



CSCDA
CALIFORNIA STATEWIDE COMMUNITIES
DEVELOPMENT AUTHORITY



**AGENDA OF THE
REGULAR MEETING OF THE
CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY**

December 19, 2013

10:00 a.m.

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

County of Monterey
168 West Alisal Street
Salinas, CA 93901

County of Butte
7 County Center Drive
Oroville, CA 95965

3252 Southern Hills Drive
Fairfield, CA 94534

27788 Hidden Trail Road
Laguna Hills, CA 92653

City of Walnut Creek
1666 North Main St.
Walnut Creek, CA 94596

- I. Call the Roll (alternates designate which member they are representing).
- II. Approve the Minutes of the December 5, 2013 Regular Meeting.
- III. Staff Updates.
- IV. Approve Consent Calendar.
- V. Approve the financing; all necessary actions; the execution and delivery of all necessary documents and authorize any member to sign all necessary financing documents for the following:
 - a. California Baptist University, City of Riverside, County of Riverside; up to \$70,000,000 in taxable and tax-exempt 501(c)3 non-profit revenue bonds. (Staff: Scott Carper)

This ___ page agenda was posted at 1100 K Street, Sacramento, California on _____, 2013 at __: __ m,
Signed _____. Please fax signed page to (925) 933-8457.

- VI. Approve the following resolutions for Assessment District 14-01 San Joaquin County related to the upcoming Statewide Community Infrastructure Program (SCIP) project: (Staff: Scott Carper)
 - a. A resolution of intention to finance the payment of development impact fees, including approval of proposed boundary maps;
 - b. A resolution preliminarily approving engineer's reports, setting public hearing of protests and providing property owner ballots for Statewide Community Infrastructure Program Assessment District.
- VII. Approve the following resolutions for Assessment District 14-01 San Diego County related to the upcoming Statewide Community Infrastructure Program (SCIP) project: (Staff: Scott Carper)
 - a. A resolution of intention to finance the payment of development impact fees, including approval of proposed boundary maps;
 - b. A resolution preliminarily approving engineer's reports, setting public hearing of protests and providing property owner ballots for Statewide Community Infrastructure Program Assessment District.
- VIII. Approve the following resolutions for Assessment District 14-01 Santa Clara County related to the upcoming Statewide Community Infrastructure Program (SCIP) project: (Staff: Scott Carper)
 - a. A resolution of intention to finance the payment of development impact fees, including approval of proposed boundary maps;
 - b. A resolution preliminarily approving engineer's reports, setting public hearing of protests and providing property owner ballots for Statewide Community Infrastructure Program Assessment District.
- IX. Discussion and approval of Resolution Authorizing the Issuance of Bonds not to exceed \$220,000 for Softcom under the CaliforniaFirst PACE Program, City of Galt, County of Sacramento. (Staff: James Hamill)
- X. Discussion and approval of CSCDA issuer counsel pursuant to request for proposals. (Issuer Counsel Ad Hoc Committee)
- XI. Discussion and approval of amendment to Indenture in connection with proposed refinancing of Quail Ridge Apartments. (Staff: James Hamill)
- XII. Discuss and approve The Willows Apartments Delinquency Report. (Staff: James Hamill)
- XIII. Semi-annual Compliance update of the CSCDA affordable housing portfolio. (Staff: Caitlin Lanctot)
- XIV. Public Comment.
- XV. Adjourn.

◆ ◆ ◆ ◆ ◆ ◆ ◆

**CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY
CONSENT CALENDAR**

1. Approve the following invoices for payment:
 - a. Wells Fargo Invoice #1009355.
 - b. Wells Fargo Invoice #1020542.
 - c. Wells Fargo Invoice #1026304.
 - d. Wells Fargo Invoice #1026272.
2. Induce the following projects:
 - a. Park Grand Landmark, LP (Park Grand Apartments), City of Pomona, County of Los Angeles; issue up to \$10 million in multi-family housing debt obligations.
 - b. CH Valley View Partners, LP (Valley View Apartments), City of Delano, County of Kern; issue up to \$7 million in multi-family housing debt obligations.
 - c. Pilgrim Terrace Affordable, LP (Pilgrim Terrace Homes), City of Santa Barbara, County of Santa Barbara; issue up to \$11 million in multi-family housing debt obligations.
 - d. Jefferson Cunningham Community Partners, LP (Jefferson Townhomes and Cunningham Village), City of Los Angeles, County of Los Angeles; issue up to \$14 million in multi-family housing debt obligations.
 - e. Pavilion Park Senior I Housing Partners, LP (Pavilion Park Seniors), City of Irvine, County of Orange; issue up to \$23 million in multi-family housing debt obligations.
3. Approve the following SB 165 Reports:
 - a. Special Tax Bond and Accountability Report for Fancher Creek.
 - b. Special Tax Bond and Accountability Report for Orinda Wilder Project.
 - c. Special Tax Bond and Accountability Report for River Run Senior Apartments-Corona.

Thursday, December 19, 2013

Note: Persons requiring disability-related modification or accommodation to participate in this public meeting should contact (925) 933-9229, extension 225.

Item II

Approve the Minutes of the December 5, 2013 Regular Meeting.

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

League of California Cities
1400 K Street, Sacramento, California

December 5, 2013

MINUTES

Commission Chair Larry Combs called the meeting to order at 10:04 a.m.

I. Roll Call

Commission members present: Larry Combs, Terry Schutten and Tim Snellings.
Commission members participating by conference telephone: Kevin O'Rourke, Dan Mierzwa and Alternate Commissioner Brian Moura representing Commissioner Dwight Stenbakken.

Alternative Commissioner Ron Holly participated by conference telephone in a non-voting capacity.

Others present: James Hamill and Caitlin Lancot, CSCDA staff; Nancy Parrish, CSAC Finance Corporation; Norman Coppinger, League of California Cities; and Mark Paxson, State Treasurer's Office. Others participating by conference telephone: Greg Stepanicich, Richards Watson & Gershon; Scott Carper, CSCDA staff; Justin Cooper, Orrick, Harrington & Sutcliffe; and Laura Labanieh Campbell, CSAC Finance Corporation.

II. Approval of Minutes

The commission approved the minutes of the meeting held November 26, 2013.

Motion by Schutten; second by Snellings; unanimously approved by roll-call vote.

III. Staff Updates.

Staff reported the Red Star Apartments senior project in Oakland was ruined by a fire in June 2012. As a result, the Regulatory Agreement has been terminated and the borrower is redeeming the bonds issued by CSCDA.

Staff also reported completion of two PACE projects through CaliforniaFIRST.

IV. Approval of Consent Calendar

The commission approved by consent:

1. Approval of the following Continuing Disclosure Annual Reports for the Fiscal Year Ended June 30, 2013:

- a. CSCDA – SCIP Series 2004A – FY2013
- b. CSCDA – SCIP Series 2006A – FY2013
- c. CSCDA – SCIP Series 2007A – FY2013
- d. CSCDA – SCIP Series 2007B – FY2013
- e. CSCDA – SCIP Series 2008A – FY2013
- f. CSCDA – SCIP Series 2010A – FY2013
- g. CSCDA – SCIP Series 2011A – FY2013
- h. CSCDA – SCIP Series 2013A – FY2013
- i. CSCDA – CRA_ERAf – Series 2005A – FY2013
- j. CSCDA – CRA_ERAf – Series 2006A – FY2013

2. Inducement of the following projects:

- a. Preservation Partners Development III, LLC (Auburn Villa Apartments), City of Auburn, County of Placer; issue up to \$6 million in multi-family housing debt obligations.
- b. Preservation Partners Development III, LLC (Canyon View Senior Apartments), City of Colfax, County of Placer; issue up to \$7 million in multi-family housing debt obligations.
- c. Preservation Partners Development III, LLC (Lyn-Roc Senior Community), City of Rocklin, County of Placer; issue up to \$9 million in multi-family housing debt obligations

Motion by Mierzwa; second by Schutten; unanimously approved by roll-call vote.

V. Financing Approval

The commission approved the financing; all necessary actions; the execution and delivery of all necessary documents; and authorized any member to sign all necessary financing documents for the following project:

- a. Naomi Gardens, LP (Naomi Gardens Apartments), City of Arcadia, County of Los Angeles; up to \$10,300,000 in multi-family housing revenue bonds.

Motion by Mierzwa; second by Schutten; unanimously approved by roll-call vote.

- b. Harden Salinas AR, LP (Harden Ranch Apartments), City of Salinas, County of Monterey; up to \$10,500,000 in multifamily housing revenue bonds & subordinate multifamily housing revenue bonds.

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

- c. Tyler Greenfield AR, LP (Tyler Park Townhomes), City of Greenfield, County of Monterey; up to \$9,500,000 in multifamily housing revenue bonds & subordinate multifamily housing revenue bonds.

Motion by Snellings; second by Schutten; unanimously approved by roll-call vote.

- d. Westside Shafter AR, LP (Westside Village Apartments), City of Shafter, County of Kern; up to \$6,500,000 in multifamily housing revenue bonds & subordinate multifamily housing revenue bonds.

Motion by Schutten; second by Snellings; unanimously approved by roll-call vote.

- e. Baker Ranch Affordable, LP (Baker Ranch Apartments), City of Lake Forest, County of Orange; up to \$43,000,000 in multi-family housing revenue bonds.

Motion by Snellings; second by Schutten; unanimously approved by roll-call vote.

- f. Uptown Housing Partners LP (Uptown Apartments), City of Oakland, County of Alameda; up to \$160,000,000 in multifamily housing revenue refunding bonds & subordinate multifamily housing refunding bonds.

Motion by Snellings; second by Mierzwa; approved by roll-call vote: Combs no, Mierzwa yes, O'Rourke yes, Schutten yes, Snellings yes, Moura yes.

- g. San Gabriel, LP (San Gabriel Portfolio Projects), City of Lancaster, County of Los Angeles, City of Victorville, County of San Bernardino, City of Rialto, County of San Bernardino; up to \$40,000,000 in multifamily housing revenue bonds & subordinate multifamily housing revenue bonds.

Motion by Schutten; second by Snellings; unanimously approved by roll-call vote.

VI. Approved CSCDA Financial Statements

The commission approved the CSCDA Independent Auditor's Report, Financial Statement, and Supplementary Information as of June 3013. Staff reported the approved Audit would be posted to the CSCDA web site and provided to the State Controller.

Motion by Schutten; second by Mierzwa; unanimously approved by roll-call vote.

VII. The Willows Apartments Delinquency Report

Without discussion or action, the Willows Apartments Delinquency Report was put over until the December 19, 2013 CSCDA meeting.

VIII. Approved CSCDA's 2014 regular meeting calendar

The commission approved the CSCDA 2014 regular meeting calendar.

Motion by Schutten; second by Snellings; unanimously approved by roll-call vote.

IX. Approved Best, Best & Krieger Memorandum of Understanding for Plan Nine Partners Audit

The commission approved the Best, Best & Krieger Memorandum of Understanding for Plan Nine Partners Audit.

Motion by Snellings; second by Schutten; unanimously approved by roll-call vote.

X. Approved Best, Best & Krieger Letter for Plan Nine Partners Audit

The commission approved the Best, Best & Krieger Letter for Plan Nine Partners Audit.

Motion by Snellings; second by Schutten; unanimously approved by roll-call vote.

XI. Public Comments

None.

XII. Adjournment

Commission Chair Larry Combs adjourned the meeting at 10:42 a.m.

Submitted by: Norman Coppinger, Assistant to the Secretary

*The next regular meeting of the commission is scheduled for
Thursday, December 19, 2013, at 10:00 a.m.
in the CSAC Office at 1100 K Street, Sacramento, CA.*

Item IV

Approve Consent Calendar

1. Approve the following invoices for payment:
 - a. Wells Fargo Invoice #1009355.
 - b. Wells Fargo Invoice #1020542.
 - c. Wells Fargo Invoice #1026304.
 - d. Wells Fargo Invoice #1026272.

Late Fee Notice

Date Sent: 11/20/2013

Corporate Trust Services

**WELLS
FARGO**

Invoice Number 1009355	Original Billing Date 10/11/2013	Original Due Date 11/10/2013	Amount Due \$3,000.00 <i>Please mail or wire payment to:</i> Mailing Address: Wells Fargo Bank WF 8113 P.O. Box 1450 Minneapolis, MN 55485-8113 Wire Instructions: ABA #: 121000248 DDA #: 1000031565 Swift Code: WFBIUS6S Reference: Invoice #, Acct Name, Attn Name ACH Instructions: ABA #: 091000019 DDA #: 1000031565 Memo: Invoice #, Account Name, Attn Name
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Please return this portion of the statement with your payment in the envelope provided:

Please retain this portion for your records

Account Number: 20551500

SCIP Revenue Bonds 2006A

Administration Charges

For the Period 10/31/2013 through 10/30/2014

Trustee Fee

\$3,000.00

Original Amount Due: \$3,000.00

Payments Received: \$0.00

Late Charge: \$0.00

Total Amount Due: \$3,000.00

Billings past due are subject to an 18% annual finance charge of the balance due.

Fee Invoice

Corporate Trust Services

**WELLS
FARGO**

Invoice Number 1020542	Billing Date 11/21/2013	Due Date 12/21/2013	Amount Due \$3,000.00 <i>Please mail or wire payment to:</i>
CSCDA Luis Castro 2999 Oak Road Suite 710 Walnut Creek, CA 94597			Mailing Address: Wells Fargo Bank WF 8113 P.O. Box 1450 Minneapolis, MN 55485-8113
			Wire Instructions: ABA #: 121000248 DDA #: 1000031565 Swift Code: WFBIUS6S Reference: Invoice #, Acct Name, Attn Name
			ACH Instructions: ABA #: 091000019 DDA #: 1000031565 Memo: Invoice #, Account Name, Attn Name

Please return this portion of the statement with your payment in the envelope provided:

Please retain this portion for your records

Account Number: 22579900
SCIP Revenue Bonds 2007B

Administration Charges

Trustee Fee

For the Period 11/29/2013 through 11/28/2014

\$3,000.00

Total Amount Due: \$3,000.00

Billings past due are subject to an 18% annual finance charge of the balance due.

Fee Invoice

Corporate Trust Services

**WELLS
FARGO**

Invoice Number 1026304	Billing Date 12/03/2013	Due Date 01/02/2014	Amount Due \$2,200.00 <i>Please mail or wire payment to:</i>
<div>CSCDA Luis Castro 2999 Oak Road Suite 710 Walnut Creek, CA 94597</div>			Mailing Address: Wells Fargo Bank WF 8113 P.O. Box 1450 Minneapolis, MN 55485-8113
			Wire Instructions: ABA #: 121000248 DDA #: 1000031565 Swift Code: WFBUS6S Reference: Invoice #, Acct Name, Attn Name
			ACH Instructions: ABA #: 091000019 DDA #: 1000031565 Memo: Invoice #, Account Name, Attn Name

Please return this portion of the statement with your payment in the envelope provided:

Please retain this portion for your records

Account Number: 22655900
CSCDA Orinda Wilder 2007A

Administration Charges

Trustee Fee

For the Period 12/18/2013 through 12/17/2014

\$2,200.00

Total Amount Due:

\$2,200.00

Billings past due are subject to an 18% annual finance charge of the balance due.

Fee Invoice

Corporate Trust Services

**WELLS
FARGO**

Invoice Number 1026272	Billing Date 12/03/2013	Due Date 01/02/2014	Amount Due \$3,000.00 <i>Please mail or wire payment to:</i>
CSCDA Luis Castro 2999 Oak Road Suite 710 Walnut Creek, CA 94597			Mailing Address: Wells Fargo Bank WF 8113 P.O. Box 1450 Minneapolis, MN 55485-8113
			Wire Instructions: ABA #: 121000248 DDA #: 1000031565 Swift Code: WFB1US6S Reference: Invoice #, Acct Name, Attn Name
			ACH Instructions: ABA #: 091000019 DDA #: 1000031565 Memo: Invoice #, Account Name, Attn Name

Please return this portion of the statement with your payment in the envelope provided:

Please retain this portion for your records

Account Number: 16113400

CA Statewide Communities Dev Auth Revenue Bonds Statewide Community Infrastructure Progr Series
2004 AAdministration Charges

For the Period 12/08/2013 through 12/07/2014

Trustee Fee

\$3,000.00

Total Amount Due:**\$3,000.00***Billings past due are subject to an 18% annual finance charge of the balance due.*

Item IV

Approve Consent Calendar

2. Induce the following projects:
 - a. Park Grand Landmark, LP (Park Grand Apartments), City of Pomona, County of Los Angeles; issue up to \$10 million in multi-family housing debt obligations.
 - b. CH Valley View Partners, LP (Valley View Apartments), City of Delano, County of Kern; issue up to \$7 million in multi-family housing debt obligations.
 - c. Pilgrim Terrace Affordable, LP (Pilgrim Terrace Homes), City of Santa Barbara, County of Santa Barbara; issue up to \$11 million in multi-family housing debt obligations.
 - d. Jefferson Cunningham Community Partners, LP (Jefferson Townhomes and Cunningham Village), City of Los Angeles, County of Los Angeles; issue up to \$14 million in multi-family housing debt obligations.
 - e. Pavilion Park Senior I Housing Partners, LP (Pavilion Park Seniors), City of Irvine, County of Orange; issue up to \$23 million in multi-family housing debt obligations.

Applicant Information

Primary Contact E-mail: bdrake@californialandmark.com

Name of Developer: **Park Grand Landmark, LP**

TIN or EIN: **46-3827385**

Primary Contact

First Name: **Lou**

Last Name: **Jacobs**

Title: **Principal**

Address:

Street: **10600 Santa Monica Blvd**

Suite:

City: **Los Angeles**

State: **California**

Zip: **90025**

Phone: **310-234-8880**

Ext:

Fax:

Email: **bdrake@californialandmark.com**

Borrower Description:

☒ Same as developer ?

Name of Borrowing Entity: **Park Grand Landmark, LP**

Type of Entity:

☐ For-profit Corporation

☐ Non-profit Corporation

☒ Partnership

☐ Other (specify)

☐ Will you be applying for State Volume Cap?

Date Organized: 10/04/2013

No. of Multi-Family Housing Projects Completed in the Last 10 Years: **25**

No. of Low Income Multi-Family Housing Projects Completed in the Last 10 Years: **10**

Primary Billing Contact

Organization: **Park Grand Landmark, LP**

First Name: **Lou**

Last Name: **Jacobs**

Title: **Principal**

Address

Street: **10600 Santa Monica Blvd**

Suite:

City: **Los Angeles**

State: **California**

Zip: **90025**

Phone: **310-234-8880**

Ext:

Fax:

Email: **lou@californialandmark.com**

Project Information

Project Information

Project Name: **Park Grand Apartments**

New Project Name(optional):

Facility Information

Facility #1

Facility Name: **Park Grand Apartments**

Facility Bond Amount: **\$10,000,000.00**

Project Address:

Street: **858 E Grand Ave**

City: **Pomona**

State: **California**

Zip: **91766**

County: **Los Angeles**

Is Project located in an unincorporated part of the County? ☐ Y ☒ N

Total Number of Units:

Market: **0**

Restricted: **62**

Total: **62**

Lot size: **3.38 AC**

Amenities:

On-Site leasing office, Laundry Facilities, Gates Access, Double-Paned Windows, Balcony or Patios, Central Air and Heat.

Type of Construction (i.e., Wood Frame, 2 Story, 10 Buildings):

Wood Frame, Stucco, 2-story

Type of Housing:

☐ New Construction

☒ Acquisition/Rehab

Facility Use:

☒ Family

☐ Senior

Is this an Assisted Living Facility? ☐

Has the City or County in which the project is located been contacted? If so, please provide name, title, telephone number and e-mail address of the person contacted:

First Name:

Last Name:

Title:

Phone:

Ext:

Fax:

Email:

Public Benefit Info:

Percentage of Units in Low Income Housing: 100

Percentage of Area Median Income(AMI) for Low Income Housing Units: 46

Total Number of Management Units: 1

#	Bedrooms (Unit Size)	%AMI	No. of restricted units	Restricted rent	Market rent	Expected savings
1.	2 bedroom	30	1	509.00	1,421.00	
2.	2 bedroom	40	8	702.00	1,421.00	
3.	2 bedroom	50	15	894.00	1,421.00	

4.	3 bedroom	30	1	583.00	1,921.00	
5.	3 bedroom	40	9	805.00	1,921.00	
6.	3 bedroom	50	22	1,027.00	1,921.00	
7.	4 bedroom	30	1	639.00	2,140.00	
8.	4 bedroom	40	5	887.00	2,140.00	

Note: Restricted Rent must be least 10% lower than Market Rent and must be lower than the HUD Rent limit.

Government Information

Project/Facility is in:

Congressional District #:

State Senate District #:

State Assembly District #:

Financing Information

Financing Information

Maturity **30** Years

Interest Rate Mode:

☒ Fixed

☐ Variable

Type of Offering:

☒ Public Offering

☐ Private Placement

☐ New Construction

☐ Acquisition of Existing Facility

☐ Refunding

(Refunding only) Will you be applying for State Volume Cap? ☐ Yes ☐ No

Is this a transfer of property to a new owner? ☐ Yes ☐ No

Construction Financing:

☐ Credit Enhancement

☐ None

☐ Letter of Credit

☐ Other (specify)

Name of Credit Enhancement Provider or Private Placement Purchaser:

Permanent Financing:

☐ Credit Enhancement

☐ None

☒ Letter of Credit

☐ Other (specify)

Name of Credit Enhancement Provider or Private Placement Purchaser:

Expected Rating:

☒ Unrated

Moody's:

S&P:

Fitch:

Projected State Allocation Pool:

☒ General ☐ Mixed Income ☐ Rural

Will the project use Tax-Credit as a source of funding? ☒ Y ☐ N

Sources and Uses

Sources and Uses

Construction Sources:

Tax-Exempt Bond Proceeds:	<u>\$5,800,000.00</u>
Taxable Bond Proceeds:	<u>\$</u>
Tax Credits:	<u>\$1,900,000.00</u>
Developer Equity:	<u>\$800,000.00</u>
Other Funds (Describe):	

Reserves

<u></u>	<u>\$1,500,000.00</u>
<u></u>	<u>\$</u>
<u></u>	<u>\$</u>
<u></u>	<u>\$</u>
<u></u>	<u>\$</u>
Total Sources:	<u>\$10,000,000.00</u>

Uses:

Land Acquisition:	<u>\$</u>
Building Acquisition:	<u>\$4,850,000.00</u>
Construction or Remodel:	<u>\$620,000.00</u>
Cost of Issuance:	<u>\$125,000.00</u>
Capitalized Interest:	<u>\$</u>
Reserves:	<u>\$1,000,000.00</u>
Other Uses (Describe):	

Closing Costs

<u></u>	<u>\$300,000.00</u>
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Financing Costs

<u></u>	<u>\$800,000.00</u>
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Acquisition Cost

<u></u>	<u>\$505,000.00</u>
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Loan Reserves

<u></u>	<u>\$1,000,000.00</u>
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Developer Fee

<u></u>	<u>\$800,000.00</u>
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Total Uses:	<u>\$10,000,000.00</u>
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Financing Team Information

Bond Counsel

Firm Name:

Primary Contact

First Name:

Last Name:

Title:

Address:

Street:

Suite:

City:

State:

Zip:

Phone:

Ext:

Fax:

Email:

Bank/Underwriter/Bond Purchaser

Firm Name:

Primary Contact

First Name:

Last Name:

Title:

Address:

Street:

Suite:

City:

State:

Zip:

Phone:

Ext:

Fax:

Email:

Financial Advisor

Firm Name:

Primary Contact

First Name:

Last Name:

Title:

Address:

Street:

Suite:

City:

State:

Zip:

Phone:

Ext:

Fax:

Email:

Rebate Analyst

Firm Name:

Primary Contact

First Name:

Last Name:

Title:

Address:

Street:

Suite:

City:

State:

Zip:

Phone:

Ext:

Fax:

Email:

Applicant Information

Primary Contact E-mail: ryan@hampstead.com

Name of Developer: **The Hampstead Group, Inc.**

TIN or EIN: **C3345246**

Primary Contact

First Name: **Ryan**

Last Name: **Kucich**

Title: **Project Manager**

Address:

Street: **1350 Columbia Street**

Suite: **802**

City: **San Diego**

State: **California**

Zip: **92101**

Phone: **(209) 981-4595**

Ext:

Fax: **(619) 543-4220**

Email: **ryan@hampstead.com**

Borrower Description:

☐ Same as developer ?

Name of Borrowing Entity: **CH Valley View Partners, L.P.**

Type of Entity:

☐ For-profit Corporation

☐ Non-profit Corporation

☒ Partnership

☐ Other (specify)

☐ Will you be applying for State Volume Cap?

Date Organized: **TBD**

No. of Multi-Family Housing Projects Completed in the Last 10 Years: **16**

No. of Low Income Multi-Family Housing Projects Completed in the Last 10 Years: **16**

Primary Billing Contact

Organization: **The Hampstead Group, Inc.**

First Name: **Brad**

Last Name: **Adams**

Title: **Director of Corporate Finance**

Address

Street: **1350 Columbia Street**

Suite: **802**

City: **San Diego**

State: **California**

Zip: **92101**

Phone: **(619) 543-4200**

Ext:

Fax: **(619) 543-4220**

Email: **brad@hampstead.com**

Project Information

Project Information

Project Name: **Valley View Apartments**

New Project Name(optional):

Facility Information

Facility #1

Facility Name: **Valley View Apartments**

Facility Bond Amount: \$5,000,000.00

Project Address:

Street: **2148 Jasmine Street**

City: **Delano**

State: **California**

Zip: **93215**

County: **Kern**

Is Project located in an unincorporated part of the County? ☐ Y ☒ N

Total Number of Units:

Market: **0**

Restricted: **90**

Total: **90**

Lot size: **4.88 Acres**

Amenities:

Clubhouse, Courtyard, Laundry Facilities, Playground, Recreation Area,.

