary, appropriate, convenient or proper to effectuate the intent of, and the transactions contemplated by, the foregoing resolutions, such agreements, instruments, notices, certificates, filings, written consents and other documents to be in such form and to contain such terms and conditions as the Allocatee or any of the Subsidiary Allocatees executing the same shall in its sole discretion determine to be necessary, appropriate, convenient or proper, the execution and delivery thereof by the Allocatee or the applicable Subsidiary Allocatees to be conclusive evidence of such approval; and be it further

**RESOLVED**, that all actions previously taken by the Allocatee or the Subsidiary Allocatees or their officers, attorneys or agents relating to the foregoing resolutions and transactions contemplated thereby are hereby adopted, ratified, confirmed and approved in all respects; and be it further

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

Adopted by the Board of Directors of Allocatee at its meeting held on December 15, 2016.

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Dan Harrison  
President

ATTEST:

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Larry Combs  
Vice-President

## **Attachment 2**

### **UNANIMOUS WRITTEN CONSENT OF MEMBERS OF SUBSIDIARY ALLOCATEES**

On December 15, 2016, the undersigned, being the Members of CSCDC 9 LLC, CSCDC 10 LLC, CSCDC 11 LLC, CSCDC 12 LLC, CSCDC 13 LLC, CSCDC 14 LLC and CSCDC 15 LLC, each a California limited liability company (collectively referred to herein as the “Subsidiary Allocatees”), do hereby adopt the following resolutions with respect to the Subsidiary Allocatees:

**WHEREAS**, the Subsidiary Allocatees were organized for the purpose of participating in the federal New Markets Tax Credit (“NMTC”) program, designed by Congress to encourage investment in (1) the rehabilitation and construction of commercial, retail, office and manufacturing space in low-income communities; (2) businesses and nonprofits active in low-income communities; and (3) the provision of technical assistance and other services to businesses active in low-income communities; and

**WHEREAS**, by law, NMTC investments must be made through a qualified community development entity (a “CDE”), which is a legal entity that (i) has as its primary mission serving or providing investment capital for low-income communities or low-income persons, and (ii) maintains accountability to residents of low-income communities through their representation on an advisory board to the CDE; and

**WHEREAS**, California Statewide Communities Development Corporation (the “Allocatee”) was certified by the Community Development Financial Institutions Fund (the “CDFI Fund”) as a CDE, and the Allocatee submitted a Thirteenth Round (2015-2016) New Markets Tax Credit Allocation Application (the “Application”); and

**WHEREAS**, each Subsidiary Allocatee was certified by the CDFI Fund as a subsidiary CDE of the Allocatee; and

**WHEREAS**, the Allocatee received an allocation of NMTCs under Section 45D of the Internal Revenue Code of 1986, as amended, in the amount of \$70,000,000 of NMTC authority (the “Allocation”) in connection with its Application; and

**WHEREAS**, the Allocatee is the managing member of each of the Subsidiary Allocatees and intends to sub-allocate all or a portion of its Allocation to the Subsidiary Allocatees; and

**WHEREAS**, the Allocatee, as managing member of each Subsidiary Allocatee, manages the Subsidiary Allocatees in accordance with the organizational documents of each Subsidiary Allocatee and hereby consents (along with the other members) to the actions take herein.

### **NOW, THEREFORE, BE IT**

**RESOLVED**, that the form, terms, and provisions of, and the transactions contemplated by, the Allocation Agreement to be entered into by and between the Allocatee, the Subsidiary Allocatees and the CDFI Fund (the “Allocation Agreement”) be, and hereby are, authorized, adopted and approved in all respects; and be it further

**RESOLVED**, that each of the Subsidiary Allocatees be, and each of them hereby is singly or jointly, authorized, empowered and directed, to execute, deliver and perform the Allocation Agreement, with such changes, additions, deletions, amendments or modifications to the Allocation Agreement as the Allocatee or the Subsidiary Allocatees may deem necessary, proper or advisable; and be it further

**RESOLVED**, that each of the Subsidiary Allocatees is hereby authorized to receive sub-allocations of all or a portion of the Allocation, and agrees to accept such sub-allocations; and be it further

**RESOLVED**, that the Allocatee is authorized to negotiate any further changes to the Allocation Agreement as may be required and take any action necessary to implement the business plan of the Allocatee and the Subsidiary Allocatees within the NMTC requirements set forth in the Allocation Agreement and otherwise in furtherance of the NMTC program, including forming additional subsidiary limited liability companies, serving as managing member or manager of the Subsidiary Allocatees and such other subsidiaries, as may be the case, and taking any action necessary to certify such other subsidiaries as CDEs under the NMTC program; and be it further

**RESOLVED**, that each of the Subsidiary Allocatees be, and each of them hereby is singly or jointly, authorized, empowered and directed, to take or cause to be taken any and all actions, to make all payments, and to negotiate, enter into, execute, deliver and perform all other agreements, instruments, notices, certificates, filings and other documents as may be necessary, appropriate, convenient or proper to effectuate the intent of, and the transactions contemplated by, the foregoing resolutions, such agreements, instruments, notices, certificates, filings and other documents to be in such form and to contain such terms and conditions as any of the Subsidiary Allocatees executing the same shall in its sole discretion determine to be necessary, appropriate, convenient or proper, the execution and delivery thereof by the applicable Subsidiary Allocatees to be conclusive evidence of such approval; and be it further

**RESOLVED**, that all actions previously taken by the Subsidiary Allocatees or their officers, attorneys or agents relating to the foregoing resolutions and transactions contemplated thereby are hereby adopted, ratified, confirmed and approved in all respects; and be it further

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

**IN WITNESS WHEREOF**, the undersigned Members of the Subsidiary Allocatees have executed and delivered this Unanimous Written Consent of the Members on the date first above written.

**CSCDC 9, LLC**

**MANAGING MEMBER:**

California Statewide Communities  
Development Corporation, a California  
nonprofit public benefit corporation

By: \_\_\_\_\_  
Jonathan Penkower  
Authorized Signatory

**NON-MANAGING MEMBER:**

CSCDC Manager, LLC, a Delaware limited  
liability company

By: CALIFORNIA STATEWIDE  
COMMUNITIES DEVELOPMENT  
CORPORATION, a California nonprofit  
public benefit corporation, its sole  
member

By: \_\_\_\_\_  
Jonathan Penkower  
Authorized Signatory

**CSCDC 11, LLC**

**MANAGING MEMBER:**

California Statewide Communities  
Development Corporation, a California  
nonprofit public benefit corporation

By: \_\_\_\_\_  
Jonathan Penkower  
Authorized Signatory

**NON-MANAGING MEMBER:**

CSCDC Manager, LLC, a Delaware limited  
liability company

By: CALIFORNIA STATEWIDE  
COMMUNITIES DEVELOPMENT  
CORPORATION, a California nonprofit  
public benefit corporation, its sole  
member

By: \_\_\_\_\_  
Jonathan Penkower  
Authorized Signatory

**CSCDC 10, LLC**

**MANAGING MEMBER:**

California Statewide Communities  
Development Corporation, a California  
nonprofit public benefit corporation

By: \_\_\_\_\_  
Jonathan Penkower  
Authorized Signatory

**NON-MANAGING MEMBER:**

CSCDC Manager, LLC, a Delaware limited  
liability company

By: CALIFORNIA STATEWIDE  
COMMUNITIES DEVELOPMENT  
CORPORATION, a California nonprofit  
public benefit corporation, its sole  
member

By: \_\_\_\_\_  
Jonathan Penkower  
Authorized Signatory

**CSCDC 12, LLC**

**MANAGING MEMBER:**

California Statewide Communities  
Development Corporation, a California  
nonprofit public benefit corporation

By: \_\_\_\_\_  
Jonathan Penkower  
Authorized Signatory

**NON-MANAGING MEMBER:**

CSCDC Manager, LLC, a Delaware limited  
liability company

By: CALIFORNIA STATEWIDE  
COMMUNITIES DEVELOPMENT  
CORPORATION, a California nonprofit  
public benefit corporation, its sole  
member

By: \_\_\_\_\_  
Jonathan Penkower  
Authorized Signatory

**CSCDC 13, LLC**

**MANAGING MEMBER:**

California Statewide Communities  
Development Corporation, a California  
nonprofit public benefit corporation

By: \_\_\_\_\_  
Jonathan Penkower  
Authorized Signatory

**NON-MANAGING MEMBER:**

CSCDC Manager, LLC, a Delaware limited  
liability company

By: CALIFORNIA STATEWIDE  
COMMUNITIES DEVELOPMENT  
CORPORATION, a California nonprofit  
public benefit corporation, its sole  
member

By: \_\_\_\_\_  
Jonathan Penkower  
Authorized Signatory

**CSCDC 15, LLC**

**MANAGING MEMBER:**

California Statewide Communities Development  
Corporation, a California nonprofit public benefit  
corporation