Type of Construction (i.e., Wood Frame, 2 Story, 10 Buildings):

Rehab of Wood Frame, 2 Story, 13 Buildings.

Type of Housing:

☐ New Construction

☒ Acquisition/Rehab

Facility Use:

☒ Family

☐ Senior

Is this an Assisted Living Facility? ☐

Has the City or County in which the project is located been contacted? If so, please provide name, title, telephone number and e-mail address of the person contacted:

First Name:

Last Name:

Title:

Phone:

Ext:

Fax:

Email:

Public Benefit Info:

Percentage of Units in Low Income Housing: 100

Percentage of Area Median Income(AMI) for Low Income Housing Units: 100

Total Number of Management Units: 1

#	Bedrooms (Unit Size)	%AMI	No. of restricted units	Restricted rent	Market rent	Expected savings
1.	2 Bedrooms	50	8	590.00	640.00	50.00
2.	2 Bedrooms	60	63	640.00	640.00	
3.	3 Bedrooms	50	2	660.00	747.00	87.00

4.	3 Bedrooms	60	16	747.00	747.00	
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Note: Restricted Rent must be least 10% lower than Market Rent and must be lower than the HUD Rent limit.

Government Information

Project/Facility is in:

Congressional District #:	State Senate District #:	State Assembly District #:
21	16	32

Financing Information

Financing Information

Maturity **40** Years

Interest Rate Mode:

☒ Fixed

☐ Variable

Type of Offering:

☐ Public Offering

☒ Private Placement

☐ New Construction

☐ Acquisition of Existing Facility

☐ Refunding

(Refunding only) Will you be applying for State Volume Cap? ☐ Yes ☐ No

Is this a transfer of property to a new owner? ☐ Yes ☐ No

Construction Financing:

☒ Credit Enhancement

☐ None

☐ Letter of Credit

☒ Other (specify) :Private Placement

Name of Credit Enhancement Provider or Private Placement Purchaser: Citi Community Capital

Permanent Financing:

☒ Credit Enhancement

☐ None

☐ Letter of Credit

☒ Other (specify) :Private Placement

Name of Credit Enhancement Provider or Private Placement Purchaser: Citi Community Capital

Expected Rating:

☒ Unrated

Moody's:

S&P:

Fitch:

Projected State Allocation Pool:

☒ General ☐ Mixed Income ☐ Rural

Will the project use Tax-Credit as a source of funding? ☒ Y ☐ N

Sources and Uses

Sources and Uses

Construction Sources:

Tax-Exempt Bond Proceeds:	<u>\$4,954,215.00</u>
Taxable Bond Proceeds:	<u>\$</u>
Tax Credits:	<u>\$688,441.00</u>
Developer Equity:	<u>\$56,579.00</u>
Other Funds (Describe):	
Energy Subsidies	<u>\$140,393.00</u>
Income During Construction	<u>\$247,920.00</u>
Replacement Reserves	<u>\$591,000.00</u>
OAHP Funds (After Curtailment)	<u>\$1,929,557.00</u>
	<u>\$</u>
Total Sources:	<u>\$8,608,105.00</u>

Uses:

Land Acquisition:	<u>\$1,000,000.00</u>
Building Acquisition:	<u>\$3,859,247.00</u>
Construction or Remodel:	<u>\$1,760,722.00</u>
Cost of Issuance:	<u>\$179,542.00</u>
Capitalized Interest:	<u>\$215,948.00</u>
Reserves:	<u>\$</u>
Other Uses (Describe):	
Soft Costs	<u>\$529,589.00</u>
Syndication Fees	<u>\$25,000.00</u>
State Finance Agency Fees	<u>\$39,500.00</u>
Developer Fee	<u>\$998,557.00</u>
	<u>\$</u>
Total Uses:	<u>\$8,608,105.00</u>

Financing Team Information

Bond Counsel

Firm Name: Orrick

Primary Contact

First Name: Justin

Last Name: **Cooper**

Title: **Bond Counsel**

Address:

Street: **405 Howard St.**

City: **San Francisco**

State: **California**

Suite:

Zip: **94105**

Phone: **415-773-5908**

Ext:

Fax:

Email: **jcooper@orrick.com**

Bank/Underwriter/Bond Purchaser

Firm Name: Citi Community Capital

Primary Contact

First Name: Jay

Last Name: **Abeywardena**

Title: **Director**

Address:

Street: **325 E Hillcrest Dr.**

City: **Thousand Oaks**

State: **California**

Suite: **160**

Zip: **91360**

Phone: **(805) 557-0943**

Ext:

Fax: **(805) 557-0924**

Email: **jay.m.abeywardena@citi.com**

Financial Advisor

Firm Name:

Primary Contact

First Name:

Last Name:

Title:

Address:

Street:

Suite:

City:

State:

Zip:

Phone:

Ext:

Fax:

Email:

Rebate Analyst

Firm Name: Omnicap

Primary Contact

First Name: Jeff

Last Name: **Smith**

Title: **President**

Address:

Street: **139 Hermosa Avenue**

City: **Hermosa Beach**

State: **California**

Suite:

Zip: **90254**

Phone: **(310) 318-3095**

Ext:

Fax: **(866) 813-3613**

Email: **jsmith@omnicap.net**

Applicant Information

Primary Contact E-mail: sburrowes@reinercommunities.com

Name of Developer: **Reiner Communities**

TIN or EIN: **20-3821985**

Primary Contact

First Name: **Sean**

Last Name: **Burrowes**

Title: **Investment Director**

Address:

Street: **8105 Irvine Center Drive**

Suite: **830**

City: **Irvine**

State: **California**

Zip: **92618**

Phone: **949-753-0555**

Ext:

Fax:

Email: **sburrowes@reinercommunities.com**

Borrower Description:

☐ Same as developer ?

Name of Borrowing Entity: **Entity to be formed "Pilgrim Terrace Affordable, LP"**

Type of Entity:

☐ For-profit Corporation

☐ Non-profit Corporation

☒ Partnership

☐ Other (specify)

☐ Will you be applying for State Volume Cap?

Date Organized: to be formed

No. of Multi-Family Housing Projects Completed in the Last 10 Years: **20**

No. of Low Income Multi-Family Housing Projects Completed in the Last 10 Years: **20**

Primary Billing Contact

Organization: **Reiner Communities**

First Name: **Sean**

Last Name: **Burrowes**

Title: **Investment Director**

Address

Street: **8105 Irvine Center Drive**

Suite: **830**

City: **Irvine**

State: **California**

Zip: **92618**

Phone: **949-753-0555**

Ext:

Fax:

Email: **sburrowes@reinercommunities.com**

Project Information

Project Information

Project Name: **Pilgrim Terrace Homes**

New Project Name(optional):

Facility Information

Facility #1

Facility Name: **Pilgrim Terrace**

Facility Bond Amount: **\$8,000,000.00**

Project Address:

Street: **649 Pilgrim Terrace Drive**

City: **Santa Barbara**

State: **California**

Zip: **93101**

County: **Santa Barbara**

Is Project located in an unincorporated part of the County? ☐ Y ☒ N

Total Number of Units:

Market:

Restricted: **84**

Total: **84**

Lot size: **8.25 acres**

Amenities:

Community Room, Laundry Facilities, Service Coordinator, Adjacent Park, Community Garden

Type of Construction (i.e., Wood Frame, 2 Story, 10 Buildings):

Single Story Wood Frame, 26 Buildings

Type of Housing:

☐ New Construction

☒ Acquisition/Rehab

Facility Use:

☐ Family

☒ Senior

Is this an Assisted Living Facility? ☐

Has the City or County in which the project is located been contacted? If so, please provide name, title, telephone number and e-mail address of the person contacted:

First Name:

Last Name:

Title:

Phone:

Ext:

Fax:

Email:

Public Benefit Info:

Percentage of Units in Low Income Housing: 100

Percentage of Area Median Income(AMI) for Low Income Housing Units: 50

Total Number of Management Units: 1

#	Bedrooms (Unit Size)	%AMI	No. of restricted units	Restricted rent	Market rent	Expected savings
1.	1 Bedroom	50	16	704.00	1,315.00	611.00
2.	1 Bedroom	60	60	854.00	1,315.00	461.00
3.	2 Bedrooms	50	2	842.00	1,595.00	753.00

4.	2 Bedrooms	60	5	1,021.00	1,595.00	574.00
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Note: Restricted Rent must be least 10% lower than Market Rent and must be lower than the HUD Rent limit.

Government Information

Project/Facility is in:

Congressional District #:	State Senate District #:	State Assembly District #:
24	19	37

Financing Information

Financing Information

Maturity 17 Years

Interest Rate Mode:

☒ Fixed

☐ Variable

Type of Offering:

☒ Public Offering

☐ Private Placement

☐ New Construction

☐ Acquisition of Existing Facility

☐ Refunding

(Refunding only) Will you be applying for State Volume Cap? ☐ Yes ☐ No

Is this a transfer of property to a new owner? ☐ Yes ☐ No

Construction Financing:

☒ Credit Enhancement

☐ None

☐ Letter of Credit

☒ Other (specify) :FMAC

Name of Credit Enhancement Provider or Private Placement Purchaser: TBD, likely FMAC

Permanent Financing:

☒ Credit Enhancement

☐ None

☐ Letter of Credit

☒ Other (specify) :FMAC

Name of Credit Enhancement Provider or Private Placement Purchaser: TBD, likely FMAC

Expected Rating:

☐ Unrated

Moody's:

aaa

S&P:

Aa+

Fitch:

aaa

Projected State Allocation Pool:

☒ General ☐ Mixed Income ☐ Rural

Will the project use Tax-Credit as a source of funding? ☒ Y ☐ N

Sources and Uses

Sources and Uses

Sources of Proceeds

Tax-Exempt Bond Proceeds:	<u>\$8,000,000.00</u>
Taxable Bond Proceeds:	<u>\$2,500,000.00</u>
Tax Credits:	<u>\$5,778,608.00</u>
Developer Equity:	<u>\$785,326.00</u>
Other Funds (Describe):	
Seller Carry Note	<u>\$2,500,000.00</u>
Purchased Reserves	<u>\$416,025.00</u>
	<u>\$</u>
	<u>\$</u>
	<u>\$</u>
Total Sources:	<u>\$19,979,959.00</u>

Uses:

Land Acquisition:	<u>\$1,000,000.00</u>
Building Acquisition:	<u>\$12,312,500.00</u>
Construction or Remodel:	<u>\$3,184,730.00</u>
Cost of Issuance:	<u>\$549,865.00</u>
Capitalized Interest:	<u>\$</u>
Reserves:	<u>\$284,486.00</u>
Other Uses (Describe):	
Legal	<u>\$135,000.00</u>
FF&E	<u>\$75,000.00</u>
Developer Fee	<u>\$2,083,321.00</u>
Other/Misc/Admin	<u>\$173,057.00</u>
	<u>\$</u>
Total Uses:	<u>\$19,797,959.00</u>

Financing Team Information

Bond Counsel

Firm Name: Orrick Herrington

Primary Contact

First Name: tbd

Last Name: tbd

Title: tbd

Address:

Street: tbd

Suite: tbd

City: tbd

State: California

Zip: 55555

Phone: 555-555-5555

Ext:

Fax: 555-555-5555

Email: tbd@tbd.com

Bank/Underwriter/Bond Purchaser

Firm Name:tbd

Primary Contact

First Name: tbd

Last Name: tbd

Title: tbd

Address:

Street: tbd

Suite: tbd

City: tbd

State: California

Zip: 55555

Phone: 555-555-5555

Ext:

Fax: 555-555-5555

Email: tbd@tbd.com

Financial Advisor

Firm Name:tbd

Primary Contact

First Name: tbd

Last Name: tbd

Title: tbd

Address:

Street: tbd

Suite: tbd

City: tbd

State: California

Zip: 55555

Phone: 555-555-5555

Ext:

Fax: 555-555-5555

Email: tbd@tbd.com

Rebate Analyst

Firm Name:tbd

Primary Contact

First Name: tbd

Last Name: tbd

Title: tbd

Address:

Street: tbd

Suite: tbd

City: tbd

State: California

Zip: 55555

Phone: 555-555-5555

Ext:

Fax: 555-555-5555

Email: tbd@tbd.com

Applicant Information

Primary Contact E-mail: sgellis@wncinc.com

Name of Developer: **Community Preservation Partners**

TIN or EIN: **870724333**

Primary Contact

First Name: **Seth**

Last Name: **Gellis**

Title: **Sr. Project Manager**

Address:

Street: **17782 Sky Park Circle**

City: **Irvine**

State: **California**

Suite:

Phone: **949-236-8280**

Ext:

Zip: **92604**

Email: **sgellis@wncinc.com**

Fax:

Borrower Description:

☐ Same as developer ?

Name of Borrowing Entity: **Jefferson Cunningham Community Partners, LP**

Type of Entity:

☐ For-profit Corporation

☐ Non-profit Corporation

☒ Partnership

☐ Other (specify)

☐ Will you be applying for State Volume Cap?

Date Organized: **12/12/2013**

No. of Multi-Family Housing Projects Completed in the Last 10 Years:

No. of Low Income Multi-Family Housing Projects Completed in the Last 10 Years:

Primary Billing Contact

Organization: **Community Preservation Partners**

First Name: **Seth**

Last Name: **Gellis**

Title: **Sr. Project Manager**

Address

Street: **17782 Sky Park Circle**

City: **Irvine**

State: **California**

Suite:

Phone: **949-236-8280**

Ext:

Zip: **92604**

Email: **sgellis@wncinc.com**

Fax:

Project Information

Project Information

Project Name: **Jefferson Cunningham Community Partners, LP**

New Project Name(optional):

Facility Information

Facility #1

Facility Name: **Jefferson Townhomes**

Facility Bond Amount: **\$5,770,000.00**

Project Address:

Street: **1693-1741 W. Jefferson Blvd**

City: **Los Angeles**

State: **California**

Zip: **90018**

County: **Los Angeles**

Is Project located in an unincorporated part of the County? ☐ Y ☒ N

Total Number of Units:

Market: **0**

Restricted: **30**

Total: **30**

Lot size: **63598**

Amenities:

1. Kitchen Range/Oven W/ Hood-Fan 2. Refrigerators 3. Vinyl flooring in Kitchen and Bath 4. Vertical Blinds 5. Air Conditioner 6. Gated Community 7. Laundry Room

Type of Construction (i.e., Wood Frame, 2 Story, 10 Buildings):

Wood Frame townhome style

Type of Housing:

☐ New Construction

☒ Acquisition/Rehab

Facility Use:

☒ Family

☐ Senior

Is this an Assisted Living Facility? ☐

Has the City or County in which the project is located been contacted? If so, please provide name, title, telephone number and e-mail address of the person contacted:

First Name:

Last Name:

Title:

Phone:

Ext:

Fax:

Email:

Public Benefit Info:

Percentage of Units in Low Income Housing: 29

Percentage of Area Median Income(AMI) for Low Income Housing Units: 60

Total Number of Management Units: 1

#	Bedrooms (Unit Size)	%AMI	No. of restricted units	Restricted rent	Market rent	Expected savings
1.	2 Bedrooms	60	20	1,060.00	1,500.00	440.00
2.	2 Bedrooms	50	9	10,606.00	1,500.00	440.00

Note: Restricted Rent must be least 10% lower than Market Rent and must be lower than the HUD Rent limit.

Government Information

Project/Facility is in:

Congressional District #:

37

State Senate District #:

26

State Assembly District #:

59

Facility #2

Facility Name: **Cunningham Village**

Facility Bond Amount: **\$5,770,000.00**

Project Address:

Street: **2300 Victoria Ave**

City: **Los Angeles**

State: **California**

Zip: **90016**

County: **Los Angeles**

Is Project located in an unincorporated part of the County? ☐ Y ☒ N

Total Number of Units:

Market:

Restricted: **35**

Total: **35**

Lot size: **54014**

Amenities:

1. Kitchen Range/Oven W/ Hood-Fan 2. Refrigerators 3. Vinyl flooring in Kitchen and Bath 4. Vertical Blinds 5. Air Conditioner 6. Gated Community 7. Laundry Room

Type of Construction (i.e., Wood Frame, 2 Story, 10 Buildings):

Type 5 wood frame construction, townhome style

Type of Housing:

☐ New Construction

☒ Acquisition/Rehab

Facility Use:

☒ Family

☐ Senior

Is this an Assisted Living Facility? ☐

Has the City or County in which the project is located been contacted? If so, please provide name, title, telephone number and e-mail address of the person contacted:

First Name:

Last Name:

Title:

Phone:

Ext:

Fax:

Email:

Public Benefit Info:

Percentage of Units in Low Income Housing: 100

Percentage of Area Median Income(AMI) for Low Income Housing Units: 60

Total Number of Management Units: 1

#	Bedrooms (Unit Size)	%AMI	No. of restricted units	Restricted rent	Market rent	Expected savings
1.	2 Bedrooms	60	5	1,060.00	1,400.00	340.00
2.	2 Bedrooms	60	15	1,060.00	1,400.00	340.00
3.	3 Bedrooms	60	2	1,236.00	1,800.00	564.00
4.	4 Bedrooms	60	2	1,367.00	2,000.00	633.00

5.	2 Bedrooms	50	4	879.00	1,400.00	521.00
6.	3 Bedrooms	50	3	1,020.00	1,800.00	780.00
7.	4 Bedrooms	50	3	1,127.00	2,000.00	873.00

Note: Restricted Rent must be least 10% lower than Market Rent and must be lower than the HUD Rent limit.

Government Information

Project/Facility is in:

Congressional District #:	State Senate District #:	State Assembly District #:
37	26	54

Financing Information

Financing Information

Maturity **18** Years

Interest Rate Mode:

☒ Fixed

☐ Variable

Type of Offering:

☐ Public Offering

☒ Private Placement

☐ New Construction

☐ Acquisition of Existing Facility

☐ Refunding

(Refunding only) Will you be applying for State Volume Cap? ☐ Yes ☐ No

Is this a transfer of property to a new owner? ☐ Yes ☐ No

Construction Financing:

☐ Credit Enhancement

☒ None

☐ Letter of Credit

☐ Other (specify)

Name of Credit Enhancement Provider or Private Placement Purchaser:

Permanent Financing:

☐ Credit Enhancement

☐ None

☐ Letter of Credit

☐ Other (specify)

Name of Credit Enhancement Provider or Private Placement Purchaser:

Expected Rating:

☒ Unrated

Moody's:

S&P:

Fitch:

Projected State Allocation Pool:

☒ General ☐ Mixed Income ☐ Rural

Will the project use Tax-Credit as a source of funding? ☒ Y ☐ N

Sources and Uses

Sources and Uses

Sources of Proceeds

Tax-Exempt Bond Proceeds:	<u>\$11,540,000.00</u>
Taxable Bond Proceeds:	<u>\$</u>
Tax Credits:	<u>\$6,332,319.00</u>
Developer Equity:	<u>\$954,886.00</u>
Other Funds (Describe):	
Cap Interest	<u>\$585,000.00</u>
NOI	<u>\$1,097,654.00</u>
	<u>\$</u>
	<u>\$</u>
	<u>\$</u>
Total Sources:	<u>\$20,509,859.00</u>

Uses:

Land Acquisition:	<u>\$</u>
Building Acquisition:	<u>\$12,200,000.00</u>
Construction or Remodel:	<u>\$3,301,158.00</u>
Cost of Issuance:	<u>\$639,450.00</u>
Capitalized Interest:	<u>\$585,000.00</u>
Reserves:	<u>\$252,000.00</u>
Other Uses (Describe):	
Third Party Reports	<u>\$152,223.00</u>
Tax Credit	<u>\$39,720.00</u>
Interim Interest	<u>\$478,088.00</u>
Other Costs	<u>\$382,500.00</u>
Developer Fee	<u>\$2,479,720.00</u>
Total Uses:	<u>\$20,509,859.00</u>

Financing Team Information

Bond Counsel

Firm Name: Orrick, Herrington & Sutcliffe LLP

Primary Contact

First Name: Tom

Last Name: Downey

Title: Counsel

Address:

Street: 405 Howard Street

Suite:

City: San Francisco

State: California

Zip: 94105

Phone: 4157735965

Ext:

Fax: 4157735965

Email: tdowney@orrick.com

Bank/Underwriter/Bond Purchaser

Firm Name: Citibank

Primary Contact

First Name: Mike

Last Name: Hemmens

Title: Director

Address:

Street: 325 E. Hillcrest Drive, Suite 160

Suite:

City: Thousand Oaks

State: California

Zip: 91360

Phone: (805) 557-0933

Ext:

Fax:

Email: mike.hemmens@citi.com

Financial Advisor

Firm Name:

Primary Contact

First Name:

Last Name:

Title:

Address:

Street:

Suite:

City:

State:

Zip:

Phone:

Ext:

Fax:

Email:

Rebate Analyst

Firm Name:

Primary Contact

First Name:

Last Name:

Title:

Address:

Street:

Suite:

City:

State:

Zip:

Phone:

Ext:

Fax:

Email:

Applicant Information

Primary Contact E-mail: ltakano@related.com

Name of Developer: **Related California**

TIN or EIN: **33-0851672**

Primary Contact

First Name: **Liane**

Last Name: **Takano**

Title: **Vice President of Development**

Address:

Street: **18201 Von Karman Avenue**

Suite: **900**

City: **Irvine**

State: **California**

Zip: **92612**

Phone: **949-660-7272**

Ext: **249**

Fax: **949-660-7273**

Email: **ltakano@related.com**

Borrower Description:

☐ Same as developer ?

Name of Borrowing Entity: **Pavilion Park Senior I Housing Partners, L.P.**

Type of Entity:

☐ For-profit Corporation

☐ Non-profit Corporation

☒ Partnership

☐ Other (specify)

☐ Will you be applying for State Volume Cap?

Date Organized: **TBD**

No. of Multi-Family Housing Projects Completed in the Last 10 Years: **43**

No. of Low Income Multi-Family Housing Projects Completed in the Last 10 Years: **42**

Primary Billing Contact

Organization: **Related California**

First Name: **Violet**

Last Name: **Cruz**

Title: **Accounting Assistant**

Address

Street: **18201 Von Karman Avenue**

Suite: **900**

City: **Irvine**

State: **California**

Zip: **92612**

Phone: **949-660-7272**

Ext:

Fax: **949-660-7273**

Email: **vcruz@related.com**

Project Information

Project Information

Project Name: **Pavilion Park Seniors I**

New Project Name(optional):

Facility Information

Facility #1

Facility Name: **Pavilion Park Seniors I**

Facility Bond Amount: \$19,400,101.00

Project Address:

Street: **Ridge Valley and Irvine Boulevard**

City: **Irvine**

State: **California**

Zip: **92618**

County: **Orange**

Is Project located in an unincorporated part of the County? ☐ Y ☒ N

Total Number of Units:

Market: **0**

Restricted: **166**

Total: **166**

Lot size: **4.33**

Amenities:

TBD - amenities will be shared with Pavilion Park Senior Phase II Planned amenities include: pool, spa, fitness room, multi-purpose room, management space, putting green, BBQ area, bocce ball court, and restorative/reading areas.

Type of Construction (i.e., Wood Frame, 2 Story, 10 Buildings):

Type V construction - 2 buildings, 3 stories, wood frame

Type of Housing:

☒ New Construction

☐ Acquisition/Rehab

Facility Use:

☐ Family

☒ Senior

Is this an Assisted Living Facility? ☐

Has the City or County in which the project is located been contacted? If so, please provide name, title, telephone number and e-mail address of the person contacted:

First Name: Donna

Last Name: Mullally

Title: City of Irvine Finance Director

Phone: 949-724-6037

Ext:

Fax:

Email: dmullally@cityofirvine.org

Public Benefit Info:

Percentage of Units in Low Income Housing: 100

Percentage of Area Median Income(AMI) for Low Income Housing Units: 55

Total Number of Management Units: 2

#	Bedrooms (Unit Size)	%AMI	No. of restricted units	Restricted rent	Market rent	Expected savings
1.	1 Bedroom	50	71	853.00	1,400.00	547.00
2.	1 Bedroom	60	71	1,029.00	1,400.00	371.00
3.	2 Bedrooms	50	11	959.00	2,000.00	1,041.00

4.	2 Bedrooms	60	11	1,236.00	2,000.00	764.00
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Note: Restricted Rent must be least 10% lower than Market Rent and must be lower than the HUD Rent limit.

Government Information

Project/Facility is in:

Congressional District #:	State Senate District #:	State Assembly District #:
45	37	68

Financing Information

Financing Information

Maturity **30** Years

Interest Rate Mode:

☐ Fixed

☒ Variable

Type of Offering:

☐ Public Offering

☒ Private Placement

☐ New Construction

☐ Acquisition of Existing Facility

☐ Refunding

(Refunding only) Will you be applying for State Volume Cap? ☐ Yes ☐ No

Is this a transfer of property to a new owner? ☐ Yes ☐ No

Construction Financing:

☐ Credit Enhancement

☐ None

☐ Letter of Credit

☒ Other (specify) :Private Placement

Name of Credit Enhancement Provider or Private Placement Purchaser:

Permanent Financing:

☒ Credit Enhancement

☐ None

☐ Letter of Credit

☒ Other (specify) :Private Placement

Name of Credit Enhancement Provider or Private Placement Purchaser: Union Bank, N.A.