By: \_\_\_\_\_  
Jonathan Penkower  
Authorized Signatory

**NON-MANAGING MEMBER:**

CSCDC Manager, LLC, a Delaware limited  
liability company

By: CALIFORNIA STATEWIDE  
COMMUNITIES DEVELOPMENT  
CORPORATION, a California nonprofit  
public benefit corporation, its sole member

By: \_\_\_\_\_  
Jonathan Penkower  
Authorized Signatory

**CSCDC 14, LLC**

**MANAGING MEMBER:**

California Statewide Communities  
Development Corporation, a California  
nonprofit public benefit corporation

By: \_\_\_\_\_  
Jonathan Penkower  
Authorized Signatory

**NON-MANAGING MEMBER:**

CSCDC Manager, LLC, a Delaware limited  
liability company

By: CALIFORNIA STATEWIDE  
COMMUNITIES DEVELOPMENT  
CORPORATION, a California nonprofit  
public benefit corporation, its sole  
member

By: \_\_\_\_\_  
Jonathan Penkower  
Authorized Signatory

### **Attachment 3**

#### **CERTIFICATE IN SUPPORT OF OPINION OF ALLOCATEE AND SUBSIDIARY ALLOCATEES**

This Certificate in Support of Opinion of Allocatee and Subsidiary Allocatees is made as of the 15th day of December, 2016, on behalf of California Statewide Communities Development Corporation (the “Allocatee”), a California nonprofit public benefit corporation and CSCDC 9 LLC, CSCDC 10 LLC, CSCDC 11 LLC, CSCDC 12 LLC, CSCDC 13 LLC, CSCDC 14 LLC and CSCDC 15 LLC, each a California limited liability company (collectively, the “Subsidiary Allocatees”), for reliance upon by Nixon Peabody LLP (“Counsel”) in connection with the issuance of an opinion letter (the “Opinion Letter”) to be delivered by Counsel as a condition of that certain Allocation Agreement (the “Allocation Agreement”) to be entered into by and between the Allocatee, the Subsidiary Allocatees and the Community Development Financial Institutions Fund. In connection with the Opinion Letter, the Allocatee and the Subsidiary Allocatees hereby certify to Counsel for its reliance, the truth, accuracy and completeness of the following matters:

1. Attached hereto as Exhibit A are true, correct and complete copies of the Allocatee’s Organizational Documents (as defined in the Opinion Letter). The Allocatee’s Organizational Documents have not been altered, amended, modified or rescinded and remain in full force and effect on the date hereof. No steps have been taken by the Board of Directors or stockholders or members of the Allocatee to effect or authorize any amendment or other modification to the Allocatee’s Organizational Documents.

2. Attached hereto as Exhibit B are true, correct and complete copies of the Subsidiary Allocatees’ Organizational Documents (as defined in the Opinion Letter). The Subsidiary Allocatees’ Organizational Documents have not been altered, amended, modified or rescinded and remain in full force and effect on the date hereof. No steps have been taken by the Managing Member or other members of any Subsidiary Allocatee to effect or authorize any amendment or other modification to any of the Subsidiary Allocatees’ Organizational Documents.

3. The resolution of the Board of Directors of the Allocatee dated \_\_\_\_\_, 2016, attached hereto as Exhibit C, authorizing the transactions contemplated in the Opinion Letter were duly approved and adopted by the Allocatee’s Board of Directors in accordance with the requirements of the Allocatee’s Organizational Documents and have not been amended or supplemented in any respect and are in full force and effect on the date hereof.

4. The resolutions of the members of the Subsidiary Allocatees, dated \_\_\_\_\_, 2016, attached hereto as Exhibit D, authorizing the transactions contemplated in the Opinion Letter were duly approved and adopted by the members in accordance with the requirements of the Subsidiary Allocatees’ Organizational Documents and have not been amended or supplemented in any respect and are in full force and effect on the date hereof.

5. The representations and warranties of the Allocatee and the Subsidiary Allocatees set forth in the Allocation Agreement and the Allocation Application (as defined in the Opinion Letter) are true and correct in all material respects.

6. The representations and warranties of the Allocatee and the Subsidiary Allocatees set out in each applicable CDE Certification Application (as defined in 66 FR 65806) are true and correct in all material respects.



7. No further authorization, consent, approval, or other action by, or filing with, any individual, entity, or state, local, or governmental authority, is required in connection with, the execution, delivery and performance of the Allocation Agreement by the Allocatee or the Subsidiary Allocatees.