Expected Rating:

☒ Unrated

Moody's:

S&P:

Fitch:

Projected State Allocation Pool:

☒ General ☐ Mixed Income ☐ Rural

Will the project use Tax-Credit as a source of funding? ☒ Y ☐ N

Sources and Uses

Sources and Uses

Sources of Proceeds

Tax-Exempt Bond Proceeds:	<u>\$19,400,101.00</u>
Taxable Bond Proceeds:	<u>\$</u>
Tax Credits:	<u>\$1,046,434.00</u>
Developer Equity:	<u>\$</u>
Other Funds (Describe):	
Master Developer Residual Receipt Loan	<u>\$4,489,504.00</u>
Deferred Developer Fee	<u>\$1,000,000.00</u>
Deferred Operating Deficit Reserve	<u>\$390,802.00</u>
	<u>\$</u>
	<u>\$</u>
Total Sources:	<u>\$26,326,841.00</u>

Uses:

Land Acquisition:	<u>\$</u>
Building Acquisition:	<u>\$</u>
Construction or Remodel:	<u>\$16,480,039.00</u>
Cost of Issuance:	<u>\$200,000.00</u>
Capitalized Interest:	<u>\$</u>
Reserves:	<u>\$390,802.00</u>
Other Uses (Describe):	
Professional Fees	<u>\$1,955,000.00</u>
Fees and Permits	<u>\$2,490,000.00</u>
Financing Costs	<u>\$1,199,000.00</u>
Other Costs - FFE, Mrkting, Legal, Taxes, Accting/Audit	<u>\$1,112,000.00</u>
Developer Fee	<u>\$2,500,000.00</u>
Total Uses:	<u>\$26,326,841.00</u>

Financing Team Information

Bond Counsel

Firm Name: Orrick, Herrington & Sutcliffe LLP

Primary Contact

First Name: Justin

Last Name: **Cooper**

Title: **Partner**

Address:

Street: **405 Howard Street**

Suite:

City: **San Francisco**

State: **California**

Zip: **94105-2669**

Phone: **(415) 773-5908**

Ext:

Fax:

Email: **jcooper@orrick.com**

Bank/Underwriter/Bond Purchaser

Firm Name: Union Bank

Primary Contact

First Name: **Ted**

Last Name: **Holman**

Title: **Vice President**

Address:

Street: **200 Pringle Avenue**

Suite: **355**

City: **Walnut Creek**

State: **California**

Zip: **94596**

Phone: **925-947-2491**

Ext:

Fax: **925-947-2455**

Email: **ted.holman@unionbank.com**

Financial Advisor

Firm Name:

Primary Contact

First Name:

Last Name:

Title:

Address:

Street:

Suite:

City:

State:

Zip:

Phone:

Ext:

Fax:

Email:

Rebate Analyst

Firm Name:

Primary Contact

First Name:

Last Name:

Title:

Address:

Street:

Suite:

City:

State:

Zip:

Phone:

Ext:

Fax:

Email:

Item IV

Approve Consent Calendar

3. Approve the following SB 165 Reports:
 - a. Special Tax Bond and Accountability Report for Fancher Creek.
 - b. Special Tax Bond and Accountability Report for Orinda Wilder Project.
 - c. Special Tax Bond and Accountability Report for River Run Senior Apartments-Corona.

CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY COMMUNITY FACILITIES DISTRICT NO. 2012-01 (FANCHER CREEK) SPECIAL TAX BONDS SERIES 2013A

SPECIAL TAX AND BOND ACCOUNTABILITY REPORT

The purpose of this report is to comply with the provisions of the Local Agency Special Tax and Bond Accountability Act (the "Accountability Act"). According to Senate Bill ("SB") 165, any local special tax measure that is subject to voter approval on or after January 1, 2001 that would provide for the imposition of a special tax by a local agency shall require the chief fiscal officer of the levying local agency to file an annual Special Tax and Bond Accountability Report ("Accountability Report") with its governing body no later than January 1, 2002, and at least once a year thereafter, meeting the requirements of the Accountability Act. The Accountability Report shall contain a description of the following:

- The amount of funds collected and expended.
- The status of any project required or authorized to be funded as identified in subdivision (a) of Section 50075.1 and Article 1.5, Section 53410.

In compliance with the required Accountability Report the following is submitted:

The California Statewide Communities Development Authority Community Facilities District No. 2012-01 (Fancher Creek), Special Tax Bonds, Series 2013A (the "Bonds") were issued under the Mello-Roos Community Facilities Act of 1982 (the "Act") to (a) finance the acquisition of certain completed public infrastructure improvements and the payment of certain development impact fees needed to mitigate the impacts of the development of property within Improvement Area 1 ("Improvement Area 1") and Improvement Area 3 ("Improvement Area 3") of the California Statewide Communities Development Authority Community Facilities District No. 2012-01 (Fancher Creek), City of Fresno, County of Fresno, State of California (the "District"), (b) make a deposit to the Reserve Fund, (c) capitalize interest on the Bonds through September 1, 2014, and (d) pay certain costs of issuing the Bonds.

There are three (3) major commercial components that make-up the District that total approximately 195 gross acres. Approximately 99.74 acres within the District, comprised of Improvement Area 1 and Improvement Area 3, are subject to the lien of the Special Tax securing the Bonds. The Project Developer has completed work on the public improvements in Improvement Area 1, encompassing 43 finished lots. One lot in Improvement Area 1 has been developed and leased to a third party, and the remaining 42 lots are available for delivery and ready to be built-to-suit. The 77-acre, 43-lot Park will include over 1.1 million square feet of business, commercial, industrial, and retail flex-space, housed in concrete tiltup, stick-frame, and multi-story steel frame buildings, including an enhanced lighting and landscaping plan. In Improvement Area 1, the only property that has been developed consists of a 102,750 square foot built-to-suit distribution warehouse has been leased to Ferguson Enterprises, as further described in the Official Statement for the Bonds and the Appraisal.

Improvement Area 3 is a 21.84-acre mixed-use commercial, retail, and residential center that is currently undeveloped. The underground utilities, including sewer, storm and water, as well as street paving and asphalt are all completed for Improvement Area 1 and Improvement Area 3. Again, Improvement Area 2 is not be subject to the lien of the Special Tax securing the Bonds. Between the issuance of the Bonds and October 31, 2013, zero (0) lots in the development were final mapped and zero (0) acres/lots were sold. Separate accounts have been established with a third party trustee to administer the receipt and subsequent disbursement of the bond proceeds. A summary sheet showing the deposit of bond proceeds as well as all subsequent disbursements made during the reporting period (February 7, 2013 through October 31, 2013) is attached as a part of this report.

**CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY
COMMUNITY FACILITIES DISTRICT NO. 2012-01 (FANCHER CREEK)**

SPECIAL TAX BONDS SERIES 2013A

Fund	Bond Proceeds (Deposited on 2/7/13)	Previously Accrued	Previously Expended	Ending Balance as of 10/31/13
Redemption Fund	\$341,146.24	\$0.00	\$133,960.00	\$207,186.24
Special Tax Fund	\$0.00	\$1,800.00	\$0.00	\$1,800.00
Reserve Fund	\$396,308.96	\$0.00	\$0.00	\$396,308.96
Acquisition and Construction Fund	\$3,014,132.54	\$0.00	\$3,014,132.54	\$0.00
Costs of Issuance Account	\$352,732.76	\$0.00	\$352,732.76	\$0.00
Expense Fund	\$0.00	\$0.00	\$0.00	\$0.00
Grand Total	\$4,104,320.50	\$1,800.00	\$3,500,825.30	\$605,295.20

Notes:

Costs of issuance included (i) \$352,732.76 deposited into the Costs of Issuance Account, (ii) a discount of \$67,200.00 retained by the underwriter, and (iii) an original issue discount of \$28,479.50.

**CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY
COMMUNITY FACILITIES DISTRICT No. 2007-01 (ORINDA WILDER PROJECT)
SPECIAL TAX BONDS, SERIES A (2007)**

SPECIAL TAX AND BOND ACCOUNTABILITY REPORT

The purpose of this report is to comply with the provisions of the Local Agency Special Tax and Bond Accountability Act (the "Accountability Act"). According to Senate Bill ("SB") 165, any local special tax measure that is subject to voter approval on or after January 1, 2001 that would provide for the imposition of a special tax by a local agency shall require the chief fiscal officer of the levying local agency to file an annual Special Tax and Bond Accountability Report ("Accountability Report") with its governing body no later than January 1, 2002, and at least once a year thereafter, meeting the requirements of the Accountability Act. The Accountability Report shall contain a description of the following:

- The amount of funds collected and expended.
- The status of any project required or authorized to be funded as identified in subdivision (a) of Section 50075.1 and Article 1.5, Section 53410.

In compliance with the required Accountability Report the following is submitted:

The California Statewide Communities Development Authority ("CSCDA") issued \$37,500,000 in Community Facilities District No. 2007-01 (Orinda Wilder Project) Special Tax Bonds, Series A (2007) (the "Bonds") in December 2007. The Bonds were issued to finance certain public infrastructure including, but not limited to, roads, land improvements, park and trail improvements, storm drain facilities, re-routing of high-voltage power lines, wastewater treatment and transmission facilities, water supply, storage and transmission facilities and other miscellaneous public facilities and appurtenances needed, and to pay certain development impact fees needed to mitigate the impacts of the development of property within Community Facilities District No. 2007-01 (Orinda Wilder Project).

Separate accounts have been established with a third party trustee to administer the receipt and subsequent disbursement of the bond proceeds as the district accepts completed improvements. A summary sheet showing the deposit of bond proceeds as well as all subsequent disbursements made during the reporting period (November 1, 2012 through October 31, 2013) is attached as a part of this report.

As of October 31, 2013, all public infrastructure anticipated to be financed with bond proceeds has been completed, and all development impact fees anticipated to be financed with bond proceeds have been paid. Accordingly, the Acquisition and Construction Fund has been closed.

Community Facilities District No. 2007-01 facilities special taxes were levied in fiscal year 2012-2013 in the amount of \$2,787,835. These facilities special taxes were used to pay debt service on the Bonds and associated administrative expenses of Community Facilities District No. 2007-01. Additionally, services special taxes were collected in fiscal year 2012-2013 in the amount of \$222,599 which were deposited into the Services Fund and made available to the City of Orinda for authorized public services and associated administrative expenses.

CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY COMMUNITY FACILITIES DISTRICT No. 2007-01 (ORINDA WILDER PROJECT)

SB 165 FUND SUMMARY

<i>Fund</i>	<i>Bond Proceeds (Deposited on 12/18/07)</i>	<i>Previously Accrued</i>	<i>Previously Expended</i>	<i>Ending Balance as of 10/31/12</i>	<i>Funds Accrued (11/01/12 through 10/31/13)</i>	<i>Funds Expended (11/01/12 through 10/31/13)</i>	<i>Ending Balance as of 10/31/13</i>
Acquisition and Construction Fund	\$29,446,035.18	\$376,792.71	(\$29,822,827.89)	\$0.00	\$0.00	\$0.00	\$0.00
Cost of Issuance Account	\$514,588.48	\$63.81	(\$514,652.29)	\$0.00	\$0.00	\$0.00	\$0.00
Special Tax Fund	\$0.00	\$8,441,073.66	(\$8,439,019.90)	\$2,053.76	\$3,048,692.77	(\$3,050,352.71)	\$393.82
Reserve Fund	\$2,776,900.00	\$41,031.72	(\$41,031.72)	\$2,776,900.00	\$45.65	(\$45.65)	\$2,776,900.00
Expense Fund	\$0.00	\$253,654.16	(\$199,712.57)	\$53,941.59	\$51,895.60	(\$83,420.91)	\$22,416.28
Redemption Fund	\$3,957,799.99	\$8,157,666.68	(\$12,115,466.48)	\$0.19	\$2,775,903.76	(\$2,775,903.75)	\$0.20
Prepayment Fund	\$0.00	\$0.00	\$0.00	\$0.00	\$133,616.00	\$0.00	\$133,616.00
Rebate Fund	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Services Fund	\$0.00	\$164,850.00	(\$164,850.00)	\$0.00	\$222,599.29	\$0.00	\$222,599.29
Grand Total	\$36,695,323.65	\$17,435,132.74	(\$51,297,560.85)	\$2,832,895.54	\$6,232,753.07	(\$5,909,723.02)	\$3,155,925.59

Notes:

Costs of issuance included (i) \$514,588.48 deposited into Costs of Issuance Fund, (ii) discount of \$656,250.00 retained by underwriter, and (iii) original issue discount of \$148,426.35.

**CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY
COMMUNITY FACILITIES DISTRICT NO. 2002-1
(RIVER RUN SENIOR APARTMENTS- CORONA)
SPECIAL TAX BONDS**

SPECIAL TAX AND BOND ACCOUNTABILITY REPORT

The purpose of this report is to comply with the provisions of the Local Agency Special Tax and Bond Accountability Act (the "Accountability Act"). According to Senate Bill ("SB") 165, any local special tax measure that is subject to voter approval on or after January 1, 2001 that would provide for the imposition of a special tax by a local agency shall require the chief fiscal officer of the levying local agency to file an annual Special Tax and Bond Accountability Report ("Accountability Report") with its governing body no later than January 1, 2002, and at least once a year thereafter, meeting the requirements of the Accountability Act. The Accountability Report shall contain a description of the following:

- The amount of funds collected and expended.
- The status of any project required or authorized to be funded as identified in subdivision (a) of Section 50075.1 and Article 1.5, Section 53410.

In compliance with the required Accountability Report the following is submitted:

Community Facilities District No. 2002-1 (River Run) – California Statewide Communities Development Agency (CSCDA) issued \$4,379,803.35 in Community Facilities District No. 2002-1 Special Tax Bonds in February 2003. The bonds were issued to finance certain impact fees as well as water, sewer, and street improvements. The special tax has been levied for fiscal year 2013-14.

A separate account has been established with a third party trustee to administer the receipt and subsequent disbursement of the bond proceeds. A summary sheet showing the deposit of bond proceeds as well as all subsequent disbursements made during the reporting period (February 26, 2003 to November 30, 2013) is attached as part of this report.

A total of \$1,692,452.97 has been paid from the Improvement Fund to the City of Corona (the "City") for permits and fees. In addition, \$73,672.56 in school fees was paid from the Improvement Fund to Corona-Norco Unified School District. \$526,450.86 was transferred from the Improvement Fund to pay for construction costs associated with the public infrastructure including \$78,000 for street improvements, \$89,000 for sewer facilities, \$250,000 for water facilities, and \$107,000 for landscaping of sewer/water facilities. In March 2005, the remaining \$401.26 was transferred from the Improvement Fund to the Bond Fund to pay for debt service. The Improvement Fund was subsequently closed. \$226,591 was also paid to the City from the Escrow Account for City impact fees. Additionally, \$917,612.12 was transferred from the Escrow Account to East West Bank to contribute to the costs of street improvements and sewer/water facilities and \$101,956.91 was transferred from the Escrow Account to the Reserve Fund for the Reserve Requirement. All remaining monies were transferred to the Bond Fund in January and February 2006 and the Escrow Fund was subsequently closed.

Special taxes were collected in fiscal year 2012-2013 in the amount of \$293,240 which were deposited into the Special Tax Fund and Administrative Expense Fund. Such monies were used to pay debt service on the bonds and administrative expenses of the district.

**CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY
COMMUNITY FACILITIES DISTRICT NO. 2002-1
(RIVER RUN SENIOR APARTMENTS- CORONA)**

SB 165 FUND SUMMARY

Fund	Bond Proceeds (Deposited on 2/26/03)	Funds Received (2/26/03 through 11/30/13)	Funds Expended (2/26/03 through 11/30/13)	Ending Balance (as of 11/30/13)
Administrative Expense Account	\$30,000	\$164,203	(\$174,503)	\$19,700
Bond Fund	\$329,101	\$2,490,825	(\$2,819,863)	\$63
Capitalized Interest Account	\$0	\$226,914	(\$226,914)	\$0
Costs of Issuance Fund	\$100,000	\$99,763	(\$199,763)	\$0
Escrow Fund	\$1,230,000	\$934,852	(\$2,164,852)	\$0
Improvement Fund	\$2,288,126	\$4,852	(\$2,292,978)	\$0
Rebate Fund	\$0	\$0	\$0	\$0
Redemption Fund	\$0	\$0	\$0	\$0
Reserve Fund	\$314,980	\$184,422	(\$61,423)	\$437,980
Special Tax Fund	\$0	\$1,455,875	(\$1,402,265)	\$53,610
Grand Total	\$4,292,207	\$5,561,707	(\$9,342,561)	\$511,353

Item V

Approve the financing; all necessary actions; the execution and delivery of all necessary documents and authorize any member to sign all necessary financing documents for the following:

- a. California Baptist University, City of Riverside, County of Riverside; up to \$70,000,000 in taxable and tax-exempt 501(c)3 non-profit revenue bonds. (Staff: Scott Carper)

SUMMARY AND APPROVALS

DATE:	DECEMBER 19, 2013
APPLICANT:	CALIFORNIA BAPTIST UNIVERSITY
AMOUNT:	UP TO \$70,000,000 OF TAX-EXEMPT BONDS
PURPOSE:	ISSUANCE OF TAX-EXEMPT BONDS USED FOR THE ACQUISITION, CONSTRUCTION, RENOVATION AND EQUIPPING OF VARIOUS EDUCATIONAL AND STUDENT HOUSING FACILITIES
PRIMARY ACTIVITY:	UNDERGRADUATE AND GRADUATE UNIVERSITY EDUCATION
LEGAL STRUCTURE:	501(C)(3) CORPORATION

Background:

California Baptist University (the "University") is a 501(c)(3) non-profit religious corporation chartered in 1950 through an initiative of the Los Angeles Baptist Association. The University is located in the City of Riverside with approximately 226 full-time faculty members and more than 6,000 undergraduate, graduate, and online/professional studies students. Degrees authorized at the University include Bachelor of Arts, Bachelor of Science, Bachelor of Science in Nursing, Bachelor of Applied Theology, Bachelor of Music, Master of Arts, Master of Science, Master of Business Administration, Master of Music, and Master of Public Administration.

The University is fully accredited by the Accrediting Commission for Senior Colleges and the Western Association of Schools and Colleges ("WASC"). Average tuition for a full academic year is approximately \$26,900 with room, board, and other expenses adding an additional \$7,500.

The University does not discriminate on the basis of race, color, national origin, ethnic group, gender, age or physical or mental disability. Orrick, Herrington & Sutcliffe, serving as Bond Counsel, has advised staff that the proposed financing by the University meets all state and federal requirements for a tax-exempt issue.

The University is seeking up to \$70 million for renovation, furnishing and equipping of an existing building located on the main campus of the University for the University's School of Nursing; the acquisition, renovation, furnishing and equipping of real property and improvements located adjacent to the campus; the refinancing of real property located adjacent to the campus; the refinancing of single family and multi-family residences and various other properties owned by the University located on the campus; and other projects to be used for educational purposes and related facilities and other infrastructure improvements, each located or to be located on the campus, including facilities currently located on the campus and used for housing purposes, improvements to the James Building, the Yeager Center, parking lots, the central plant, science labs, offices, and food service venues.

A student housing facility commonly known as University Place (formerly known as Adams Villas in the Lancer Educational Housing, LLC documents), which is owned by Lancer Educational Housing, LLC, will be leased to the University and renovated, furnished and equipped for use as the University's School of Nursing.

The new 28,041 square foot School of Nursing South Complex building has been designed to include 3 flexible classrooms averaging 1,242 square feet, 3 laboratories averaging 1,500 square feet and 3 meeting rooms totaling 1,024 square feet, an advanced practice exam simulation area of 1,719 square feet and staff and faculty offices totaling 5,656 square feet. The building will be supported by common areas, rest rooms, utility rooms and storage rooms totaling approximately 11,416 square feet.

Recommendations:

Based on the overall Project public benefit and finance related considerations detailed on Attachment 1, it is recommended that this Commission approve the Resolution as submitted to the Commission, which will:

1. Approve the issuance of the Bonds and the financing of the Project;
2. Approve all necessary actions and documents for the issuance of the Bonds; and
3. Authorize any member of the Commission to sign all necessary documents with respect to the issuance of the Bonds, as more fully set forth in the Resolution submitted to the Commission.

Public Benefit:

California Baptist University provides financial assistance to approximately 90% of its enrolled undergraduate students. Approximately 75% of students receive more than \$3,000 in financial aid.

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

The University's students, faculty, and staff are involved in the following community programs and activities:

City of Riverside Study Circles – The California Baptist University campus regularly serves as the host site for Study Circles, which are discussion groups that promote open discourse among students and community members on issues such as race relations and the building of stronger neighborhoods.

Second Harvest Food Bank – University students annually volunteer to assist with food sorting and distribution for the Riverside area food bank.

Theatre Arts Department – The cast of CBU's theatrical productions provide free performances for local schoolchildren and seniors to increase their exposure to the arts.

Metcalf Art Gallery – The University's gallery is open to the public with no admission fee during faculty, student, and guest exhibits.

Nursing Home Ministry - Numerous CBU students are regularly involved in an outreach program with nursing home residents throughout Riverside County.

University's Counseling Center – CBU provides affordable or pro-bono counseling to community members through its Master's degree program in Marriage and Family Therapy.

Riverside Neighborhood Partnership – The University provides personnel for different community activities and events sponsored by the City of Riverside.

Bilingual Tutoring – Students in Spanish classes are required to write stories in Spanish and present them to Elementary and middle school students in local schools

Career Ladder Program – The University's School of Education provides mentoring support for paraprofessionals in the Inland Empire who want to become public school teachers.

TEFRA Information:

A TEFRA hearing was held by the City of Riverside on December 3, 2013 and received unanimous approval.

Finance Team:

- Bond Counsel: Orrick, Herrington & Sutcliffe, LLP, Los Angeles
- Authority Counsel: Orrick, Herrington & Sutcliffe, LLP, Sacramento
- Underwriter: D.A. Davidson & Company

Financing Structure:

The Bonds will be structured as fixed rate and unrated. The Bonds are expected to have a 6.85% interest rate. Bonds will have a maximum 30-year final maturity of November 1, 2043 and be offered in \$100,000 denominations. The Bonds will be sold in a limited public offering to Qualified Institutional Buyers (“QIBs”) only. QIBs will be required to sign an initial investor letter without “traveling” restrictions. The proposed limited public offering is in accordance with the Authority’s Issuance Policy.

Estimated Sources and Uses:

Sources:

Bond Proceeds:	\$ 70,000,000
CBU Cash Contribution	<u>\$ 250,000</u>
Total Sources:	\$ 70,250,000

Uses:

Deposit to Project Fund	\$ 63,750,000
Cost of Issuance	\$ 1,500,000
Debt Service Reserve	<u>\$ 5,000,000</u>
Total Uses:	\$ 70,250,000



Building Communities, Investing in Local Government Since 1988

501(c)(3) Nonprofit Bond Application

APPLICANT INFORMATION

Application Number: **2013030**
Name of Borrower: **California Baptist University**
Primary Contact: **Calvin Sparkman**
Title: **Director of Financial Services**
Street Address: **8432 Magnolia Avenue** Suite: _____
City: **Riverside** State: **CA** Zip Code: **92504-3297**
Telephone Number: **(951) 343-4356**
Fax Number: **(951) 343-4568**
E-mail: **boucher@gkbaum.com**
Type of Entity: ☐ For-profit Corporation ☒ Non-profit Corporation
☐ Municipality ☐ Partnership
☐ Other (specify): _____
Date Organized: **09/18/1950**

PROJECT INFORMATION

Type of Project: ☐ Small Issue Public Benefit Project
Health Care: ☐ Continuing Care ☐ Clinic ☐ Hospital ☐ Assisted Living
☐ Skilled Nursing ☐ Other (specify): _____
Education: ☐ K-12 ☒ Colleges/Universities
Other: ☐ Museum/Cultural ☐ Other (specify): _____

Project/Facility Name: **Health Science Center**
Street Address: **8432 Magnolia Avenue**
City: **Riverside** State: **CA** Zip Code: **92504-3297**
County: **Riverside**

Is Project located in unincorporated part of the County? **No**

Has the city or county in which the project is located been contacted? If so, please provide name, title, telephone number and e-mail address of the person contacted:

Contact Name: **Brent Mason**
Title: **Finance Director, City of Riverside**
Phone Number: **(951) 826-6550**
Fax Number: _____
E-mail: **bmason@riversideca.gov**



Building Communities, Investing in Local Government Since 1988

501(c)(3) Nonprofit Bond Application

FINANCING INFORMATION

Principal Amount: **\$65,000,000**
Tax-exempt Amount: **\$64,000,000**
Taxable Amount: **\$0**

Proposed Closing Date: **04/25/2013**

Maturity: **30 Years** Interest Rate Mode: ☒ Fixed ☐ Variable

Type of Offering: ☒ Public Offering ☐ Private Placement
Denominations: **\$100,000**

Type of Financing: ☐ Acquisition of Existing Facility ☒ New Construction
☐ Refunding

Credit Enhancement: ☒ None ☐ Letter of Credit
☐ FNMA(Fannie Mae) ☐ Freddie Mac
☐ Bond Insurance ☐ Other (specify): _____

Name of Credit Enhancement Provider or Private Placement Purchaser: **N/A**

Expected Rating: ☒ Unrated ☐ S & P _____
☐ Moody's _____ ☐ Fitch _____

PRINCIPAL FINANCE TEAM INFORMATION

UNDERWRITER/PLACEMENT AGENT

Firm: **George K. Baum & Company**

Contact: **Trinidad Rodriguez**

Address: **1400 Wewatta Street, Suite 800
Denver, CO 80202**

Telephone: **(303) 391-5631**

Fax: **(303) 391-5680**

E-mail: **rodriguez@gkbaum.com**

BOND COUNSEL

Firm: **Orrick Herrington & Sutcliffe LLP**

Contact: **Kevin Hale**

Address: **777 South Figueroa Street, Suite 3200
Los Angeles, CA 90017**

Telephone: **(213) 612-2499**

Fax: **(213) 612-2499**

E-mail: **khale@orrick.com**



501(c)(3) Nonprofit Bond Application Attachment D

Application: 2013030 - California Baptist University
Borrower: California Baptist University
Facility #1: Health Science Center

PUBLIC BENEFITS

FOR HEALTH CARE FACILITY ONLY

New Beds: Accute: 0 Emergency: 0 Other: 0

SB 1953(Hospital Facilities Seismic Safety Act) Compliance? No

Non-Reimbursed Community Benefits:

Traditional Charity Care:	<u>\$0</u>
Unpaid Costs of Medicare:	<u>\$0</u>
Unpaid Costs of Medi-Cal:	<u>\$0</u>
Non-billed Community Outreach:	<u>\$0</u>
Other:	<u>\$0</u>

FOR PRIVATE SCHOOL FACILITY ONLY

Use of Bond Proceeds

No. of Classrooms:	<u>23</u>
No. of Libraries:	<u>0</u>
No. of Athletic Fields:	<u>0</u>
No. of Administrative Facilities:	<u>75</u>
Other	<u>0</u>

Tuition Assistance:

	K-8	9-12
Current Tuition:	<u>0</u>	<u>0</u>
Total Tuition Assistance Provided:	<u>0</u>	<u>0</u>
% of students receiving at least 50% tuition assistance:	<u>0</u>	<u>0</u>

ENVIRONMENT

Energy

Does the facility exceed Title 24 Standards? ☒ Yes ☐ No ☐ N/A
If Yes, by what percent? 25%

Does the facility have solar(PV) panels? ☐ Yes ☒ No ☐ N/A
If Yes, what is the size in kWh? _____

Does the facility purchase carbon credits? ☐ Yes ☒ No ☐ N/A
If Yes, what is the annual consumption? _____

Water

Does the facility provide any of the following:

Efficient Toilets?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A
Water-saving showerheads?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A
Drought tolerant landscaping?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A

Other, specify: _____

Transportation

Does the entity provide carpooling or mass-transit subsidies?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	<input type="checkbox"/> N/A
Does the entity maintain a fuel efficient fleet?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	<input type="checkbox"/> N/A

Waste

Does the project provide recycling facilities?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A
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Application Number: **2013030 - California Baptist University**

Name of Borrower: **California Baptist University**

Facility/Project #1: **Health Science Center**

PUBLIC BENEFITS (continued)

WORKFORCE

Employment Creation

Job Type/Description

None

During
Construction
0

Post
Construction
0

GOVERNMENTAL INFORMATION

Congressional District #
44

State Senate District #
31

State Assembly District #
63

RESOLUTION NO. __NP-__

**CALIFORNIA STATEWIDE COMMUNITIES
DEVELOPMENT AUTHORITY**

**A RESOLUTION AUTHORIZING THE ISSUANCE OF
REVENUE BONDS IN AN AGGREGATE PRINCIPAL
AMOUNT OF NOT TO EXCEED \$70,000,000 TO FINANCE
AND/OR REFINANCE THE ACQUISITION,
CONSTRUCTION, IMPROVEMENT, RENOVATION,
REMODELING, FURNISHING AND EQUIPPING OF
EDUCATIONAL AND RELATED FACILITIES FOR
CALIFORNIA BAPTIST UNIVERSITY AND OTHER
MATTERS RELATING THERETO**

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

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

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

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

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

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

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

WHEREAS, California Baptist University, a California nonprofit corporation and a private university (the “Borrower”), wishes to finance and/or refinance the costs of acquisition, construction, improvement, renovation, remodeling, furnishing and equipping of certain educational and related facilities (the “Project”) located or to be located on or near the campus of the Borrower in Riverside, California, which Project is owned and operated by the Borrower;

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

WHEREAS, the Borrower is additionally requesting the approval of an alternate use of facilities previously financed with proceeds loaned by the Authority;

WHEREAS, pursuant to a Loan Agreement, dated as of June 1, 2007, between the Authority and Lancer Educational Housing, LLC (“LEH”) (the “LEH Loan Agreement”), as supplemented by the First Supplemental Loan Agreement between the Authority and LEH (the “Supplemental LEH Loan Agreement”), the Authority has lent to LEH the proceeds of its California Statewide Communities Development Authority Revenue Bonds (Lancer Educational Student Housing Project), Series 2007 A and Series 2007 B (the “2007 LEH Bonds”), and of its California Statewide Communities Development Authority Revenue Bonds (Lancer Educational Student Housing Project), Series 2010A and Series 2010B (the “2010 LEH Bonds”), respectively, to fund, among other things, the acquisition, improvement, renovation, remodeling, furnishing and equipping of certain student housing facilities located on the campus of the University (the “Facilities”);

WHEREAS, Section 5.12 of the LEH Loan Agreement, and Section 11.20 of the Supplemental LEH Loan Agreement, require that, for so long as the 2007 LEH Bonds or the 2010 LEH Bonds, respectively, remain outstanding, LEH shall maintain the Facilities as housing facilities supporting the Borrower, unless the Authority, upon review of such facts as the Authority deems relevant, allows the Borrower to provide alternative services which provide public benefit to the City and its residents;

WHEREAS, as part of the Project, a portion of the Facilities currently owned by LEH and maintained as housing facilities, commonly known as University Place, would be leased to the Borrower and renovated, furnished, and equipped for use by the Borrower’s School of Nursing (the “Repurposing”);

WHEREAS, the Authority has been informed by the Borrower and on that basis has determined, pursuant to Section 5.12 of the LEH Loan Agreement and Section 11.20 of the Supplemental LEH Loan Agreement, that the Repurposing would provide public benefit to the City and its residents, and therefore, that the Authority will allow the Borrower to effect the Repurposing, such determination and permission to be conclusively evidenced by the Authority’s authorization, by this Resolution, of the issuance of the Bonds, as defined below, and of the

lending of the proceeds of the Bonds to the Borrower for the purpose, among others, of financing and/or refinancing the Project;

WHEREAS, pursuant to an Indenture of Trust, dated as of February 1, 2014 (the “Indenture”), between the Authority and U.S. Bank National Association, as trustee (the “Trustee”), the Authority will issue and the Trustee will authenticate bonds to be designated generally as the “California Statewide Communities Development Authority Revenue Bonds (California Baptist University) Series 2014,” on a federally tax-exempt and/or federally taxable basis, with such name or such other name or names as may be designated in the Indenture (the “Bonds”) for the purpose, among others, of financing and/or refinancing the Project;

WHEREAS, pursuant to a Loan Agreement, dated as of February 1, 2014 (the “Loan Agreement”), between the Authority and the Borrower, the Authority will loan the proceeds of the Bonds to the Borrower for the purpose, among others, of financing and/or refinancing the Project;

WHEREAS, pursuant to a Bond Purchase Agreement among D. A. Davidson & Co. (the “Underwriter”), the Authority and the Borrower (the “Purchase Agreement”), the Bonds will be sold to the Underwriter and the proceeds of such sale will be used as set forth in the Indenture to finance and/or refinance the Project, fund a reserve fund and to pay costs of issuance incurred in connection with the Bonds;

WHEREAS, the Bonds will be offered for sale to Qualified Institutional Buyers (as defined in the Indenture) through a limited offering memorandum (the “Limited Offering Memorandum”); and

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

- (1) A proposed form of the Indenture;
- (2) A proposed form of the Loan Agreement;
- (3) A proposed form of the Purchase Agreement; and
- (4) A proposed form of the Limited Offering Memorandum to be used by the Underwriter in connection with the marketing of the Bonds.

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

Section 1. Pursuant to the Act and the Indenture, the Authority is hereby authorized to issue its revenue bonds designated as the “California Statewide Communities Development Authority Revenue Bonds (California Baptist University) Series 2014” in one or more series, on a federally tax-exempt and/or federally taxable basis, and in an aggregate principal amount not to exceed \$70,000,000. The Bonds shall be issued and secured in accordance with the terms of, and shall be in the form or forms set forth in, the Indenture as made available to the Commissioners. The Bonds shall be executed on behalf of the Authority by the manual or facsimile signature of

the Chair of the Authority or the manual signature of any member of the Commission of the Authority or their administrative delegates duly authorized pursuant to Resolution No. 13R-20 of the Authority, adopted on September 5, 2013 (each, an “Authorized Signatory”), and attested by the manual or facsimile signature of the Secretary of the Authority or the Assistant to the Secretary of the Authority or the manual signature of any Authorized Signatory.

Section 2. The proposed form of Indenture, as made available to the Commissioners, is hereby approved. Any Authorized Signatory is hereby authorized and directed, for and on behalf of the Authority, to execute and deliver the Indenture in substantially said form, with such changes and insertions therein as any member of the Commission, with the advice of counsel to the Authority, may approve, such approval to be conclusively evidenced by the execution and delivery thereof. The dated date, maturity date or dates, interest rate or rates, interest payment dates, denominations, forms, registration privileges, manner of execution, place or places of payment, terms of redemption and other terms of the Bonds shall be as provided in the Indenture, as finally executed.

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

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

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

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

Section 7. The Bonds, when executed as provided in Section 1, shall be delivered to the Trustee for authentication by the Trustee. The Trustee is hereby requested and directed to authenticate the Bonds by executing the Trustee’s Certificate of Authentication appearing thereon, and to deliver the Bonds, when duly executed and authenticated, to the purchaser or purchasers thereof in accordance with written instructions executed on behalf of the Authority by

an Authorized Signatory, which any Authorized Signatory, acting alone, is authorized and directed, for and on behalf of the Authority, to execute and deliver to the Trustee. Such instructions shall provide for the delivery of the Bonds to the purchaser or purchasers thereof, upon payment of the purchase price thereof.

Section 8. The Chair, the Vice Chair, the Secretary, the Treasurer, any other members of the Commission of the Authority, and other appropriate officers and agents of the Authority are hereby authorized and directed, jointly and severally, for and in the name and on behalf of the Authority, to execute and deliver any and all documents, including, without limitation, any and all documents and certificates to approve and evidence the Repurposing and to be executed in connection with securing credit support, if any, for the Bonds, and to do any and all things and take any and all actions which may be necessary or advisable, in their discretion, to effectuate the actions which the Authority has approved in this Resolution and to consummate by the Authority the transactions contemplated by the documents approved hereby, including any subsequent amendments, waivers or consents entered into or given in accordance with such documents.

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

Section 10. Notwithstanding anything to the contrary in this Resolution, no documents referenced in this Resolution may be executed and delivered until the City has held the hearing pursuant to Section 147(f) of the Internal Revenue Code of 1986 and has approved the issuance of the Bonds as may be required thereby and in accordance with Section 9 of the Agreement to provide financing for the Project.

Section 11. This Resolution shall take effect from and after its adoption.

PASSED AND ADOPTED by the California Statewide Communities Development Authority this ____ day of December, 2013.

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 __, 2013.

By:_____

Authorized Signatory
California Statewide Communities
Development Authority

Item VI

Approve the following resolutions for Assessment District 14-01 San Joaquin County related to the upcoming Statewide Community Infrastructure Program (SCIP) project: (Staff: Scott Carper)

- a. A resolution of intention to finance the payment of development impact fees, including approval of proposed boundary maps;
- b. A resolution preliminarily approving engineer's reports, setting public hearing of protests and providing property owner ballots for Statewide Community Infrastructure Program Assessment District.

SUMMARY AND APPROVALS

PROGRAM:	STATEWIDE COMMUNITY INFRASTRUCTURE PROGRAM (“SCIP”)
PURPOSE:	NO. 14-01 CITY OF MANTECA, COUNTY OF SAN JOAQUIN ASSESSMENT DISTRICT 1. RESOLUTION OF INTENTION TO FINANCE THE PAYMENT OF DEVELOPMENT IMPACT FEES & IMPROVEMENTS, INCLUDING APPROVAL OF PROPOSED BOUNDARY MAP 2. RESOLUTION PRELIMINARILY APPROVING ENGINEER’S REPORT, SETTING PUBLIC HEARING OF PROTESTS AND PROVIDING PROPERTY OWNER BALLOTS FOR STATEWIDE COMMUNITY INFRASTRUCTURE PROGRAM ASSESSMENT DISTRICTS.
PRIMARY ACTIVITY:	FINANCE THE PAYMENT OF DEVELOPMENT IMPACT FEES AND IMPROVEMENTS FOR PUBLIC IMPROVEMENTS UNDER THE STATEWIDE COMMUNITY INFRASTRUCTURE PROGRAM (“SCIP”)

SCIP has received an application in the city of Manteca, County of San Joaquin to finance the payment of certain development impact fees & improvements.

The amount of bonds to be issued will not exceed \$2,000,000 with a proposed closing date in the first quarter of 2014. There will be one assessment district formed in the county of San Joaquin. The Commission is being requested to approve the following:

- The resolution of intention to finance development impact fees including the boundary map prepared by the assessment engineer, David Taussig & Associates;
- Preliminary approval of the engineers report and setting of the public hearing of protests and mailing of ballots.
- Setting of the public hearing of protests for February 6, 2014.

Orrick, Herrington & Sutcliffe and CSCDA staff have reviewed the boundary map, preliminary engineer’s report and the resolutions have been prepared by Orrick.

Attachment 1 contains the preliminary engineer’s report & Attachment 2 contains copies of the resolutions and their attachments. All final approvals for the issuance of bonds would be brought back to this Commission next year after all proceedings have been completed.

Orchard Park – City of Manteca

The payment of development impact fees levied by the City of Manteca upon parcels within the District includes water capital fee, sewer, storm drainage & transportation fee. Improvements include roadway, street lights, storm drain, sewer, water, parks & landscaping. Impact fees & improvements total \$1,934,914.

Approvals:

Based upon the resolutions submitted and reviewed it is requested that this Commission:

1. Approve all necessary actions and documents;
2. Authorize any member of the Commission or Authorized Signatory to sign all necessary documents; and
3. Set the public hearing for February 6, 2014 at 10:00 a.m. at the League of California Cities.

PRELIMINARY

ENGINEER'S REPORT

CALIFORNIA STATEWIDE COMMUNITIES
DEVELOPMENT AUTHORITY



ASSESSMENT DISTRICT No. 14-01
CITY OF MANTECA, COUNTY OF SAN JOAQUIN

BEGINNING FISCAL YEAR 2014-2015

INTENT MEETING: DECEMBER 19, 2013

PUBLIC HEARING: FEBRUARY 6, 2014

Prepared by

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**CALIFORNIA STATEWIDE COMMUNITIES
DEVELOPMENT AUTHORITY**

Scott Carper
California Statewide Communities Development Authority

James F. Hamill
California Statewide Communities Development Authority

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David Taussig & Associates, Inc.

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APPENDICES

Appendix A: ASSESSMENT ROLL

The undersigned respectfully submits the enclosed Engineer's Report as directed by the Commission of the California Statewide Communities Development Authority.

Date: _____, 2014

David Taussig & Associates, Engineer

By: _____
Stephen A. Runk, P.E.
License Number: C23473

I HEREBY CERTIFY that the enclosed Engineer's Report, together with the Assessment and Assessment Diagram thereto attached, was filed with me on the _____ day of _____, 2014.

By: _____
Assistant to Secretary of the Authority,
California Statewide Communities
Development Authority

I HEREBY CERTIFY that the enclosed Engineer's Report, together with the Assessment and Assessment Diagram thereto attached, was approved and confirmed by the Commission of the California Statewide Communities Development Authority on the _____ day of _____, 2014.

By: _____
Assistant to Secretary of the Authority,
California Statewide Communities
Development Authority

I HEREBY CERTIFY that the enclosed Engineer's Report, together with the Assessment and Assessment Diagram thereto attached, was recorded in my office on the _____ day of _____, 2014.

By: _____
Superintendent of Streets of the Authority,
California Statewide Communities
Development Authority

David Taussig & Associates, Inc., Assessment Engineer for the California Statewide Communities Development Authority (the "Authority") (Statewide Communities Infrastructure Program) Assessment District No. 14-01 (City of Manteca, County of San Joaquin, California) hereinafter referred to as "District," makes this report (hereinafter "Engineer's Report" or "Report"), as directed by the Commission of the Authority, in accordance with the Resolution of Intention, Resolution No. 13-____, and pursuant to Section 10204 of the Streets and Highways Code (Municipal Improvement Act of 1913) and Article XIID of the California Constitution, which was added in November 1996 through the passage of Proposition 218 by voters of the State of California.

The fees which are the subject of this Report are briefly described as follows:

A. Impact Fees

- 1 Surface Water Capital Fee – Water impact fees imposed by City of Manteca to fund capital improvements to the City’s water system.
- 2 WQCF Phase III Completion Charge, Low Density (*Ord. No. 1411; approved July 20, 2009*) – fees imposed by City of Manteca to fund the Phase III expansion of the Manteca WQCF to provide 10 MGD of Title 22 recycled water. Construction included an influent pump station equipped with Floway VTPs, Aqua Aerobics tertiary filters, Wedeco UV disinfection, chemical handling facility, a 7-million-gallon HPDE lined and covered effluent equalization pond, covered primary sedimentation basins, odor control biofilters, a truck fill station, emergency generator, and site improvements.
- 3 Public Facilities Implementation Plan (“PFIP”) Sewer Fees, Low Density, Zone 24 (*Res. No. R2013-31; rates effective May 4, 2013*) – the PFIP is the implementing program for public infrastructure policies identified in the City’s General Plan Policy Document. The purpose of the PFIP is to ensure that certain public infrastructure needed for growth – namely water, wastewater, storm drainage, and transportation facilities – are sufficient to support the City’s growth in accordance with its General Plan. Another purpose of the PFIP is to ensure that infrastructure is constructed in a timely manner and financed in a way that equitably divided financial responsibility in proportion to the demands placed on the new facilities.

The PFIP uses a development impact model wherein the City assumes some responsibility for funding and constructing major facilities, while the developers – in most cases – simply pay their proportionate share to reimburse the City for the cost to finance and construct the infrastructure.

On March 5, 2013, the Manteca City Council adopted the 2013 Public Facilities Implementation Plan Update. It should be noted that only the fees for water, storm drainage, and sewer collection facilities were included in the 2013 PFIP Update. The program and fees for transportation adopted previously remain in effect until updated in the future.

- 4 PFIP Storm Drainage Fees, Low Density, Zone 36 (*Res. No. R2013-31; rates effective May 4, 2013*) - PFIP fees for storm drainage are based on the land use type and the zone in which the parcel is located. This fee is charged when a parcel of land is paved over or built upon, as for a commercial development, or for each home within a subdivision as it is built. Water that would have been absorbed into the ground is now runoff that must be handled by the City’s drainage system. This fee does not apply to new construction on a site that is already paved (for example, existing buildings were demolished and are being replaced).
- 5 PFIP Transportation Fees, Low Density, Zone 3 – Development fee for construction and maintenance of roadways and improvements. Not charged for parking lots; only actual

building space.

- 6 PFIIP Well Water Fees, Low Density (*Res. No. R2013-31; rates effective May 4, 2013*) – Development fee that pays for new water wells and distribution lines (In addition to connection fees above; applies to all land uses). Fees for this category discussed herein are net of fee credits.

B. Capital Improvements

The following capital improvements located within the Pillsbury Estates/Orchard Park project, and specifically within the Mono Street and Pillsbury Road right of way, located in the City of Manteca, California will be funded, or partially funded, by proceeds from this bond issuance.

- 1 Street / Roadway Improvements – Funding for capital improvements including, but not limited to, local streets with related grading; concrete curb, gutter and sidewalk; aggregate base; asphaltic concrete paving; and street lighting improvements.
- 2 Storm Drain Improvements – Funding for capital improvements including, but not limited to, facilities for the collection and disposal of storm waters for drainage and flood control purposes, including mainline and connector pipes, drainage inlets, manholes, retention basin, bubblers, risers, and outfall pumps.
- 3 Sanitary Sewer Improvements – Funding for capital improvements for the collection of sewage, including but not limited to, pump station, manholes, gravity mainline, and force mains necessary to meet the project service demands of the Pillsbury Estates/Orchard Park development.
- 4 Water Improvements – Funding for capital improvements for the water system, including but not limited to, the removal and installation of water mains and appurtenances, and the installation of fire hydrants, backflow preventer and irrigation, necessary to meet the potable and non-potable water needs of the Pillsbury Estates/Orchard Park development.
- 5 Landscaping - Funding for capital improvements including, but not limited to, park site grading, ground cover, irrigation, play equipment, and low voltage lighting necessary to meet the neighborhood park space needs of the Pillsbury Estates/Orchard Park development.

C. Reimbursement for Capital Improvements

Future negotiations and agreements between the City of Manteca (“City”) and the project developer may outline a mechanism whereby the developer of a “benefited” property would pay the City for that property’s share of the costs of certain public facilities. Such payments related to public facilities privately financed by the developer of Pillsbury Estates/Orchard Park would then be paid, when received by the City, to the developer of Pillsbury Estates/Orchard Park. Such payments related to public facilities financed by the District would be allocated to the parcels within the District in proportion to their respective original assessments as shown in this Report. As pertains to any of those parcels that the developer

of Pillsbury Estates/Orchard Park may sell, those amounts would be paid to the developer of Pillsbury Estates/Orchard Park. As pertains to any such parcels still owned by the developer of Pillsbury Estates/Orchard Park, the City would use those amounts to partially prepay the assessments on those parcels pursuant to Streets and Highways Code Section 8766.5.

Bonds representing unpaid assessments, and bearing interest at a rate not to exceed twelve percent (12.00%) shall be issued in the manner provided by the Improvement Bond Act of 1915 (Division 10, Streets and Highways Code), and the last installment of the bonds shall not mature more than twenty-nine (29) years from the second day of September next succeeding twelve (12) months from their date.

This Report includes the following sections:

Plans and Specifications – Plans and specifications for improvements to be constructed. Plans and specifications are a part of this Report whether or not separately bound.

Cost Estimate – An estimate of the cost of the improvements.

Assessment Roll – An assessment roll, showing the amount to be assessed against each parcel of real property within this Assessment District and the names and addresses of the property owners. An Assessor's Parcel number or other designation describes each parcel. Each parcel is also assigned an "assessment number" that links the Assessment Roll to the Assessment Diagram.

Method of Assessment – A statement of the method by which the Assessment Engineer determined the amount to be assessed against each parcel, based on special benefits to be derived by each parcel from the improvements.

Assessment Diagram – A diagram showing all of the parcels of real property to be assessed within this Assessment District. The diagram corresponds with the Assessment Roll by assessment number.

Maximum Annual Administrative Cost Add-on – Proposed maximum annual assessment per parcel for current costs and expenses.

Debt Limitation Report – A debt limitation report showing compliance with Part 7.5 of Division 4 of the Streets and Highways Code.

The plans, specifications, and studies of the improvements and impact fees for this District are voluminous and will not be bound in this Report, but by this reference are incorporated as if attached to this Report. The plans and specifications are on file with the City of Manteca and/or the County of San Joaquin, California.

Summary Cost Estimate

The estimated costs of the fees and improvements have been calculated and are shown below along with other bond financing costs. All fee information has been provided to DTA by the project proponents, the City of Manteca, and the SCIP Administrator.

Cost Estimate City of Manteca, County of San Joaquin - Orchard Park					
Description	Development Impact Fees	Special Benefit Apportioned to Project	Total Amount Due (\$)	Amounts Pre-paid by & Reimbursable to Developer	Amount Funded to Agency
Impact Fees					
Surface Water Capital Fee	\$9,968	100.00%	\$9,968	\$0	\$9,968
WQCF Phase 3 Completion Charge - Low Density	\$178,267	100.00%	\$178,267	\$0	\$178,267
Sewer PFIP - Low Density, Zone 24	\$116,234	100.00%	\$116,234	\$0	\$116,234
Storm Drainage PFIP - Low Density, Zone 6	\$194,732	100.00%	\$194,732	\$0	\$194,732
Transportation PFIP Low Density, Zone 3	\$242,347	100.00%	\$242,347	\$0	\$242,347
Well Water PFIP Low Density (Net of Credit)	\$25,543	100.00%	\$25,543	\$0	\$25,543
Subtotal	\$767,091	NA	\$767,091	\$0	\$767,091
Public Improvements Funded (See Table 3)					
Roadway & Street Lights	\$673,003	7.68%	\$51,672	\$0	\$51,672
Storm Drain	\$552,105	33.59%	\$185,448	\$0	\$185,448
Sanitary Sewer	\$479,701	31.09%	\$149,143	\$0	\$149,143
Water	\$497,210	29.45%	\$146,451	\$0	\$146,451
Parks, Landscaping, and Other	\$803,380	30.11%	\$241,925		\$241,925
Subtotal	\$3,005,399	NA	\$774,640	\$0	\$774,640
Orchard Park					
Assessment Engineer	\$15,600	100.00%	\$15,600	\$0	\$15,600
Appraiser	\$5,000	100.00%	\$5,000	\$0	\$5,000
District Administration	\$4,756	100.00%	\$4,756	\$0	\$4,756
Subtotal	\$25,356	NA	\$25,356	\$0	\$25,356
Financing Costs					
Bond Reserve Fund	10.00%	NA	\$193,491	-	-
Capitalized Interest	4.00%	NA	\$77,397	-	-
Legal	1.00%	NA	\$19,349	-	-
Issuer	1.50%	NA	\$29,024	-	-
Underwriter	2.50%	NA	\$48,373	-	-
Contingency	0.01%	NA	\$193	-	-
Subtotal	19.01%	NA	\$367,827	-	-
Total Assessment			\$1,934,914		

An assessment of the total amount of the costs and expenses of the fees upon the subdivisions of land within the Assessment District, in proportion to the estimated special benefit to be received by the subdivisions from the Impact Fees and Improvements, is set forth upon the following Assessment Roll filed with and made part of this Report.