8. The execution, delivery and performance of the Allocation Agreement by the Allocatee and the Subsidiary Allocatees will not cause the Allocatee or the Subsidiary Allocatees to be in violation of (i) any material agreement to which the Allocatee and the Subsidiary Allocatees are a party or by which the Allocatee and the Subsidiary Allocatees are bound, or (ii) any court judgment, decree, writ, injunction, rule or regulation or order of any governmental body to which the Allocatee and the Subsidiary Allocatees are subject.

9. There is no suit, action, proceeding, or investigation, pending or threatened against the Allocatee or the Subsidiary Allocatees that questions the validity of the Allocation Agreement or any actions taken or to be taken pursuant thereto.

10. This Certificate is given by the Allocatee and the Subsidiary Allocatees to Counsel with the intention and with the agreement that Counsel will use and rely upon it in issuing the Opinion Letter.

11. The Allocatee is legally authorized to transact business in the State of California, which is its principal place of business. The Allocatee is currently only transacting business in the State of California.

12. Each of the Subsidiary Allocatees is legally authorized to transact business in the State of California, which is its principal place of business. Each of the Subsidiary Allocatees is currently only transacting business in the State of California.

13. The following named individuals are the duly appointed authorized representatives of the Allocatee and, pursuant to the attached resolutions, are authorized to execute and deliver certain documents on behalf of the Allocatee; each of the signatures after the name is the genuine signature of such individual:

<u>Name</u>	<u>Title</u>	<u>Signature</u>
Jonathan Penkower	Authorized Signatory	_____
James Hamill	Authorized Signatory	_____
Catherine Bando	Authorized Signatory	_____
Laura Labenieh	Authorized Signatory	_____
Norman Coppinger	Authorized Signatory	_____

**IN WITNESS WHEREOF**, the Allocatee and the Subsidiary Allocatees have executed this Certificate in Support of Opinion of Allocatee and the Subsidiary Allocatees effective as of the date set forth above.

**ALLOCATEE:**

**CALIFORNIA STATEWIDE COMMUNITIES  
DEVELOPMENT CORPORATION**, a California  
nonprofit public benefit corporation

**BY:**

\_\_\_\_\_  
Jonathan Penkower, Authorized Signatory

**SUBSIDIARY ALLOCATEES:**

**CSCDC 9 LLC**, a California limited liability company

By:

**CALIFORNIA STATEWIDE COMMUNITIES  
DEVELOPMENT CORPORATION**, a California  
nonprofit public benefit corporation, its Managing  
Member

By:

\_\_\_\_\_  
Jonathan Penkower, Authorized Signatory

**CSCDC 10 LLC**, a California limited liability company

By:

**CALIFORNIA STATEWIDE COMMUNITIES  
DEVELOPMENT CORPORATION**, a California  
nonprofit public benefit corporation, its Managing  
Member

By:

\_\_\_\_\_  
Jonathan Penkower, Authorized Signatory

**CSCDC 11 LLC**, a California limited liability company

By:

**CALIFORNIA STATEWIDE COMMUNITIES  
DEVELOPMENT CORPORATION**, a California  
nonprofit public benefit corporation, its Managing  
Member

By:

\_\_\_\_\_  
Jonathan Penkower, Authorized Signatory

**CSCDC 12 LLC**, a California limited liability company

By:

**CALIFORNIA STATEWIDE COMMUNITIES  
DEVELOPMENT CORPORATION**, a California

nonprofit public benefit corporation, its Managing Member

By:

\_\_\_\_\_  
Jonathan Penkower, Authorized Signatory

**CSCDC 13 LLC**, a California limited liability company

By:

**CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT CORPORATION**, a California nonprofit public benefit corporation, its Managing Member

By:

\_\_\_\_\_  
Jonathan Penkower, Authorized Signatory

**CSCDC 14 LLC**, a California limited liability company

By:

**CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT CORPORATION**, a California nonprofit public benefit corporation, its Managing Member

By:

\_\_\_\_\_  
Jonathan Penkower, Authorized Signatory

**CSCDC 15 LLC**, a California limited liability company

By:

**CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT CORPORATION**, a California nonprofit public benefit corporation, its Managing Member

By:

\_\_\_\_\_  
Jonathan Penkower, Authorized Signatory

The undersigned hereby certifies that Jonathan Penkower is a duly qualified and acting Authorized Signatory and that each signature set forth above is his true and genuine signature.

\_\_\_\_\_  
Dan Harrison  
President

**Exhibit A**

**Allocatee's Organizational Documents**

**[See Attached]**

**Exhibit B**

**Subsidiary Allocatee's Organizational Documents**

**[See Attached]**

**Exhibit C**

**Resolutions of the Board of Directors**

**[See Attached]**

**Exhibit D**

**Member Consent**

**[See Attached]**