The Assessment Roll, as provided in **Appendix A**, lists the Assessor's Parcel numbers within this Assessment District by assessment number. The assessment numbers appearing on the Assessment Roll correspond with the subdivisions and parcels of land and their current numbers shown on the Boundary Map. The names and addresses of the property owners are as shown on the last equalized assessment roll for taxes or as known to the Secretary of the Authority.

All parcel information has been provided to DTA by the project proponents, the County of San Joaquin Assessor, and the SCIP Administrator.

A. Background

Assessment District jurisprudence requires that assessments levied pursuant to the Municipal Improvement Act of 1913 be based on the “special benefit” properties receive from the Works of Improvement (i.e., Impact Fees and Capital Improvements). However, the law does not specify the method or formula that should be used to apportion the assessments in Assessment District proceedings. In addition, Article XIID of the California Constitution, added in November 1996 through the passage of Proposition 218 by voters of the State of California, requires, inter alia, that (i) only special benefits be assessable, (ii) no assessment may exceed the proportional special benefit conferred on the parcel assessed, and (iii) publicly owned parcels shall not be exempt from assessment unless clear and convincing evidence demonstrates that such publicly owned parcels receive no special benefits from the improvements for which the assessment is levied.

“Special benefit” is a particular and distinct benefit over and above general benefits conferred on real property located in the District or to the public at large. Importantly, the general enhancement of property value does not constitute special benefit. As such, this Engineer’s Report has been designed to comply with these requirements, as well as to incorporate recent California court decisions such as: *Silicon Valley Taxpayers Association, Inc. v. Santa Clara County Open Space Authority* (2008), *Beutz v. County of Riverside* (2010), *Golden Hills Neighborhood Association v. City of San Diego* (2011), and *Concerned Citizens v. West Point Fire Protection District* (2011).

Methodologically, it is necessary and essential to identify the special benefit that the Impact Fees, Capital Improvements, and related improvements will render to the properties within the District. It is also necessary that the properties receive a special and direct benefit as distinguished from benefit to the general public.

All costs associated with the financing of Impact Fees and Capital Improvements are to be fairly distributed among the lots and parcels within the District based upon the special benefit received by each lot and parcel. Additionally, in compliance with the California Constitution Article XIID Section 4, each lot’s and parcel’s assessment may not exceed the reasonable cost of the proportional special benefit conferred upon it. In sum, each of the properties benefiting from the Impact Fees, Capital Improvements, and related improvements proposed for Assessment District No. 14-01 will be assessed only for the special benefit conferred on such properties.

The Assessment Engineer is appointed for the purpose of analyzing the facts and determining the method and formula for apportionment of the assessment obligation to the benefited properties. For these proceedings, the Authority has retained the firm of David Taussig & Associates, Inc. as the Assessment Engineer.

The Assessment Engineer makes his or her recommendation for the method of apportionment in this Engineer’s Report for consideration at the public hearing. The final authority and action rests with the Authority after hearing all testimony and evidence presented at the public hearing and the tabulation of the assessment ballots. Upon conclusion of the public hearing,

the Authority must make the final action in determining that the assessment has been made in direct proportion to the special benefit received. Ballot tabulation will then be completed, and if a majority of ballots received, weighted by assessment amount, do not protest the assessment, then the Authority may establish the Assessment District.

B. Special Benefit

1. Development Impact Fees

Impact fees are a form of monetary exaction on new development which must be paid as a condition of development approval. Impact fees are neither taxes nor special assessments, nor are these fees permitted to cover ongoing operations and maintenance costs. Because impact fees are collected during the development approval process, the fees are typically paid by developers, builders, or other property owners that are seeking to develop property. In this manner, developers, builders, and property owners pay their “fair share” of needed capital facilities.

The authority of local governments to impose impact fees on development is derived from their police power to protect the health and welfare of citizens under the California Constitution (Article 11, Section 7). Furthermore, the California Mitigation Fee Act provides a prescriptive guide to establishing and administering impact fees based on constitutional and decisional law. Development impact fees were enacted under Assembly Bill 1600 by the California Legislature in 1987 and codified under California Government Code §66000 *et. seq.*, also referred to as the Mitigation Fee Act (the “Act” or “AB 1600”). Again, Government Code, §65913.8 precludes the use of development fees to fund maintenance or services, with limited exceptions for very small improvements and certain temporary measures needed by certain special districts.

The use of development impact fees to finance public facilities necessary to accommodate new growth is a concept that has been used by cities, counties, and public agencies throughout California. The rationale for charging impact fees is based on the premise that new development should pay its “fair share” of the costs associated with growth. Notably, certain fees levied for utility systems are considered capital charges for the privilege of connection to the utility system (hookup fees) and are charged under different legal authority. All capital impact fees and connection charges that are being paid to finance capital improvements and included in this Engineer’s Report provide direct and special benefit to the properties for which the development impact fees or connection charges are being paid by ultimately allowing for the orderly development of those parcels.

Additionally, it is critical that all fees meet the nexus requirements promulgated under AB 1600 to ensure that they are clearly justifiable and defensible. In order to impose a fee as a condition for a development project, the underlying methodology must accomplish the following:

- *Identify the purpose of the fee.*
- *Identify the use to which the fee is to be put. If the use is financing public facilities, the facilities must be identified.*
- *Determine how there is a reasonable relationship between the fee's use and the type of development project on which the fee is imposed.*
- *Determine how there is a reasonable relationship between the need for the public facility and the type of development project on which the fee is being imposed.*
 - *Implicit in these requirements is a stipulation that a public agency cannot impose a fee to cure existing deficiencies in public facilities or improve public facilities beyond what is required based on the specific impacts of new development.*

Accordingly, the finding and allocation of “special benefit” present in this Engineer’s Report is also predicated on the AB 1600 Nexus Studies previously developed for each of the fees outlined in Section III, under the principle that the above AB 1600 “fair share” requirements also comprehensively demonstrate “special benefit.” These AB 1600 Nexus Studies are voluminous and will not be bound in this Report, but by this reference are incorporated as if attached to this Report. The plans and specifications related to the public improvements funded by these impact and connection fees are on file with the City of Manteca, the County of San Joaquin, California, and/or associated public agencies in the region.

2. Capital Improvements

The construction of public infrastructure improvements is typically necessary as a condition of approval to develop a property. Where applicable, the developer is installing these public facilities, which are necessary for the ultimate completion of the projects. The capital improvements financed for the development project included within this report provide direct and special benefit to the properties being assessed since they could not be developed with building structures without the installation of the District improvements.

a. Roadway Improvements

Road usage is typically computed on the basis of anticipated trip generation. Any traffic analysis or impact study would need to assume a reasonable trip generation rate for each intended land use to not only determine accumulated traffic volumes but also the relative impact of each proposed land use on proposed mitigations. However, because the Pillsbury Estates/Orchard Park development project proposes only one land use, single family detached residential, all lots have the same relative impact as any other lot in the development.

Mono Street is a local, east/west oriented street within Pillsbury Estates/Orchard Park that provides access to Pillsbury Road on the east boundary of the development. Mono Street will also connect on the west end with a future extension into the adjacent Evans Estates, a proposed development that will predominately access Manteca Road on its westerly boundary. The alignment of Mono Street through Evans Estates is not direct to Manteca Road, but essentially winds through a network of local in-tract streets.

Although Mono Street is intended to provide access for the Pillsbury Estates/Orchard Park project to Pillsbury Road, it cannot be denied that there will be trips through Mono Street to Pillsbury Road originating from Evans Estates. Therefore, there will be a general benefit related to the construction of Mono Street. Ultimately, given uncertainty regarding future land development, DTA very conservatively and generously assigned general benefit to the roadway and street light system of 75%. Please see Table 3 for additional information.

b. Stormwater/Drainage Facilities

Stormwater, drainage, and flood control facilities are sized based upon estimated storm flows, which vary with the size of the tributary drainage area, slope, soil type, antecedent runoff condition, rainfall intensity, and impervious ground cover. Accordingly, special benefit related to stormwater facilities is calculated using drainage coefficients provided by the U.S. Department of Agriculture for each type of land use and building area coverage ratios, i.e., stormwater is apportioned relative to the various tributary drainage areas that impact the property. However, because the Pillsbury Estates/Orchard Park project consists of only single family detached residential lots of approximately the same area, the relative contribution of runoff among the various lots is effectively the same. The exception is Lot 8, which will benefit from these improvements even though it is not part of the District. Lot 8, which will have an institutional land use, is approximately six (6) times the size of a residential lot, hence will have six (6) times the impact of one lot. Accordingly, Lot 8's allocatable share of associated stormwater facility costs has been deducted from the District's total.

The storm drain improvements in Mono Street are designed based on a drainage area consistent with the Pillsbury Estates/Orchard Park project boundary. The park use is intended to be neighborhood in scope, serving Pillsbury Estates/Orchard Park residents only. On its face, the park/basin would provide 100% special benefit to Pillsbury Estates/Orchard Park residents, however it is arguable that the basin mitigates potential flood conditions in the immediately adjacent vicinity by virtue of its runoff containment, and it is conceivable that future residents from Evans Estates may enjoy the use of the park. Therefore, a general benefit of 1% of the costs for drainage is assigned to stormwater drainage facilities. Please see Table 3 for additional information.

c. Sanitary Sewer

The primary determinant of sanitary sewer usage is the applicable per capita generation rates. Because the Pillsbury Estates/Orchard Park development project consists of all single family detached land use, the relative contribution to total project sewer generation is equal among all lots. The mainline sewer pipes, manholes and lift station are designed to convey sewage from the Pillsbury Estates/Orchard Park project only. It is not intended, nor possible by the approved construction plans, for the sewer facilities to serve any development outside of the Pillsbury Estates/Orchard Park project. However, typically the system design incorporates some excess capacity due to incremental sizing of pipes, pumps, and appurtenances. This excess capacity might be used in the future as the design and land uses dictate. Therefore, the general benefit assignment to the sewer system is 5%. Please see Table 3 for additional information.

d. Potable & Non Potable Water

The primary determinant of water usage is the applicable per capita demand rates. Water improvements have been sized to meet the demands of only the new development. Because the Pillsbury Estates/Orchard Park development project consists of all single family detached land use, the relative contribution to total project water demand is equal among all lots. Because the water improvements are part of a water distribution network, as opposed to a stand-alone and independent water source and delivery system, the improvements would possibly provide the benefits of fire protection (hydrants, pressure distribution, etc.) and peak demand delivery through a more efficient network. Therefore, a small general benefit can be envisioned. Accordingly, a general benefit of 10% of the improvement cost is assigned to Potable and Non-Potable Water.

e. Park & Other Improvements

The primary determinant of park usage is land use population related to historical head counts at peak periods. Because the Pillsbury Estates/Orchard Park development project consists of all single family detached land use, the relative contribution to park usage is equal among all lots. It is conceivable however, as discussed in the storm drainage section above, that residents from the adjacent Evans Estates, or residents outside of the two projects, might enjoy the use of this neighborhood park. Due to this possible general benefit, similar to what was determined in the storm drainage and flood control analysis, a general benefit of 10% has been assigned to the park facilities. With regard to park reimbursements, because this appears as a credit against park obligations assigned to the developer, the reimbursement is considered entirely special benefit.

C. Apportionment

The assessments for this development, Pillsbury Estates/Orchard Park, Phase 1, will be apportioned pro rata on the eighty-nine (89) residential lots indicated on the recorded tract maps and Assessor's Parcel maps for the project. The assessments for the District may be subject to further apportionment since the property may experience lot line adjustments and/or re-subdivisions as properties are sold or lots and parcels are created. Upon recordation of subdivision, parcel or lot line adjustment maps, the assessment for the newly created parcels will be apportioned as described on the following pages.

1. Benefiting Properties within the District

At the time this Report was prepared, the development comprising this District consisted of eighty-nine (89) residential parcels, which encompass a current total acreage of 18.43 acres.

Each parcel will have certain improvements funded through SCIP and will be assessed for such improvements financed through the District. At the time this Report was prepared, Pillsbury Estates/Orchard Park final map had been recorded and the development fully parcelized. If land uses change or the existing parcels are re-subdivided, the assessment will be allocated to each new assessor's parcels in proportion to the original assessment based on the net acreage of each new assessor's parcel.

2. Benefit Analysis

Development Impact Fees

The method of apportionment established for the development reflects the proportional special benefit that each property receives from the levied development impact fees. The impact fees are imposed on a per lot basis and the fees are in turn based on a Nexus study that also incorporates the principles of strict proportionality and fairness and is required to identify and apportion only direct benefits related to the benefit area defined. The per parcel fee, by definition, is the fair share contribution of the parcel to mitigate the impact of that parcel on the defined public facilities. Therefore, with regard to this assessment, the impact fee component of this assessment is considered to be 100% special benefit.

The assessments for this development will be placed onto the currently existing Assessor's Parcels on which the development is located pro rata, across the eighty-nine (89) residential units.

Capital Improvements

The method of apportionment established for the Pillsbury Estates/Orchard Park development reflects the proportional special benefit that each property receives from

the improvements. For this residential development, it has been determined that the benefit to each of the eighty-nine (89) single family residential lots is identical and that the most appropriate allocation of special benefit assessment is to assign to each property an amount equal to the total assessment amount associated with the single family residential property and divided by the total number of approved single family residential units within the District, or one equivalent benefit unit (EBU) for each proposed single-family residential unit. The assessments for this development will be placed onto the currently existing Assessor's Parcels on which the development is located.

The construction of the improvements associated with the Pillsbury Estates/Orchard Park development provides a direct and special benefit to the properties in the development, for the ultimate purposes of ingress/egress, access, utility service, and drainage. The lots in the development could not be created nor the special benefit enjoyed by the ultimate lot owners without the construction of these improvements, which were required in order for the property to be developed.

Because all future lots and parcels within the development which are proposed to have buildings constructed on them benefit from the District improvements, they will be assessed for the portion of the specific costs of the improvements that are attributable to them. Lots or areas which are designed as common lots for parking, landscaping, and/or ingress and egress for the site, and which service the lots with building or storage uses within the development and which are not expected to have buildings located on them, will not be assessed.

Roadway improvements are typically computed on the basis of anticipated trip generation. Because Pillsbury Estates/Orchard Park Phase 1 generally contains 82 residential lots that need Mono Street to access Pillsbury Road, each of which generates the same average daily trips ("ADT"), the Equivalent Benefit Unit ("EBU") assigned to each lot is 1.0. As generally described above, the cost of the special benefits assigned to the Pillsbury Estate/Orchard Park project is apportioned to Phase 1 by a factor of 30.71% (82 EBUs divided by 267 EBUs). For administrative ease, the roadway and street light costs apportioned to Phase 1 on a per lot basis are determined by dividing that amount by 89 EBUs (1.12%). See Table 3 below.

The storm drainage, park, and landscaping improvements are typically apportioned by area, as discussed above. Though not part of the District, Lot 8 will derive benefit from these improvements. Therefore, since Lot 8 is approximately six (6) times the size of the typical lot in this project, Lot 8 is assigned an EBU of 6.0, meaning that there is a total of 280 drainage, park, and landscaping EBUs in the entire Pillsbury Estates/Orchard Park project and 95 drainage, park, and landscaping EBUs to benefit from the Phase 1 portion of the project improvements. The cost of the special benefits assigned to the Pillsbury Estate/Orchard Park project is apportioned to Phase 1 by a factor of 33.93% (95 EBUs divided by 280 EBUs). Again, for administrative ease, the costs apportioned to Phase 1 on a per lot basis are determined by dividing that amount by 89 EBUs (1.12%). See Table 3 below.

The sewer improvements are typically apportioned by parcel, as discussed above. It is assumed that the future use of Lot 8, though not within the District, will generate approximately the same daily flow as the typical lot within the project. This is conservative when one considers that the peak flows from Lot 8 will most likely not be concurrent with the diurnal peaks of residential flow. Lot 8 is assigned an EBU of 1.0, for a total of 275 sewer EBUs in the entire Pillsbury Estates/Orchard Park project and 90 sewer EBUs to benefit from the Phase 1 portion of the project improvements. The cost of the special benefits assigned to the Pillsbury Estates/Orchard Park project is apportioned to Phase 1 by a factor of 32.73% (90 EBUs divided by 275 EBUs). Again, for administrative ease, and in recognition of the incremental variations in special benefit across improvement categories, the costs apportioned to Phase 1 on a per lot basis are determined by dividing that amount by 89 EBUs (1.12%). See Table 3 below.

Finally, the water improvements are typically apportioned by parcel, as discussed above. It is assumed that the future use of Lot 8 will create approximately the same daily water demand as a typical lot within the project. It is assumed that the peak daily demand from Lot 8 will approximate the daily demand from a residential parcel even though usage patterns may be different and peak demands may not be concurrent with the diurnal peaks of residential flow. Lot 8 is assigned an EBU of 1.0, for a total of 275 water EBUs in the entire Pillsbury Estates/Orchard Park project and 90 water EBUs to benefit from the Phase 1 portion of the project improvements. The cost of the special benefits assigned to the Pillsbury Estate/Orchard Park project is apportioned to Phase 1 by a factor of 32.73% (90 EBUs divided by 275 EBUs). Again, for administrative ease, the costs apportioned to Phase 1 on a per lot basis are determined by dividing that amount by 89 EBUs (1.12%). See Table 3 below

Special Benefit Allocation City of Manteca, County of San Joaquin - Orchard Park							
		General Benefit vs. Special Benefit		Phase 1 Allocation		Per Lot Allocation	
Improvements	Cost	Allocation Percentage	Allocation (\$)	Allocation Percentage	Allocation (\$)	Allocation Percentage	Allocation (\$)
Grading	\$33,628.50	25.00%	\$8,407.13	30.71%	\$2,581.96	1.12%	\$29.01
Concrete							
Curb & Gutter w/Sidewalk	\$9,414.00	25.00%	\$2,353.50	30.71%	\$722.80	1.12%	\$8.12
Island Curb	\$10,026.00	25.00%	\$2,506.50	30.71%	\$769.79	1.12%	\$8.65
Driveover/Flush Curb w/ SW	\$77,994.00	25.00%	\$19,498.50	30.71%	\$5,988.30	1.12%	\$67.28
Driveway Approach	\$18,375.00	25.00%	\$4,593.75	30.71%	\$1,410.81	1.12%	\$15.85
Inline Handicap Ramp	\$6,000.00	25.00%	\$1,500.00	30.71%	\$460.67	1.12%	\$5.18
Truncated Domes	\$3,400.00	25.00%	\$850.00	30.71%	\$261.05	1.12%	\$2.93
Handicap Ramp w/ 4" Rock Cushion	\$42,750.00	25.00%	\$10,687.50	30.71%	\$3,282.30	1.12%	\$36.88
Subtotal	\$167,959.00		\$41,989.75		\$12,895.73		\$144.90
Paving							
Fine Grade	\$36,579.00	25.00%	\$9,144.75	30.71%	\$2,808.50	1.12%	\$31.56
3" AB for SW/CG	\$24,041.43	25.00%	\$6,010.36	30.71%	\$1,845.88	1.12%	\$20.74
4" AB for Streets	\$105,347.52	25.00%	\$26,336.88	30.71%	\$8,088.48	1.12%	\$90.88
2.5" AC Paving	\$219,474.00	25.00%	\$54,868.50	30.71%	\$16,851.00	1.12%	\$189.34
Demo AC	\$24,500.00	25.00%	\$6,125.00	30.71%	\$1,881.09	1.12%	\$21.14
Seal Coat (2-coat w/ sand)	\$24,873.32	25.00%	\$6,218.33	30.71%	\$1,909.75	1.12%	\$21.46
Subtotal	\$434,815.27		\$108,703.82		\$33,384.69		\$375.11
Street Lights							
Street Lights - 150 Watt	\$31,800.00	25.00%	\$7,950.00	30.71%	\$2,441.57	1.12%	\$27.43
Electric Meter for Irrigation/Lighting	\$4,800.00	25.00%	\$1,200.00	30.71%	\$368.54	1.12%	\$4.14
Subtotal	\$36,600.00		\$9,150.00		\$2,810.11		\$31.57
Storm Drain							
SD Manhole Std	\$31,500.00	99.00%	\$31,185.00	33.93%	\$10,580.63	1.12%	\$118.88
12" Cross Drain	\$27,200.00	99.00%	\$26,928.00	33.93%	\$9,136.29	1.12%	\$102.65
12" PVC/HDPE	\$55,134.00	99.00%	\$54,582.66	33.93%	\$18,519.12	1.12%	\$208.08
18" PVC/HDPE	\$8,784.00	99.00%	\$8,696.16	33.93%	\$2,950.48	1.12%	\$33.15
24" PVC/HDPE	\$25,416.80	99.00%	\$25,162.63	33.93%	\$8,537.32	1.12%	\$95.92
30" PVC/HDPE	\$34,320.00	99.00%	\$33,976.80	33.93%	\$11,527.84	1.12%	\$129.53
Bubblers	\$7,500.00	99.00%	\$7,425.00	33.93%	\$2,519.20	1.12%	\$28.31
Drain Inlets	\$29,250.00	99.00%	\$28,957.50	33.93%	\$9,824.87	1.12%	\$110.39
Vortech	\$75,000.00	99.00%	\$74,250.00	33.93%	\$25,191.96	1.12%	\$283.06
Storm Drain Pump Outfall	\$250,000.00	99.00%	\$247,500.00	33.93%	\$83,973.21	1.12%	\$943.52
Sediment Riser	\$8,000.00	99.00%	\$7,920.00	33.93%	\$2,687.14	1.12%	\$30.19
Subtotal	\$552,104.80		\$546,583.75		\$185,448.06		\$2,083.69
Sanitary Sewer							
SS Manholes	\$42,000.00	95.00%	\$39,900.00	32.73%	\$13,058.18	1.12%	\$146.72
6" VCP/SDR/PVC	\$41,477.75	95.00%	\$39,403.86	32.73%	\$12,895.81	1.12%	\$144.90
6" Main in Existing Street	\$70,380.00	95.00%	\$66,861.00	32.73%	\$21,881.78	1.12%	\$245.86
8" Main VCP/SDR/PVC	\$19,064.40	95.00%	\$18,111.18	32.73%	\$5,927.30	1.12%	\$66.60
12" Main	\$16,879.00	95.00%	\$16,035.05	32.73%	\$5,247.83	1.12%	\$58.96
12" DIP Main	\$2,400.00	95.00%	\$2,280.00	32.73%	\$746.18	1.12%	\$8.38
House Lateral (Mono-Street)---	\$0.00	95.00%	\$0.00	32.73%	\$0.00	1.12%	\$0.00
House Lateral (Pillsbury Road)---	\$0.00	95.00%	\$0.00	32.73%	\$0.00	1.12%	\$0.00
Lift Station	\$200,000.00	95.00%	\$190,000.00	32.73%	\$62,181.82	1.12%	\$698.67
6" Force Main in Mono	\$43,750.00	95.00%	\$41,562.50	32.73%	\$13,602.27	1.12%	\$152.83
6" Force Main in Pillsbury	\$43,750.00	95.00%	\$41,562.50	32.73%	\$13,602.27	1.12%	\$152.83
Subtotal	\$479,701.15		\$455,716.09		\$149,143.45		\$1,675.77
Water							
FH Assembly including Bolt Ups	\$27,000.00	90.00%	\$24,300.00	32.73%	\$7,952.73	1.12%	\$89.36
1" Water Service---	\$0.00	90.00%	\$0.00	32.73%	\$0.00	1.12%	\$0.00
8" Gate Valve	\$6,000.00	90.00%	\$5,400.00	32.73%	\$1,767.27	1.12%	\$19.86
12" Main	\$120,190.00	90.00%	\$108,171.00	32.73%	\$35,401.42	1.12%	\$397.77
12" Valves	\$17,100.00	90.00%	\$15,390.00	32.73%	\$5,036.73	1.12%	\$56.59
Blowoff	\$6,000.00	90.00%	\$5,400.00	32.73%	\$1,767.27	1.12%	\$19.86
2" Irrigation Service incl. Meter	\$7,600.00	90.00%	\$6,840.00	32.73%	\$2,238.55	1.12%	\$25.15
Backflow Preventer	\$6,400.00	90.00%	\$5,760.00	32.73%	\$1,885.09	1.12%	\$21.18
Remove existing 36"	\$35,000.00	90.00%	\$31,500.00	32.73%	\$10,309.09	1.12%	\$115.83
36" RGRCP	\$166,920.00	90.00%	\$150,228.00	32.73%	\$49,165.53	1.12%	\$552.42
Irrigation Box	\$60,000.00	90.00%	\$54,000.00	32.73%	\$17,672.73	1.12%	\$198.57
Stilling Well	\$20,000.00	90.00%	\$18,000.00	32.73%	\$5,890.91	1.12%	\$66.19
Collar to Existing	\$6,000.00	90.00%	\$5,400.00	32.73%	\$1,767.27	1.12%	\$19.86
45 Degree Elbow	\$5,000.00	90.00%	\$4,500.00	32.73%	\$1,472.73	1.12%	\$16.55
30" Vent	\$14,000.00	90.00%	\$12,600.00	32.73%	\$4,123.64	1.12%	\$46.33
Subtotal	\$497,210.00		\$447,489.00		\$146,450.95		\$1,645.52
Reimbursements							
Park Reimbursement	(\$100,000.00)	100.00%	(\$100,000.00)	33.93%	(\$33,928.57)	1.12%	(\$381.22)
Subtotal	(\$100,000.00)		(\$33,928.57)		(\$33,928.57)		(\$381.22)

Parks & Landscaping							
Common Area	\$705,000.00	90.00%	\$634,500.00	33.93%	\$215,276.79	1.12%	\$2,418.84
Play Equipment	\$79,500.00	90.00%	\$71,550.00	33.93%	\$24,275.89	1.12%	\$272.76
Players	\$86,880.00	90.00%	\$78,192.00	33.93%	\$26,529.43	1.12%	\$298.08
Sleeves	\$27,000.00	90.00%	\$24,300.00	33.93%	\$8,244.64	1.12%	\$92.64
Low Volt Landscape Lighting	\$5,000.00	90.00%	\$4,500.00	33.93%	\$1,526.79	1.12%	\$17.15
Subtotal	\$903,380.00		\$275,853.54		\$275,853.54		\$3,099.48
Total Improvements	\$3,005,399		\$1,859,965		\$774,640		\$8,704
IMPACT FEES							
Surface Water Capital Fee			\$9,968.00		\$9,968.00	1.12%	\$112.00
WQCF Phase 3 Completion Charge - Low Density			\$178,267.00		\$178,267.00	1.12%	\$2,003.00
Sewer PFIP - Low Density, Zone 24			\$116,234.00		\$116,234.00	1.12%	\$1,306.00
Storm Drainage PFIP - Low Density, Zone 6			\$194,732.00		\$194,732.00	1.12%	\$2,188.00
Transportation PFIP Low Density, Zone 3			\$242,347.00		\$242,347.00	1.12%	\$2,723.00
Well Water PFIP Low Density (Net of Credit)			\$25,543.00		\$25,543.00	1.12%	\$287.00
Total Fees			\$767,091		\$767,091		\$8,619
TOTAL ALLOCATABLE AMOUNT (\$)			\$2,627,056		\$1,541,731		\$17,323
Legend:							
Phase No. 1 Allocation - Roads =	30.71%						
Phase No. 1 Allocation - Drainage =	33.93%						
Phase No. 1 Allocation - Water & Sewer =	32.73%						
Mono Street Allocation - Roads =	25.00%						
Mono Street Allocation - Sewer =	95.00%						
Mono Street Allocation - Storm Drain =	99.00%						
Mono Street Allocation - Water =	90.00%						
Landscaping Allocation =	90.00%						
Final Map Allocation, Per Lot (89 Lots) =	1.12%						

D. Conclusion

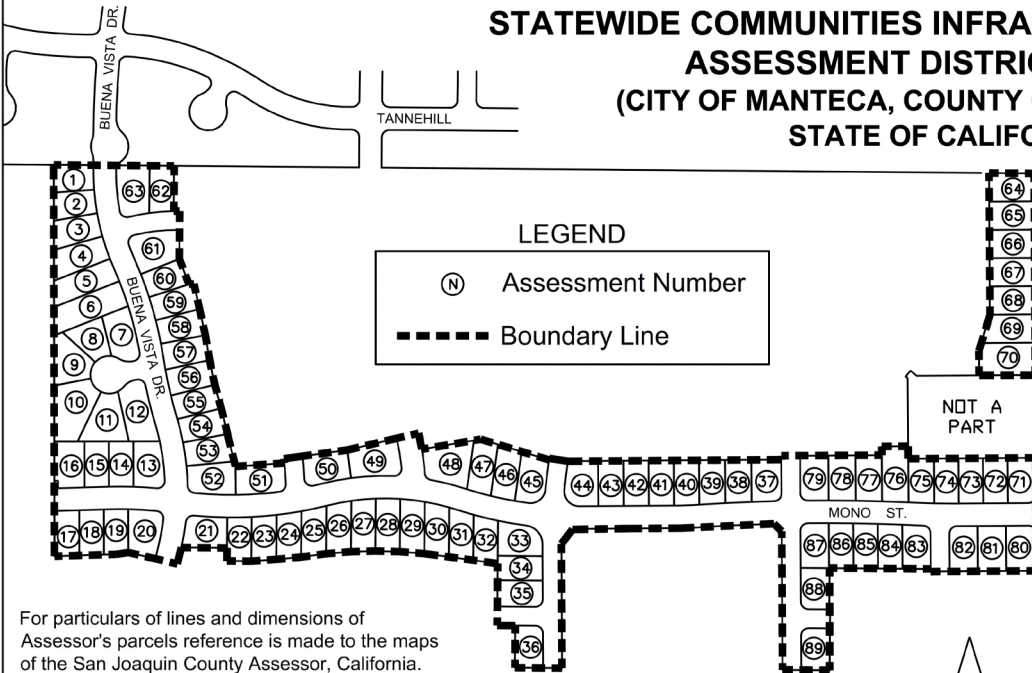
In conclusion, it is the Assessment Engineer's opinion that the assessments for the California Statewide Communities Development Authority (Statewide Communities Infrastructure Program) Assessment District No. 14-01 (City of Manteca, County of San Joaquin, California) are allocated in accordance with the direct and special benefit which the land receives from the Works of Improvement in compliance with the requirements of Article XIIID of the California Constitution.

A Boundary Map showing the Assessment District, including the boundaries and dimensions of the parcels, lots, or subdivisions of land within the Assessment District as they existed at the time of the passage of the Resolution of Intention, is filed with and made a part of this Report and part of the assessment. Each of the subdivisions of land, parcels, or lots has been given a separate number on the Boundary Map that corresponds with the assessment number shown on the Assessment Roll.

The Assessment Diagram will be filed with the Final Engineer's Report at the time of the passage of the Resolution of Formation.

SHEET 1 OF 1

**PROPOSED BOUNDARIES OF
CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY
STATEWIDE COMMUNITIES INFRASTRUCTURE PROGRAM
ASSESSMENT DISTRICT NO. 14-01
(CITY OF MANTECA, COUNTY OF SAN JOAQUIN)
STATE OF CALIFORNIA**



Filed this _____ day of _____, 201__, at the hour of _____
o'clock ____ m., in book _____ of Maps of Assessment and Community
Facilities Districts at page _____ in the office of the Recorder of the County of San
Joaquin, State of California.

By Deputy,
County Recorder, County of San Joaquin

Recorded in the office of the Superintendent of Streets of the Commission of the
California Statewide Communities Development Authority on the _____ day of
_____, 201__.

Superintendent of Streets
California Statewide Communities Development Authority

I hereby certify that the within map showing proposed boundaries of California
Statewide Communities Development Authority, Statewide Communities
Infrastructure Program, Assessment District No. 14-01 (City of Manteca, County of
San Joaquin), State of California, was approved by the Commission of the California
Statewide Communities Development Authority at a regular meeting thereof, held on
the _____ day of _____, 201__, by its resolution No.
_____.

Secretary of the Authority
California Statewide Communities Development Authority

For particulars of lines and dimensions of
Assessor's parcels reference is made to the maps
of the San Joaquin County Assessor, California.

Assessment Number	Assessor Parcel Number	Assessment Number	Assessor Parcel Number	Assessment Number	Assessor Parcel Number	Assessment Number	Assessor Parcel Number
1	226-240-010-000	25	226-240-250-000	49	226-240-490-000	73	226-250-110-000
2	226-240-020-000	26	226-240-260-000	50	226-240-500-000	74	226-250-120-000
3	226-240-030-000	27	226-240-270-000	51	226-240-510-000	75	226-250-130-000
4	226-240-040-000	28	226-240-280-000	52	226-240-520-000	76	226-250-140-000
5	226-240-050-000	29	226-240-290-000	53	226-240-530-000	77	226-250-150-000
6	226-240-060-000	30	226-240-300-000	54	226-240-540-000	78	226-250-160-000
7	226-240-070-000	31	226-240-310-000	55	226-240-550-000	79	226-250-170-000
8	226-240-080-000	32	226-240-320-000	56	226-240-560-000	80	226-250-180-000
9	226-240-090-000	33	226-240-330-000	57	226-240-570-000	81	226-250-190-000
10	226-240-100-000	34	226-240-340-000	58	226-240-580-000	82	226-250-200-000
11	226-240-110-000	35	226-240-350-000	59	226-240-590-000	83	226-250-210-000
12	226-240-120-000	36	226-240-360-000	60	226-240-600-000	84	226-250-220-000
13	226-240-130-000	37	226-240-370-000	61	226-240-610-000	85	226-250-230-000
14	226-240-140-000	38	226-240-380-000	62	226-240-620-000	86	226-250-240-000
15	226-240-150-000	39	226-240-390-000	63	226-240-630-000	87	226-250-250-000
16	226-240-160-000	40	226-240-400-000	64	226-250-010-000	88	226-250-260-000
17	226-240-170-000	41	226-240-410-000	65	226-250-020-000	89	226-250-270-000
18	226-240-180-000	42	226-240-420-000	66	226-250-030-000		
19	226-240-190-000	43	226-240-430-000	67	226-250-040-000		
20	226-240-200-000	44	226-240-440-000	68	226-250-050-000		
21	226-240-210-000	45	226-240-450-000	69	226-250-060-000		
22	226-240-220-000	46	226-240-460-000	70	226-250-070-000		
23	226-240-230-000	47	226-240-470-000	71	226-250-080-000		
24	226-240-240-000	48	226-240-480-000	72	226-250-090-000		

PREPARED BY DAVID TAUSSIG AND ASSOCIATES, INC.

MANTECA AVENUE

In addition to or as a part of the assessment lien levied against each parcel of land within the District, each parcel of land shall also be subject to an annual administrative cost add-on to pay costs incurred by the Authority and not otherwise reimbursed which results from the administration and collection of assessments or from the administration or registration of any bonds and/or reserve or other related funds. The maximum total amount of such annual administrative cost add-on for the Assessment District will not exceed five percent (5.00%) of the initial annual principal and interest amount, subject to an increase annually by the positive change, if any, in the consumer price index (CPI) for the San Francisco-Oakland-San Jose area. Each parcel's share of the administrative cost add-on shall be computed based on the parcel's proportionate share of its annual assessment.

(Compliance with Part 7.5 of Division 4 of the Streets and Highways Code)

Pursuant to Sections 2960, 2961 and 10200 of the Streets and Highways Code, the Commission of the California Statewide Communities Development Authority intends to comply with the requirements of the Special Assessment Investigation, Limitations and Majority Protest Act of 1931 by proceeding under Part 7.5 of Division 4 of the Streets and Highways Code.

We are not aware of any prior assessment liens for the properties located within California Statewide Communities Development Authority (Statewide Communities Infrastructure Program) Assessment District No. 14-01 (City of Manteca, County of San Joaquin, California).

The total confirmed assessment liens for California Statewide Communities Development Authority (Statewide Communities Infrastructure Program) Assessment District No. 14-01 (City of Manteca, County of San Joaquin, California) equals \$1,934,914.

The County of San Joaquin's assessed value of the parcels within California Statewide Communities Development Authority (Statewide Communities Infrastructure Program) Assessment District No. 14-01 (City of Manteca, County of San Joaquin, California) totals \$295,329.

One-half of the assessed value of the parcels within California Statewide Communities Development Authority (Statewide Communities Infrastructure Program) Assessment District No. 14-01 (City of Manteca, County of San Joaquin, California) totals \$147,664.50.

The value-to-lien based on the County of San Joaquin's assessed value for all properties located in the District is 0.15.

An appraisal is being performed by the firm of Seevers, Jordan and Ziegenmeyer (SJZ) for the appraised value of the parcels located within California Statewide Communities Development Authority (Statewide Communities Infrastructure Program) Assessment District No. 14-01 (City of Manteca, County of San Joaquin, California) and will be incorporated into the Final Engineer's Report.

[http://localhost/resources/Clients/SCIP/Manteca \(Pillsbury Estates\)/Engineer's Report/CSCDA AD No. 14-01 \(San Joaquin County\) Engineer's Report \(Preliminary 12.10.2013\).docx](http://localhost/resources/Clients/SCIP/Manteca (Pillsbury Estates)/Engineer's Report/CSCDA AD No. 14-01 (San Joaquin County) Engineer's Report (Preliminary 12.10.2013).docx)

Attachment 1

Assessment District No. 14-01
California Statewide Communities Development Authority
(Statewide Communities Infrastructure Program)
City of Manteca, County of San Joaquin

Assessment Roll

Assessment Roll							
City of Manteca, County of San Joaquin - Orchard Park							
Asmt No.	Project	Assessor Parcel Number	Assessed Value	Acreage	Owner & Address	Preliminary Assessment	Final Assessment
1	Orchard Park	226-240-010-000	\$3,317	0.169	Meritage Homes Of California, Inc. 1671 E Monte Vista Avenue #214, Vacaville, CA 95688	\$21,741	-
2	Orchard Park	226-240-020-000	\$3,317	0.175	Meritage Homes Of California, Inc. 1671 E Monte Vista Avenue #214, Vacaville, CA 95688	\$21,741	
3	Orchard Park	226-240-030-000	\$3,317	0.198	Meritage Homes Of California, Inc. 1671 E Monte Vista Avenue #214, Vacaville, CA 95688	\$21,741	
4	Orchard Park	226-240-040-000	\$3,317	0.236	Meritage Homes Of California, Inc. 1671 E Monte Vista Avenue #214, Vacaville, CA 95688	\$21,741	
5	Orchard Park	226-240-050-000	\$3,317	0.258	Meritage Homes Of California, Inc. 1671 E Monte Vista Avenue #214, Vacaville, CA 95688	\$21,741	
6	Orchard Park	226-240-060-000	\$3,317	0.321	Meritage Homes Of California, Inc. 1671 E Monte Vista Avenue #214, Vacaville, CA 95688	\$21,741	
7	Orchard Park	226-240-070-000	\$3,317	0.229	Meritage Homes Of California, Inc. 1671 E Monte Vista Avenue #214, Vacaville, CA 95688	\$21,741	
8	Orchard Park	226-240-080-000	\$3,317	0.190	Meritage Homes Of California, Inc. 1671 E Monte Vista Avenue #214, Vacaville, CA 95688	\$21,741	
9	Orchard Park	226-240-090-000	\$3,317	0.238	Meritage Homes Of California, Inc. 1671 E Monte Vista Avenue #214, Vacaville, CA 95688	\$21,741	
10	Orchard Park	226-240-100-000	\$3,317	0.348	Meritage Homes Of California, Inc. 1671 E Monte Vista Avenue #214, Vacaville, CA 95688	\$21,741	
11	Orchard Park	226-240-110-000	\$3,317	0.270	Meritage Homes Of California, Inc. 1671 E Monte Vista Avenue #214, Vacaville, CA 95688	\$21,741	
12	Orchard Park	226-240-120-000	\$3,317	0.278	Meritage Homes Of California, Inc. 1671 E Monte Vista Avenue #214, Vacaville, CA 95688	\$21,741	
13	Orchard Park	226-240-130-000	\$3,317	0.221	Meritage Homes Of California, Inc. 1671 E Monte Vista Avenue #214, Vacaville, CA 95688	\$21,741	
14	Orchard Park	226-240-140-000	\$3,317	0.179	Meritage Homes Of California, Inc. 1671 E Monte Vista Avenue #214, Vacaville, CA 95688	\$21,741	
15	Orchard Park	226-240-150-000	\$3,317	0.181	Meritage Homes Of California, Inc. 1671 E Monte Vista Avenue #214, Vacaville, CA 95688	\$21,741	
16	Orchard Park	226-240-160-000	\$3,317	0.222	Meritage Homes Of California, Inc. 1671 E Monte Vista Avenue #214, Vacaville, CA 95688	\$21,741	
17	Orchard Park	226-240-170-000	\$3,317	0.183	Meritage Homes Of California, Inc. 1671 E Monte Vista Avenue #214, Vacaville, CA 95688	\$21,741	
18	Orchard Park	226-240-180-000	\$3,317	0.179	Meritage Homes Of California, Inc. 1671 E Monte Vista Avenue #214, Vacaville, CA 95688	\$21,741	
19	Orchard Park	226-240-190-000	\$3,317	0.177	Meritage Homes Of California, Inc. 1671 E Monte Vista Avenue #214, Vacaville, CA 95688	\$21,741	
20	Orchard Park	226-240-200-000	\$3,317	0.237	Meritage Homes Of California, Inc. 1671 E Monte Vista Avenue #214, Vacaville, CA 95688	\$21,741	
21	Orchard Park	226-240-210-000	\$3,317	0.215	Meritage Homes Of California, Inc. 1671 E Monte Vista Avenue #214, Vacaville, CA 95688	\$21,741	
22	Orchard Park	226-240-220-000	\$3,317	0.173	Meritage Homes Of California, Inc. 1671 E Monte Vista Avenue #214, Vacaville, CA 95688	\$21,741	
23	Orchard Park	226-240-230-000	\$3,317	0.178	Meritage Homes Of California, Inc. 1671 E Monte Vista Avenue #214, Vacaville, CA 95688	\$21,741	
24	Orchard Park	226-240-240-000	\$3,317	0.181	Meritage Homes Of California, Inc. 1671 E Monte Vista Avenue #214, Vacaville, CA 95688	\$21,741	
25	Orchard Park	226-240-250-000	\$3,317	0.188	Meritage Homes Of California, Inc. 1671 E Monte Vista Avenue #214, Vacaville, CA 95688	\$21,741	
26	Orchard Park	226-240-260-000	\$3,317	0.200	Meritage Homes Of California, Inc. 1671 E Monte Vista Avenue #214, Vacaville, CA 95688	\$21,741	
27	Orchard Park	226-240-270-000	\$3,317	0.206	Meritage Homes Of California, Inc. 1671 E Monte Vista Avenue #214, Vacaville, CA 95688	\$21,741	
28	Orchard Park	226-240-280-000	\$3,317	0.209	Meritage Homes Of California, Inc. 1671 E Monte Vista Avenue #214, Vacaville, CA 95688	\$21,741	
29	Orchard Park	226-240-290-000	\$3,317	0.208	Meritage Homes Of California, Inc. 1671 E Monte Vista Avenue #214, Vacaville, CA 95688	\$21,741	
30	Orchard Park	226-240-300-000	\$3,317	0.202	Meritage Homes Of California, Inc. 1671 E Monte Vista Avenue #214, Vacaville, CA 95688	\$21,741	
31	Orchard Park	226-240-310-000	\$3,317	0.188	Meritage Homes Of California, Inc. 1671 E Monte Vista Avenue #214, Vacaville, CA 95688	\$21,741	
32	Orchard Park	226-240-320-000	\$3,317	0.174	Meritage Homes Of California, Inc. 1671 E Monte Vista Avenue #214, Vacaville, CA 95688	\$21,741	
33	Orchard Park	226-240-330-000	\$3,317	0.219	Meritage Homes Of California, Inc. 1671 E Monte Vista Avenue #214, Vacaville, CA 95688	\$21,741	
34	Orchard Park	226-240-340-000	\$3,317	0.178	Meritage Homes Of California, Inc. 1671 E Monte Vista Avenue #214, Vacaville, CA 95688	\$21,741	
35	Orchard Park	226-240-350-000	\$3,317	0.191	Meritage Homes Of California, Inc. 1671 E Monte Vista Avenue #214, Vacaville, CA 95688	\$21,741	</

[illegible]

RESOLUTION NO. _____

RESOLUTION OF INTENTION OF THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY TO FINANCE CAPITAL IMPROVEMENTS AND THE PAYMENT OF DEVELOPMENT IMPACT FEES FOR PUBLIC IMPROVEMENTS IN THE PROPOSED STATEWIDE COMMUNITY INFRASTRUCTURE PROGRAM ASSESSMENT DISTRICT NO. 14-01 (CITY OF MANTECA, COUNTY OF SAN JOAQUIN, CALIFORNIA), APPROVING A PROPOSED BOUNDARY MAP, MAKING CERTAIN DECLARATIONS, FINDINGS AND DETERMINATIONS CONCERNING RELATED MATTERS, AND AUTHORIZING RELATED ACTIONS IN CONNECTION THEREWITH

WHEREAS, under the authority of the Municipal Improvement Act of 1913 (the “1913 Act”), being Division 12 (commencing with Sections 10000 and following) of the California Streets and Highways Code (the “Code”), the Commission (the “Commission”) of the California Statewide Communities Development Authority (the “Authority”) intends to finance, through its Statewide Community Infrastructure Program, certain capital improvements (the “Improvements”) and the payment of certain development impact fees for public improvements (the “Improvement Fees”) as described in Exhibit A attached hereto and by this reference incorporated herein, all of which are of benefit to the proposed Statewide Community Infrastructure Program Assessment District No. 14-01 (City of Manteca, County of San Joaquin, California) (the “Assessment District”); and

WHEREAS, the Commission finds that the land specially benefited by the financing of the Improvements and the Improvement Fees is shown within the boundaries of the map entitled “Proposed Boundaries of California Statewide Communities Development Authority Statewide Community Infrastructure Program Assessment District No. 14-01, City of Manteca, County of San Joaquin, California,” a copy of which map is on file with the Secretary and presented to this Commission meeting, and determines that the land within the exterior boundaries shown on the map shall be designated “Statewide Community Infrastructure Program Assessment District No. 14-01 (City of Manteca, County of San Joaquin, California)”;

WHEREAS, the City of Manteca is a member of the Authority and has approved the adoption on its behalf of this Resolution of Intention and has consented to the levy of the assessments in the Assessment District;

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

1. The above recitals are true and correct, and the Commission so finds and determines.
2. Pursuant to Section 2961 of the Special Assessment Investigation, Limitation and Majority Protest Act of 1931 (the “1931 Act”), being Division 4 (commencing with Section

2800) of the Code, the Commission hereby declares its intent to comply with the requirements of the 1931 Act by complying with Part 7.5 thereof.

3. The Commission has designated a registered, professional engineer as Engineer of Work for this project, and hereby directs said firm to prepare the report containing the matters required by Sections 2961(b) and 10204 of the Code, as supplemented by Section 4 of Article XIIIID of the California Constitution.

4. The proposed boundary map of the Assessment District is hereby approved and adopted. Pursuant to Section 3111 of the Code, the Secretary of the Authority is directed to file a copy of the map in the office of the County Recorder of the County of San Joaquin within fifteen (15) days of the adoption of this resolution.

5. The Commission determines that the cost of financing the Improvements and the payment of the Improvement Fees shall be specially assessed against the lots, pieces or parcels of land within the Assessment District benefiting from the financing of the Improvements and payment of the Improvement Fees. The Commission intends to levy a special assessment upon such lots, pieces or parcels in accordance with the special benefit to be received by each such lot, piece or parcel of land, respectively, from the financing of the Improvements and the payment of the Improvement Fees.

6. The Commission intends, pursuant to subparagraph (f) of Section 10204 of the Code, to provide for an annual assessment upon each of the parcels of land in the proposed assessment district to pay various costs and expenses incurred from time to time by the Authority and not otherwise reimbursed to the Authority which result from the administration and collection of assessment installments or from the administration or registration of the improvement bonds and the various funds and accounts pertaining thereto.

7. Bonds representing unpaid assessments, and bearing interest at a rate not to exceed twelve percent (12%) per annum, will be issued in the manner provided by the Improvement Bond Act of 1915 (Division 10 of the Code), and the last installment of the bonds shall mature not to exceed thirty (30) years from the second day of September next succeeding twelve (12) months from their date.

8. The procedure for the collection of assessments and advance retirement of bonds under the Improvement Bond Act of 1915 shall be as provided in Part 11.1 thereof.

9. Neither the Authority nor any member agency thereof will obligate itself to advance available funds from its or their own funds or otherwise to cure any deficiency which may occur in the bond redemption fund. A determination not to obligate itself shall not prevent the Authority or any such member agency from, in its sole discretion, so advancing funds.

10. The amount of any surplus remaining in the improvement fund after completion of the Improvements and payment of the Improvement Fees and all other claims shall be distributed in accordance with the provisions of Section 10427.1 of the Code.

11. To the extent any Improvement Fees are paid to the Authority in cash with respect to property within the proposed Assessment District prior to the date of issuance of the bonds,

the amounts so paid shall be reimbursed from the proceeds of the bonds to the property owner or developer that made the payment.

PASSED AND ADOPTED by the California Statewide Communities Development Authority this December 19, 2013.

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 19, 2013.

By _____
Authorized Signatory
California Statewide Communities
Development Authority

EXHIBIT A

DESCRIPTION OF WORK

The payment of development impact fees levied by the City of Manteca upon parcels within the District, which are authorized to be financed pursuant to the Municipal Improvement Act of 1913 and as to which the owners of the applicable parcels have applied for participation in SCIP, as more particularly described below.

PAYMENT OF IMPACT FEES

1. Surface Water Capital Fee
2. WQCF Phase III Completion Charge, Low Density
- 24 3. Public Facilities Implementation Plan ("PFIP") Sewer Fees, Low Density, Zone
4. PFIP Storm Drainage Fees, Low Density, Zone 36
5. PFIP Transportation Fees, Low Density, Zone 3
6. PFIP Well Water Fees, Low Density

CAPITAL IMPROVEMENTS

1. Street / Roadway
2. Storm Drain
3. Sanitary Sewer
4. Water
5. Landscaping

RESOLUTION NO. _____

**RESOLUTION PRELIMINARILY APPROVING ENGINEER'S REPORT,
SETTING DATE FOR PUBLIC HEARING OF PROTESTS AND PROVIDING
FOR PROPERTY OWNER BALLOTS FOR CALIFORNIA STATEWIDE
COMMUNITIES DEVELOPMENT AUTHORITY STATEWIDE COMMUNITY
INFRASTRUCTURE PROGRAM ASSESSMENT DISTRICT NO. 14-01 (CITY
OF MANTECA, COUNTY OF SAN JOAQUIN, CALIFORNIA)**

WHEREAS, at the direction of this Commission, David Taussig & Associates, as Engineer of Work for improvement proceedings in California Statewide Communities Development Authority Statewide Community Infrastructure Program Assessment District No. 14-01 (City of Manteca, County of San Joaquin, California) has filed with the Authority the report described in Section 10204 of the Streets and Highways Code (Municipal Improvement Act of 1913, hereafter in this resolution referred to as "the Act"), and containing the matters required by Article XIID of the California Constitution ("Article XIID"), and it is appropriate for this Commission to preliminarily approve said report and to schedule the public hearing of protests respecting said report.

NOW, THEREFORE, THE COMMISSION OF THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY HEREBY FINDS, DETERMINES AND RESOLVES as follows:

Section 1. The foregoing recital is true and correct, and this Commission so finds and determines.

Section 2. This Commission preliminarily approves the report without modification, for the purpose of conducting a public hearing of protests as provided in the Act, Article XIID, and Section 53753 of the California Government Code ("Section 53753"). Said report shall stand as the report for the purpose of all subsequent proceedings under the Act and Section 53753, except that it may be confirmed, modified, or corrected as provided in the Act.

Section 3. This Commission hereby sets 10:00 a.m., or as soon thereafter as the matter may be heard, on February 6, 2014 at the office of the League of California Cities, 1400 K Street, 3rd Floor, Sacramento, California, as the time and place for a public hearing of protests to the proposed financing of public capital improvements, the proposed levy of assessments, the amounts of individual assessments, and related matters as set forth in said report, and any interested person may appear and object to said financing of public capital improvements, or to the extent of said assessment district or to said proposed assessment.

Section 4. Staff is hereby directed to cause a notice of said public hearing to be given by mailing notices thereof, together with assessment ballots, in the time, form and manner provided by Section 53753, and upon the completion of the mailing of said notices and assessment ballots, staff is hereby directed to file with the Engineer of Work an affidavit setting forth the time and manner of the compliance with the requirements of law for mailing said notices and assessment ballots.

Section 5. David Taussig & Associates, Engineer of Work, 2250 Hyde Street, 5th Floor, San Francisco, California 94109, (415) 962-1480, is hereby designated to answer inquiries regarding the report and the protest proceedings.

PASSED AND ADOPTED by the California Statewide Communities Development Authority
this 19th day of December, 2014.

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 19, 2014.

By _____
Authorize Signatory
California Statewide Communities
Development Authority

Item VII

Approve the following resolutions for Assessment District 14-01 San Diego County related to the upcoming Statewide Community Infrastructure Program (SCIP) project: (Staff: Scott Carper)

- a. A resolution of intention to finance the payment of development impact fees, including approval of proposed boundary maps;
- b. A resolution preliminarily approving engineer's reports, setting public hearing of protests and providing property owner ballots for Statewide Community Infrastructure Program Assessment District.

SUMMARY AND APPROVALS

PROGRAM:	STATEWIDE COMMUNITY INFRASTRUCTURE PROGRAM ("SCIP")
PURPOSE:	NO. 14-01 CITY OF SAN DIEGO, COUNTY OF SAN DIEGO ASSESSMENT DISTRICT 1. RESOLUTION OF INTENTION TO FINANCE THE PAYMENT OF DEVELOPMENT IMPACT FEES, INCLUDING APPROVAL OF PROPOSED BOUNDARY MAP 2. RESOLUTION PRELIMINARILY APPROVING ENGINEER'S REPORT, SETTING PUBLIC HEARING OF PROTESTS AND PROVIDING PROPERTY OWNER BALLOTS FOR STATEWIDE COMMUNITY INFRASTRUCTURE PROGRAM ASSESSMENT DISTRICTS.
PRIMARY ACTIVITY:	FINANCE THE PAYMENT OF DEVELOPMENT IMPACT FEES AND IMPROVEMENTS FOR PUBLIC IMPROVEMENTS UNDER THE STATEWIDE COMMUNITY INFRASTRUCTURE PROGRAM ("SCIP")

SCIP has received an application in the city of San Diego, County of San Diego to finance the payment of certain development impact fees.

The amount of bonds to be issued will not exceed \$365,000 with a proposed closing date in the first quarter of 2014. There will be one assessment district formed in the county of San Diego. The Commission is being requested to approve the following:

- The resolution of intention to finance development impact fees including the boundary map prepared by the assessment engineer, David Taussig & Associates;
- Preliminary approval of the engineers report and setting of the public hearing of protests and mailing of ballots.
- Setting of the public hearing of protests for February 6, 2014.

Orrick, Herrington & Sutcliffe and CSCDA staff have reviewed the boundary map, preliminary engineer's report and the resolutions have been prepared by Orrick.

Attachment 1 contains the preliminary engineer's report & Attachment 2 contains copies of the resolutions and their attachments. All final approvals for the issuance of bonds would be brought back to this Commission next year after all proceedings have been completed.

Diamond Creek – City of San Diego

The payment of development impact fees levied by the City of San Diego upon parcels within the District include Otay Mesa Facilities fee. Impact fees total \$293,071.

Approvals:

Based upon the resolutions submitted and reviewed it is requested that this Commission:

1. Approve all necessary actions and documents;
2. Authorize any member of the Commission or Authorized Signatory to sign all necessary documents; and
3. Set the public hearing for February 6, 2014 at 10:00 a.m. at the League of California Cities.

PRELIMINARY

ENGINEER'S REPORT

**CALIFORNIA STATEWIDE COMMUNITIES
DEVELOPMENT AUTHORITY**



**ASSESSMENT DISTRICT No. 14-01
CITY OF SAN DIEGO, COUNTY OF SAN DIEGO**

BEGINNING FISCAL YEAR 2014-2015

INTENT MEETING: DECEMBER 19, 2013

PUBLIC HEARING: FEBRUARY 6, 2014

Prepared by

DAVID TAUSSIG & ASSOCIATES, INC.
2250 Hyde Street, 5th Floor
San Francisco, California 94109
(800) 969-4382

Newport Beach
San Francisco
Fresno
Riverside
Chicago, Illinois
Dallas, Texas

**CALIFORNIA STATEWIDE COMMUNITIES
DEVELOPMENT AUTHORITY**

Scott Carper
California Statewide Communities Development Authority

James F. Hamill
California Statewide Communities Development Authority

PROFESSIONAL SERVICES

UNDERWRITER
Robert Williams
RBC Capital Markets Corporation

BOND COUNSEL
John Knox, Esq.
Orrick, Herrington & Sutcliffe LLP

PROGRAM ADMINISTRATOR
Daniel Chang
Bond Logistix LLC

ASSESSMENT ENGINEERING
David Taussig
Steve Runk, P.E.
Nathan D. Perez, Esq.
David Taussig & Associates, Inc.

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APPENDICES

Appendix A: ASSESSMENT ROLL

The undersigned respectfully submits the enclosed Engineer's Report as directed by the Commission of the California Statewide Communities Development Authority.

Date: _____, 2014

David Taussig & Associates, Engineer

By: _____
Steve Runk, P.E.
License Number: C23473

I HEREBY CERTIFY that the enclosed Engineer's Report, together with the Assessment and Assessment Diagram thereto attached, was filed with me on the _____ day of _____, 2014.

By: _____
Assistant to Secretary of the Authority,
California Statewide Communities
Development Authority

I HEREBY CERTIFY that the enclosed Engineer's Report, together with the Assessment and Assessment Diagram thereto attached, was approved and confirmed by the Commission of the California Statewide Communities Development Authority on the _____ day of _____, 2014.

By: _____
Assistant to Secretary of the Authority,
California Statewide Communities
Development Authority

I HEREBY CERTIFY that the enclosed Engineer's Report, together with the Assessment and Assessment Diagram thereto attached, was recorded in my office on the _____ day of _____, 2014.

By: _____
Superintendent of Streets of the Authority,
California Statewide Communities
Development Authority

David Taussig & Associates, Inc., Assessment Engineer for the California Statewide Communities Development Authority (the "Authority") (Statewide Communities Infrastructure Program) Assessment District No. 14-01 (City of San Diego, County of San Diego, California) hereinafter referred to as "District," makes this report (hereinafter "Engineer's Report" or "Report"), as directed by the Commission of the Authority, in accordance with the Resolution of Intention, Resolution No. 13-_____, and pursuant to Section 10204 of the Streets and Highways Code (Municipal Improvement Act of 1913) and Article XIID of the California Constitution, which was added in November 1996 through the passage of Proposition 218 by voters of the State of California.

The fees which are the subject of this Report are briefly described as follows:

A. Impact Fees & Facilities Benefit Assessments

- 1 Facilities Benefit Assessments (“FBA”) (*Resolution No. 2007-444*) – generally provides 100% of funds for public facilities which service a designated area of benefit and are identified in the City of San Diego Public Facilities Financing Plan (“PFFP”). Project developer will be paying *Otay Mesa (East) Commercial* fee, which, pursuant to an agreement with the City of San Diego, will be used to fund only a portion of the necessary local roadway improvements.

At this time, there are no capital improvements which are the subject of this Report.

Bonds representing unpaid assessments, and bearing interest at a rate not to exceed twelve percent (12.00%) shall be issued in the manner provided by the Improvement Bond Act of 1915 (Division 10, Streets and Highways Code), and the last installment of the bonds shall not mature more than twenty-nine (29) years from the second day of September next succeeding twelve (12) months from their date.

This Report includes the following sections:

Plans and Specifications – Plans and specifications for improvements to be constructed. Plans and specifications are a part of this Report whether or not separately bound.

Cost Estimate – An estimate of the cost of the improvements.

Assessment Roll – An assessment roll, showing the amount to be assessed against each parcel of real property within this Assessment District and the names and addresses of the property owners. An Assessor’s Parcel number or other designation describes each parcel. Each parcel is also assigned an “assessment number” that links the Assessment Roll to the Assessment Diagram.

Method of Assessment – A statement of the method by which the Assessment Engineer determined the amount to be assessed against each parcel, based on special benefits to be derived by each parcel from the improvements.

Assessment Diagram – A diagram showing all of the parcels of real property to be assessed within this Assessment District. The diagram corresponds with the Assessment Roll by assessment number.

Maximum Annual Administrative Cost Add-on – Proposed maximum annual assessment per parcel for current costs and expenses.

Debt Limitation Report – A debt limitation report showing compliance with Part 7.5 of Division 4 of the Streets and Highways Code.

The plans, specifications, and studies of the improvements and impact fees for this District are voluminous and will not be bound in this Report, but by this reference are incorporated as if attached to this Report. The plans and specifications are on file with the City of San Diego and/or the County of San Diego, California.

Summary Cost Estimate

The estimated costs of the fees and improvements have been calculated and are shown below along with other bond financing costs. All fee information has been provided to DTA by the project proponents, the City of San Diego, and the SCIP Administrator.

Cost Estimate City of San Diego, County of San Diego				
Description	Development Impact Fees	Total Amount (\$)	Amounts Pre-Paid by & Reimbursable to Developer	Amount Funded to Agency
Otay Mesa Impact Fees				
Otay Mesa Facilities - City of San Diego	\$280,698	\$280,698	\$0	\$280,698
Subtotal	\$280,698	\$280,698	\$0	\$280,698
Improvements Funded				
	NA	NA	NA	NA
Subtotal	NA	NA	NA	NA
Professional Services				
Assessment Engineer	\$6,600	\$6,600	\$0	\$6,600
Appraiser	\$5,000	\$5,000	\$0	\$5,000
District Administration	\$774	\$774	\$0	\$774
Subtotal	\$12,374	\$293,071	\$0	\$293,071
Financing Costs				
Bond Reserve Fund	10.00%	\$36,186	-	-
Capitalized Interest	4.00%	\$14,474	-	-
Legal	1.00%	\$3,619	-	-
Issuer	1.50%	\$5,428	-	-
Underwriter	2.50%	\$9,046	-	-
Contingency	0.01%	\$34	-	-
Subtotal	19.01%	\$68,787	-	-
Total Assessment		\$361,858		

An assessment of the total amount of the costs and expenses of the fees upon the subdivisions of land within the Assessment District, in proportion to the estimated special benefit to be received by the subdivisions from the Impact Fees and Improvements, is set forth upon the following Assessment Roll filed with and made part of this Report.

The Assessment Roll, beginning below, lists the Assessor's Parcel numbers within this Assessment District by assessment number. The assessment numbers appearing on the Assessment Roll correspond with the subdivisions and parcels of land and their current numbers shown on the Boundary Map. The names and addresses of the property owners are as shown on the last equalized assessment roll for taxes or as known to the Secretary of the Authority.

All parcel information has been provided to DTA by the project proponents, the County of San Diego Assessor, and the SCIP Administrator.

Assessment Roll							
City of San Diego, County of San Diego							
Assessment No.	Project	Assessor Parcel Number	Assessed Value	Acreage	Owner & Address	Preliminary Assessment	Final Assessment
1	Tello Parking	646-180-35-00	\$545,000	1.25	Melinda Tello 4837 Sea Water Lane San Diego, CA 92154	\$361,858	-
Total			\$545,000	1.25		\$361,858	-

A. Background

Assessment District jurisprudence requires that assessments levied pursuant to the Municipal Improvement Act of 1913 be based on the “special benefit” properties receive from the Works of Improvement (i.e., Impact Fees and Capital Improvements). However, the law does not specify the method or formula that should be used to apportion the assessments in Assessment District proceedings. In addition, Article XIID of the California Constitution, added in November 1996 through the passage of Proposition 218 by voters of the State of California, requires, inter alia, that (i) only special benefits be assessable, (ii) no assessment may exceed the proportional special benefit conferred on the parcel assessed, and (iii) publicly owned parcels shall not be exempt from assessment unless clear and convincing evidence demonstrates that such publicly owned parcels receive no special benefits from the improvements for which the assessment is levied.

“Special benefit” is a particular and distinct benefit over and above general benefits conferred on real property located in the District or to the public at large. Importantly, the general enhancement of property value does not constitute special benefit. As such, this Engineer’s Report has been designed to comply with these requirements, as well as to incorporate recent California court decisions such as: *Silicon Valley Taxpayers Association, Inc. v. Santa Clara County Open Space Authority* (2008), *Beutz v. County of Riverside* (2010), *Golden Hills Neighborhood Association v. City of San Diego* (2011), and *Concerned Citizens v. West Point Fire Protection District* (2011).

Methodologically, it is necessary and essential to identify the special benefit that the Impact Fees, Capital Improvements, and related improvements will render to the properties within the District. It is also necessary that the properties receive a special and direct benefit as distinguished from benefit to the general public.

All costs associated with the financing of Impact Fees and Capital Improvements are to be fairly distributed among the lots and parcels within the District based upon the special benefit received by each lot and parcel. Additionally, in compliance with the California Constitution Article XIID Section 4, each lot’s and parcel’s assessment may not exceed the reasonable cost of the proportional special benefit conferred upon it. In sum, each of the properties benefiting from the Impact Fees, Capital Improvements, and related improvements proposed for Assessment District No. 14-01 will be assessed only for the special benefit conferred on such properties.

The Assessment Engineer is appointed for the purpose of analyzing the facts and determining the method and formula for apportionment of the assessment obligation to the benefited properties. For these proceedings, the Authority has retained the firm of David Taussig & Associates, Inc. as the Assessment Engineer.

The Assessment Engineer makes his or her recommendation for the method of apportionment in this Engineer’s Report for consideration at the public hearing. The final authority and action rests with the Authority after hearing all testimony and evidence presented at the public hearing and the tabulation of the assessment ballots. Upon conclusion of the public hearing, the Authority must make the final action in determining that the assessment has been made

in direct proportion to the special benefit received. Ballot tabulation will then be completed, and if a majority of ballots received, weighted by assessment amount, do not protest the assessment, then the Authority may establish the Assessment District.

B. Special Benefit

1. Development Impact Fees

Impact fees are a form of monetary exaction on new development which must be paid as a condition of development approval. Impact fees are neither taxes nor special assessments, nor are these fees permitted to cover ongoing operations and maintenance costs. Because impact fees are collected during the development approval process, the fees are typically paid by developers, builders, or other property owners that are seeking to develop property. In this manner, developers, builders, and property owners pay their “fair share” of needed capital facilities.

The authority of local governments to impose impact fees on development is derived from their police power to protect the health and welfare of citizens under the California Constitution (Article 11, Section 7). Furthermore, the California Mitigation Fee Act provides a prescriptive guide to establishing and administering impact fees based on constitutional and decisional law. Development impact fees were enacted under Assembly Bill 1600 by the California Legislature in 1987 and codified under California Government Code §66000 *et. seq.*, also referred to as the Mitigation Fee Act (the “Act” or “AB 1600”). Again, Government Code, §65913.8 precludes the use of development fees to fund maintenance or services, with limited exceptions for very small improvements and certain temporary measures needed by certain special districts.

The use of development impact fees to finance public facilities necessary to accommodate new growth is a concept that has been used by cities, counties, and public agencies throughout California. The rationale for charging impact fees is based on the premise that new development should pay its “fair share” of the costs associated with growth. Notably, certain fees levied for utility systems are considered capital charges for the privilege of connection to the utility system (hookup fees) and are charged under different legal authority. All capital impact fees and connection charges that are being paid to finance capital improvements and included in this Engineer’s Report provide direct and special benefit to the properties for which the development impact fees or connection charges are being paid by ultimately allowing for the orderly development of those parcels.

Additionally, it is critical that all fees meet the nexus requirements promulgated under AB 1600 to ensure that they are clearly justifiable and defensible. In order to impose a fee as a condition for a development project, the underlying methodology must accomplish the following:

- *Identify the purpose of the fee.*
- *Identify the use to which the fee is to be put. If the use is financing public*

facilities, the facilities must be identified.

- *Determine how there is a reasonable relationship between the fee's use and the type of development project on which the fee is imposed.*
- *Determine how there is a reasonable relationship between the need for the public facility and the type of development project on which the fee is being imposed.*
 - *Implicit in these requirements is a stipulation that a public agency cannot impose a fee to cure existing deficiencies in public facilities or improve public facilities beyond what is required based on the specific impacts of new development.*

Accordingly, the finding and allocation of "special benefit" present in this Engineer's Report is also predicated on the AB 1600 Nexus Studies previously developed for each of the fees outlined in Section III, under the principle that the above AB 1600 "fair share" requirements also comprehensively demonstrate "special benefit." These AB 1600 Nexus Studies are voluminous and will not be bound in this Report, but by this reference are incorporated as if attached to this Report. The plans and specifications are on file with the City of San Diego, the County of San Diego, California, and/or associated public agencies in the region.

2. Capital Improvements

The construction of public infrastructure improvements is typically necessary as a condition of approval to develop a property. Where applicable, the developer is installing these public facilities, which are necessary for the ultimate completion of the projects. However, at this time, there are no capital improvements which are the subject of this Report.

C. Apportionment

The assessment for this development will be apportioned between the one (1) existing Assessor's Parcel on which the development is located based on acreage. The assessments for the District may be subject to further apportionment since the property may experience lot line adjustments and/or subdivisions as properties are sold or lots and parcels are created. Upon recordation of subdivision, parcel or lot line adjustment maps, the assessment for the newly created parcels will be apportioned as described on the following pages.

1. Benefiting Properties within the District

At the time this Report was prepared, the development comprising this District consisted of Assessor's Parcel 646-180-35-00, which encompasses a current total gross acreage of 1.25 acres (54,450 sq. ft.). The property is located in a commercial zoned area of the City. The proposed development will consist only of a commercial parking lot on the site, for which users will pay to park.

2. Benefit Analysis

The method of apportionment established for the development reflects the proportional special benefit that each property receives from the levied developed impact fees. The assessments for this development will be apportioned onto the one (1) existing Assessor's Parcel on which the development is located by acreage, based on information provided by San Diego County and the project proponents.

If the existing parcel is subdivided at a future date, the original assessment will be apportioned between the new parcels in *proportion* to the net acreage of the subdivided parcels.

D. Conclusion

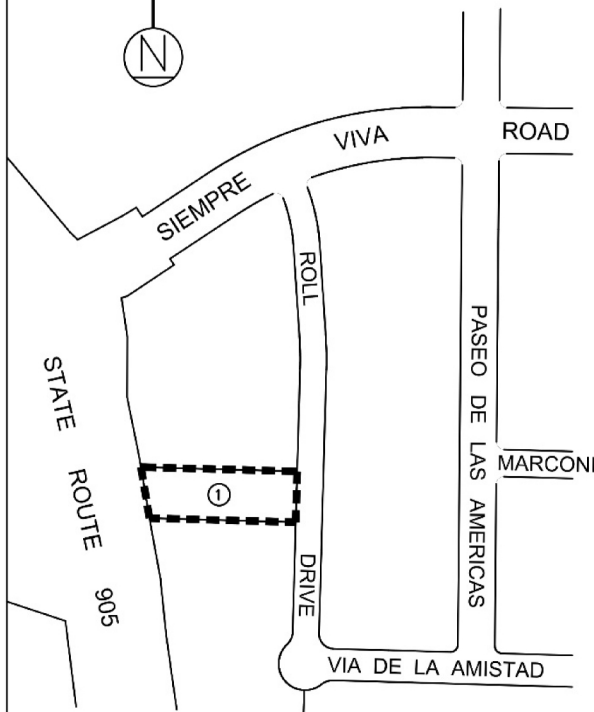
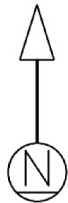
In conclusion, it is the Assessment Engineer's opinion that the assessments for the California Statewide Communities Development Authority (Statewide Communities Infrastructure Program) Assessment District No. 14-01 (City of San Diego, County of San Diego, California) are allocated in accordance with the direct and special benefit which the land receives from the Works of Improvement in compliance with the requirements of Article XIID of the California Constitution.

A Boundary Map showing the Assessment District, including the boundaries and dimensions of the parcels, lots, or subdivisions of land within the Assessment District as they existed at the time of the passage of the Resolution of Intention, is filed with and made a part of this Report and part of the assessment. Each of the subdivisions of land, parcels, or lots has been given a separate number on the Boundary Map that corresponds with the assessment number shown on the Assessment Roll.

The Assessment Diagram will be filed with the Final Engineer's Report at the time of the passage of the Resolution of Formation.

SHEET 1 OF 1

**PROPOSED BOUNDARIES OF
CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY
STATEWIDE COMMUNITIES INFRASTRUCTURE PROGRAM
ASSESSMENT DISTRICT NO. 14-01
(CITY OF SAN DIEGO, COUNTY OF SAN DIEGO)
STATE OF CALIFORNIA**



Assessment Number	Assessor Parcel Number
1	646-180-35-00

For particulars of lines and dimensions of Assessor's parcels reference is made to the maps of the San Diego County Assessor, California.

LEGEND

Ⓝ	Assessment Number
- - - - -	Boundary Line

Filed this _____ day of _____, 201____, at the hour of _____ o'clock ____ m., in book _____ of Maps of Assessment and Community Facilities Districts at page _____ in the office of the Recorder of the County of San Diego, State of California.

By Deputy,
County Recorder, County of San Diego

Recorded in the office of the Superintendent of Streets of the Commission of the California Statewide Communities Development Authority on the _____ day of _____, 201____.

Superintendent of Streets
California Statewide Communities Development Authority

I hereby certify that the within map showing proposed boundaries of California Statewide Communities Development Authority, Statewide Communities Infrastructure Program, Assessment District No. 14-01 (City of San Diego, County of San Diego), State of California, was approved by the Commission of the California Statewide Communities Development Authority at a regular meeting thereof, held on the _____ day of _____, 201____, by its resolution No. _____.

Secretary of the Authority
California Statewide Communities Development Authority

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PREPARED BY DAVID TAUSSIG AND ASSOCIATES, INC.

In addition to or as a part of the assessment lien levied against each parcel of land within the District, each parcel of land shall also be subject to an annual administrative cost add-on to pay costs incurred by the Authority and not otherwise reimbursed which results from the administration and collection of assessments or from the administration or registration of any bonds and/or reserve or other related funds. The maximum total amount of such annual administrative cost add-on for the Assessment District will not exceed five percent (5.00%) of the initial annual principal and interest amount, subject to an increase annually by the positive change, if any, in the consumer price index (CPI) for the San Diego area. Each parcel's share of the administrative cost add-on shall be computed based on the parcel's proportionate share of its annual assessment.

(Compliance with Part 7.5 of Division 4 of the Streets and Highways Code)

Pursuant to Sections 2960, 2961 and 10200 of the Streets and Highways Code, the Commission of the California Statewide Communities Development Authority intends to comply with the requirements of the Special Assessment Investigation, Limitations and Majority Protest Act of 1931 by proceeding under Part 7.5 of Division 4 of the Streets and Highways Code.

We are not aware of any prior assessment liens for the properties located within California Statewide Communities Development Authority (Statewide Communities Infrastructure Program) Assessment District No. 14-01 (City of San Diego, County of San Diego, California).

The total confirmed assessment liens for California Statewide Communities Development Authority (Statewide Communities Infrastructure Program) Assessment District No. 14-01 (City of San Diego, County of San Diego, California) equals \$361,858.

The County of San Diego's assessed value of the parcels within California Statewide Communities Development Authority (Statewide Communities Infrastructure Program) Assessment District No. 14-01 (City of San Diego, County of San Diego, California) totals \$545,000.

One-half of the assessed value of the parcels within California Statewide Communities Development Authority (Statewide Communities Infrastructure Program) Assessment District No. 14-01 (City of San Diego, County of San Diego, California) totals \$272,500.

The value-to-lien based on the County of San Diego's assessed value for all properties located in the District is 1.51 to 1.

An appraisal is being performed by the firm of Seevers, Jordan and Ziegenmeyer (SJZ) for the appraised value of the parcels located within California Statewide Communities Development Authority (Statewide Communities Infrastructure Program) Assessment District No. 14-01 (City of San Diego, County of San Diego, California) and will be incorporated into the Final Engineer's Report.

[http://localhost/resources/Clients/SCIP/Otay Mesa \(Tello Parking\)/Engineer's Report/CSCDA AD No 14-01 \(San Diego County\) Engineer's Report \(Preliminary 12.10.2013\).docx](http://localhost/resources/Clients/SCIP/Otay Mesa (Tello Parking)/Engineer's Report/CSCDA AD No 14-01 (San Diego County) Engineer's Report (Preliminary 12.10.2013).docx)

Attachment 1

Assessment District No. 14-01
California Statewide Communities Development Authority
(Statewide Communities Infrastructure Program)
City of San Diego, County of San Diego

Assessment Roll

(Please See Section VI)

RESOLUTION NO. _____

**RESOLUTION OF INTENTION OF THE CALIFORNIA STATEWIDE
COMMUNITIES DEVELOPMENT AUTHORITY TO FINANCE THE
PAYMENT OF DEVELOPMENT IMPACT FEES FOR PUBLIC
IMPROVEMENTS IN THE PROPOSED ASSESSMENT DISTRICT NO.
14-01 (CITY OF SAN DIEGO, COUNTY OF SAN DIEGO, CALIFORNIA),
APPROVING A PROPOSED BOUNDARY MAP, MAKING CERTAIN
DECLARATIONS, FINDINGS AND DETERMINATIONS CONCERNING
RELATED MATTERS, AND AUTHORIZING RELATED ACTIONS IN
CONNECTION THEREWITH**

WHEREAS, under the authority of the Municipal Improvement Act of 1913 (the “1913 Act”), being Division 12 (commencing with Sections 10000 and following) of the California Streets and Highways Code (the “Code”), the Commission (the “Commission”) of the California Statewide Communities Development Authority (the “Authority”) intends to finance, through its Statewide Community Infrastructure Program, the payment of certain development impact fees for public improvements (the “Improvement Fees”) as described in Exhibit A attached hereto and by this reference incorporated herein, all of which are of benefit to the proposed Assessment District No. 14-01 (City of San Diego, County of San Diego, California) (the “Assessment District”); and

WHEREAS, the Commission finds that the land specially benefited by the financing of the Improvement Fees is shown within the boundaries of the map entitled “Proposed Boundaries of California Statewide Communities Development Authority Assessment District No. 14-01, City of San Diego, County of San Diego, California,” a copy of which map is on file with the Secretary and presented to this Commission meeting, and determines that the land within the exterior boundaries shown on the map shall be designated “Assessment District No. 14-01 (City of San Diego, County of San Diego, California)”;

WHEREAS, the City of San Diego is a member of the Authority and has approved the adoption on its behalf of this Resolution of Intention and has consented to the levy of the assessments in the Assessment District;

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

1. The above recitals are true and correct, and the Commission so finds and determines.
2. Pursuant to Section 2961 of the Special Assessment Investigation, Limitation and Majority Protest Act of 1931 (the “1931 Act”), being Division 4 (commencing with Section 2800) of the Code, the Commission hereby declares its intent to comply with the requirements of the 1931 Act by complying with Part 7.5 thereof.
3. The Commission has designated a registered, professional engineer as Engineer of Work for this project, and hereby directs said firm to prepare the report containing the matters

required by Sections 2961(b) and 10204 of the Code, as supplemented by Section 4 of Article XIID of the California Constitution.

4. The proposed boundary map of the Assessment District is hereby approved and adopted. Pursuant to Section 3111 of the Code, the Secretary of the Authority is directed to file a copy of the map in the office of the County Recorder of the County of San Diego within fifteen (15) days of the adoption of this resolution.

5. The Commission determines that the cost of financing the payment of the Improvement Fees shall be specially assessed against the lots, pieces or parcels of land within the Assessment District benefiting from the payment of the Improvement Fees. The Commission intends to levy a special assessment upon such lots, pieces or parcels in accordance with the special benefit to be received by each such lot, piece or parcel of land, respectively, from the payment of the Improvement Fees.

6. The Commission intends, pursuant to subparagraph (f) of Section 10204 of the Code, to provide for an annual assessment upon each of the parcels of land in the proposed assessment district to pay various costs and expenses incurred from time to time by the Authority and not otherwise reimbursed to the Authority which result from the administration and collection of assessment installments or from the administration or registration of the improvement bonds and the various funds and accounts pertaining thereto.

7. Bonds representing unpaid assessments, and bearing interest at a rate not to exceed twelve percent (12%) per annum, will be issued in the manner provided by the Improvement Bond Act of 1915 (Division 10 of the Code), and the last installment of the bonds shall mature not to exceed thirty (30) years from the second day of September next succeeding twelve (12) months from their date.

8. The procedure for the collection of assessments and advance retirement of bonds under the Improvement Bond Act of 1915 shall be as provided in Part 11.1 thereof.

9. Neither the Authority nor any member agency thereof will obligate itself to advance available funds from its or their own funds or otherwise to cure any deficiency which may occur in the bond redemption fund. A determination not to obligate itself shall not prevent the Authority or any such member agency from, in its sole discretion, so advancing funds.

10. The amount of any surplus remaining in the improvement fund after payment of the Improvement Fees and all other claims shall be distributed in accordance with the provisions of Section 10427.1 of the Code.

11. To the extent any Improvement Fees are paid to the Authority in cash with respect to property within the proposed Assessment District prior to the date of issuance of the bonds, the amounts so paid shall be reimbursed from the proceeds of the bonds to the property owner or developer that made the payment.

PASSED AND ADOPTED by the California Statewide Communities Development Authority this December 19, 2013.

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 19, 2013.

By _____
Authorized Signatory
California Statewide Communities
Development Authority

EXHIBIT A

DESCRIPTION OF WORK

The payment of development impact fees levied by the City of San Diego upon parcels within the District, which are authorized to be financed pursuant to the Municipal Improvement Act of 1913 and as to which the owners of the applicable parcels have applied for participation in SCIP, as more particularly described below.

PAYMENT OF IMPACT FEES

1. Facilities Benefit Assessments

RESOLUTION NO. _____

**RESOLUTION PRELIMINARILY APPROVING ENGINEER'S REPORT,
SETTING DATE FOR PUBLIC HEARING OF PROTESTS AND PROVIDING
FOR PROPERTY OWNER BALLOTS FOR CALIFORNIA STATEWIDE
COMMUNITIES DEVELOPMENT AUTHORITY STATEWIDE COMMUNITY
INFRASTRUCTURE PROGRAM ASSESSMENT DISTRICT NO. 14-01 (CITY
OF SAN DIEGO, COUNTY OF SAN DIEGO, CALIFORNIA)**

WHEREAS, at the direction of this Commission, David Taussig & Associates, as Engineer of Work for improvement proceedings in California Statewide Communities Development Authority Statewide Community Infrastructure Program Assessment District No. 14-01 (City of San Diego, County of San Diego, California) has filed with the Authority the report described in Section 10204 of the Streets and Highways Code (Municipal Improvement Act of 1913, hereafter in this resolution referred to as "the Act"), and containing the matters required by Article XIID of the California Constitution ("Article XIID"), and it is appropriate for this Commission to preliminarily approve said report and to schedule the public hearing of protests respecting said report.

NOW, THEREFORE, THE COMMISSION OF THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY HEREBY FINDS, DETERMINES AND RESOLVES as follows:

Section 1. The foregoing recital is true and correct, and this Commission so finds and determines.

Section 2. This Commission preliminarily approves the report without modification, for the purpose of conducting a public hearing of protests as provided in the Act, Article XIID, and Section 53753 of the California Government Code ("Section 53753"). Said report shall stand as the report for the purpose of all subsequent proceedings under the Act and Section 53753, except that it may be confirmed, modified, or corrected as provided in the Act.

Section 3. This Commission hereby sets 10:00 a.m., or as soon thereafter as the matter may be heard, on February 6, 2014 at the office of the League of California Cities, 1400 K Street, 3rd Floor, Sacramento, California, as the time and place for a public hearing of protests to the proposed financing of public capital improvements, the proposed levy of assessments, the amounts of individual assessments, and related matters as set forth in said report, and any interested person may appear and object to said financing of public capital improvements, or to the extent of said assessment district or to said proposed assessment.

Section 4. Staff is hereby directed to cause a notice of said public hearing to be given by mailing notices thereof, together with assessment ballots, in the time, form and manner provided by Section 53753, and upon the completion of the mailing of said notices and assessment ballots, staff is hereby directed to file with the Engineer of Work an affidavit setting forth the time and manner of the compliance with the requirements of law for mailing said notices and assessment ballots.

Section 5. David Taussig & Associates, Engineer of Work, 2250 Hyde Street, 5th Floor, San Francisco, California 94109, (415) 962-1480, is hereby designated to answer inquiries regarding the report and the protest proceedings.

PASSED AND ADOPTED by the California Statewide Communities Development Authority
this 19th day of December, 2014.

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 19, 2014.

By _____
Authorize Signatory
California Statewide Communities
Development Authority

Item VIII

Approve the following resolutions for Assessment District 14-01 Santa Clara County related to the upcoming Statewide Community Infrastructure Program (SCIP) project: (Staff: Scott Carper)

- a. A resolution of intention to finance the payment of development impact fees, including approval of proposed boundary maps;
- b. A resolution preliminarily approving engineer's reports, setting public hearing of protests and providing property owner ballots for Statewide Community Infrastructure Program Assessment District.

SUMMARY AND APPROVALS

PROGRAM:	STATEWIDE COMMUNITY INFRASTRUCTURE PROGRAM (“SCIP”)
PURPOSE:	NO. 14-01 CITY OF MORGAN HILL, COUNTY OF SANTA CLARA ASSESSMENT DISTRICT 1. RESOLUTION OF INTENTION TO FINANCE THE PAYMENT OF DEVELOPMENT IMPACT FEES & IMPROVEMENTS, INCLUDING APPROVAL OF PROPOSED BOUNDARY MAP 2. RESOLUTION PRELIMINARILY APPROVING ENGINEER’S REPORT, SETTING PUBLIC HEARING OF PROTESTS AND PROVIDING PROPERTY OWNER BALLOTS FOR STATEWIDE COMMUNITY INFRASTRUCTURE PROGRAM ASSESSMENT DISTRICTS.
PRIMARY ACTIVITY:	FINANCE THE PAYMENT OF DEVELOPMENT IMPACT FEES AND IMPROVEMENTS FOR PUBLIC IMPROVEMENTS UNDER THE STATEWIDE COMMUNITY INFRASTRUCTURE PROGRAM (“SCIP”)

SCIP has received an application in the city of Morgan Hill, County of Santa Clara to finance the payment of certain development impact fees & improvements.

The amount of bonds to be issued will not exceed \$5,100,000 with a proposed closing date in the first quarter of 2014. There will be one assessment district formed in the county of Santa Clara. The Commission is being requested to approve the following:

- The resolution of intention to finance development impact fees including the boundary map prepared by the assessment engineer, David Taussig & Associates;
- Preliminary approval of the engineers report and setting of the public hearing of protests and mailing of ballots.
- Setting of the public hearing of protests for February 6, 2014.

Orrick, Herrington & Sutcliffe and CSCDA staff have reviewed the boundary map, preliminary engineer’s report and the resolutions have been prepared by Orrick.

Attachment 1 contains the preliminary engineer’s report & Attachment 2 contains copies of the resolutions and their attachments. All final approvals for the issuance of bonds would be brought back to this Commission next year after all proceedings have been completed.

Diamond Creek – City of Morgan Hill

The payment of development impact fees levied by the City of Morgan Hill upon parcels within the District includes water, sewer & storm drains. Improvements include roadway & sidewalks. Impact fees & improvements total \$5,023,582.

Approvals:

Based upon the resolutions submitted and reviewed it is requested that this Commission:

1. Approve all necessary actions and documents;
2. Authorize any member of the Commission or Authorized Signatory to sign all necessary documents; and
3. Set the public hearing for February 6, 2014 at 10:00 a.m. at the League of California Cities.

PRELIMINARY

ENGINEER'S REPORT

CALIFORNIA STATEWIDE COMMUNITIES
DEVELOPMENT AUTHORITY



ASSESSMENT DISTRICT No. 14-01
CITY OF MORGAN HILL, COUNTY OF SANTA CLARA

BEGINNING FISCAL YEAR 2014-2015

INTENT MEETING: DECEMBER 19, 2013

PUBLIC HEARING: FEBRUARY 6, 2014

Prepared by

DAVID TAUSSIG & ASSOCIATES, INC.
2250 Hyde Street, 5th Floor
San Francisco, California 94109
(800) 969-4382

Newport Beach
San Francisco
Fresno
Riverside
Chicago, Illinois
Dallas, Texas

**CALIFORNIA STATEWIDE COMMUNITIES
DEVELOPMENT AUTHORITY**

Scott Carper
California Statewide Communities Development Authority

James F. Hamill
California Statewide Communities Development Authority

PROFESSIONAL SERVICES

UNDERWRITER
Robert Williams
RBC Capital Markets Corporation

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APPENDICES

Appendix A: ASSESSMENT ROLL

The undersigned respectfully submits the enclosed Engineer's Report as directed by the Commission of the California Statewide Communities Development Authority.

Date: _____, 2014

David Taussig & Associates, Engineer

By: _____
Steve Runk, P.E.
License Number: C23473

I HEREBY CERTIFY that the enclosed Engineer's Report, together with the Assessment and Assessment Diagram thereto attached, was filed with me on the _____ day of _____, 2014.

By: _____
Assistant to Secretary of the Authority,
California Statewide Communities
Development Authority

I HEREBY CERTIFY that the enclosed Engineer's Report, together with the Assessment and Assessment Diagram thereto attached, was approved and confirmed by the Commission of the California Statewide Communities Development Authority on the _____ day of _____, 2014.

By: _____
Assistant to Secretary of the Authority,
California Statewide Communities
Development Authority

I HEREBY CERTIFY that the enclosed Engineer's Report, together with the Assessment and Assessment Diagram thereto attached, was recorded in my office on the _____ day of _____, 2014.

By: _____
Superintendent of Streets of the Authority,
California Statewide Communities
Development Authority

David Taussig & Associates, Inc., Assessment Engineer for the California Statewide Communities Development Authority (the "Authority") (Statewide Communities Infrastructure Program) Assessment District No. 14-01 (City of Morgan Hill, County of Santa Clara, California) hereinafter referred to as "District," makes this report (hereinafter "Engineer's Report" or "Report"), as directed by the Commission of the Authority, in accordance with the Resolution of Intention, Resolution No. 13-____, and pursuant to Section 10204 of the Streets and Highways Code (Municipal Improvement Act of 1913) and Article XIID of the California Constitution, which was added in November 1996 through the passage of Proposition 218 by voters of the State of California.

The fees which are the subject of this Report are briefly described as follows:

A. Impact Fees

- 1 Water Connection Fee (*Resolution No. 5658; updated July 1, 2012*) - Water impact fees imposed by City of Morgan Hill to fund capital improvements identified in the Water System Master Plan, the current 5-year Capital Improvement Plan, and the City Budget.
- 2 Sewer Fee (*Resolution No. 6082; approved February 5, 2007*) – Sewer impact fees imposed by City of Morgan Hill to fund sewer expansion projects needed to serve new development.
- 3 Storm Drain Fee (*Resolution No. 6326; dated April 28, 2010*) – Storm Drain Impact fee imposed by the City of Morgan Hill to generate revenue to fund facilities required for new development.
- 4 Park Fee (*Resolution No. 6326; dated April 28, 2010*) – Park Impact fee imposed by the City of Morgan Hill to generate revenue to fund park facilities required for new development.
- 5 Local Traffic Fees (*Resolution No. 6082; approved February 5, 2007*) – Traffic impact fees to fund capital improvements to the City of Morgan Hill’s roadway and traffic system.
- 6 Measure C Fees (*MC-08-18, FY 2010-11*) – Per Chapter 18.78, Residential Development Control System (“RDCS”) of the Morgan Hill Municipal Code, commonly referred to as “Measure C,” proposed residential developments compete to obtain building allocations by achieving passing scores in various categories: Park Development, Storm Drain, Public Facilities, School Pedestrian Safety, etc. Developers are awarded points in each of these categories for committing to spend or contribute certain dollar amounts per residential unit towards the construction of improvements as approved by the City. This dollar commitment per unit is commonly referred to as “Measure C Fees,” and is used specifically for the design/construction of public off-site improvements.

B. Capital Improvements

- 1 Street / Roadway Improvements – Funding for capital improvements including, but not limited to, streets, roads, highways and public ways, as well as supporting improvements and related facilities such as construction, widening, and installation of grading, paving, curbs, gutters, sidewalks, site utilities, street name signs, and survey monuments associated with the Diamond Creek development. The improvements associated with the development include improvements along 524 linear feet of the west side of Monterey Road, improvements along approximately 807 linear feet of Rome Avenue, and improvements along 513 linear feet of Valencia Avenue.
- 2 Storm Drain Improvements – Funding for capital improvements including, but not limited to, facilities for the collection and disposal of storm waters and for flood control purposes, as well as supporting improvements and related facilities such as construction and

installation of storm drains, water pipes, and mains associated with the utility connections of the Diamond Creek development.

- 3 Sanitary Sewer Improvements – Funding for capital improvements including, but not limited to, facilities for the collection, treatment, reclamation, and disposal of sewage, as well as supporting improvements and related facilities such as construction and installation of a pump station, gravity sewers, and force mains to meet the project service demands of the Diamond Creek development.
- 4 Water Improvements – Funding for capital improvements including, but not limited to, facilities for the water system such as construction, installation, and relocation of water pipes and mains, as well as supporting improvements and related facilities to meet the potable and non-potable water needs of the Diamond Creek development. Specifically, the project will include the installation of a Reduce Pressure Backflow Preventers (“RPBP”) with fire department connections, fire hydrants, and blow off valves.

C. Reimbursement for Capital Improvements

Future negotiations and agreements between the City of Morgan Hill (“City”) and the project developer may outline a mechanism whereby the developer of a “benefited” property would pay the City for that property’s share of the costs of certain public facilities. Such payments related to public facilities privately financed by the developer of Diamond Creek would then be paid, when received by the City, to the developer of Diamond Creek. Such payments related to public facilities financed by the District would be allocated to the parcels within the District in proportion to their respective original assessments as shown in this Report. As pertains to any of those parcels that the developer of Diamond Creek may sell, those amounts would be paid to the developer of Diamond Creek. As pertains to any such parcels still owned by the developer of Diamond Creek, the City would use those amounts to partially prepay the assessments on those parcels pursuant to Streets and Highways Code Section 8766.5.

Bonds representing unpaid assessments, and bearing interest at a rate not to exceed twelve percent (12.00%) shall be issued in the manner provided by the Improvement Bond Act of 1915 (Division 10, Streets and Highways Code), and the last installment of the bonds shall not mature more than twenty-nine (29) years from the second day of September next succeeding twelve (12) months from their date.

This Report includes the following sections:

Plans and Specifications – Plans and specifications for improvements to be constructed. Plans and specifications are a part of this Report whether or not separately bound.

Cost Estimate – An estimate of the cost of the improvements.

Assessment Roll – An assessment roll, showing the amount to be assessed against each parcel of real property within this Assessment District and the names and addresses of the property owners. An Assessor’s Parcel number or other designation describes each parcel.

Each parcel is also assigned an “assessment number” that links the Assessment Roll to the Assessment Diagram.

Method of Assessment – A statement of the method by which the Assessment Engineer determined the amount to be assessed against each parcel, based on special benefits to be derived by each parcel from the improvements.

Assessment Diagram – A diagram showing all of the parcels of real property to be assessed within this Assessment District. The diagram corresponds with the Assessment Roll by assessment number.

Maximum Annual Administrative Cost Add-on – Proposed maximum annual assessment per parcel for current costs and expenses.

Debt Limitation Report – A debt limitation report showing compliance with Part 7.5 of Division 4 of the Streets and Highways Code.

The plans, specifications, and studies of the improvements and impact fees for this District are voluminous and will not be bound in this Report, but by this reference are incorporated as if attached to this Report. The plans and specifications are on file with the City of Morgan Hill and/or the County of Santa Clara, California.

Summary Cost Estimate

The estimated costs of the fees and improvements have been calculated and are shown on the following pages along with other bond financing costs. All fee information has been provided to DTA by the project proponents, the City of Morgan Hill, and the SCIP Administrator.

Cost Estimate City of Morgan Hill, County of Santa Clara - Diamond Creek							
Description	Development Impact Fees	Residential Component	Commercial/Retail Component	Special Benefit Apportioned to Project	Total Amount Due (\$)	Amounts Pre-paid by & Reimbursable to Developer	Amount Funded to Agency
Phase 1 - Impact Fees							
Map Recordation							
Water Impact Fee	\$35,723	\$35,723	\$0	100.00%	\$0	\$35,723	\$35,723
Sewer Impact Fee	\$16,500	\$16,500	\$0	100.00%	\$0	\$16,500	\$16,500
Storm Drain Impact Fee	\$111,200	\$111,200	\$0	100.00%	\$0	\$111,200	\$111,200
Certificate of Occupancy							
Water Impact Fee	\$147,110	\$147,110	\$0	100.00%	\$147,110	\$0	\$147,110
Sewer Impact Fee	\$551,498	\$551,498	\$0	100.00%	\$551,498	\$0	\$551,498
Park Impact Fee	\$228,383	\$228,383	\$0	100.00%	\$228,383	\$0	\$228,383
Traffic Impact Fee	\$63,225	\$63,225	\$0	100.00%	\$63,225	\$0	\$63,225
Measure C							
RDCS Capital Improvement Fund	\$51,700	\$51,700	\$0	100.00%	\$51,700	\$0	\$51,700
Parks and Paths (Bike Lane)	\$155,100	\$155,100	\$0	100.00%	\$155,100	\$0	\$155,100
Parks and Paths (In-lieu Park Fee)	\$9,917	\$9,917	\$0	100.00%	\$9,917	\$0	\$9,917
Circulation Efficiency	\$103,400	\$103,400	\$0	100.00%	\$103,400	\$0	\$103,400
Phase 2 - Impact Fees							
Map Recordation							
Water Impact Fee	\$72,751	\$34,608	\$38,143	100.00%	\$72,751	\$0	\$72,751
Sewer Impact Fee	\$16,000	\$0	\$16,000	100.00%	\$16,000	\$0	\$16,000
Storm Drain Impact Fee	\$301,176	\$217,536	\$83,640	100.00%	\$301,176	\$0	\$301,176
Certificate of Occupancy							
Water Impact Fee	\$266,532	\$266,532	\$0	100.00%	\$266,532	\$0	\$266,532
Park Impact Fee	\$410,172	\$410,172	\$0	100.00%	\$410,172	\$0	\$410,172
Traffic Impact Fee	\$118,608	\$118,608	\$0	100.00%	\$118,608	\$0	\$118,608
Measure C							
RDCS Capital Improvement Fund	\$91,300	\$91,300	\$0	100.00%	\$91,300	\$0	\$91,300
Parks and Paths (Bike Lane)	\$69,300	\$69,300	\$0	100.00%	\$69,300	\$0	\$69,300
Parks and Paths (In-lieu Park Fee)	\$17,513	\$17,513	\$0	100.00%	\$17,513	\$0	\$17,513
Circulation Efficiency	\$182,600	\$182,600	\$0	100.00%	\$182,600	\$0	\$182,600
Subtotal	\$3,019,708	\$2,881,925	\$137,783	NA	\$2,856,285	\$163,423	\$3,019,708
Phase 1 - Improvements Funded							
Public Improvements							
Out of Tract Improvements East Side Monterey Road Improvement	\$125,522	\$0	\$0	0.00%	\$0	\$0	\$0
Phase 1 Monterey Road Street Improvements (West Side)	\$167,326	\$54,311	\$89,267	85.81%	\$143,578	\$0	\$143,578
Rome Avenue Improvements (Phase 1)	\$231,222	\$75,050	\$123,356	85.81%	\$198,406	\$0	\$198,406
Other Public Improvements (On-site Public Water)	\$170,850	\$145,520	\$25,330	100.00%	\$170,850	\$0	\$170,850

Cost Estimate City of Morgan Hill, County of Santa Clara - Diamond Creek							
Description	Development Impact Fees	Residential Component	Commercial/Retail Component	Special Benefit Apportioned to Project	Total Amount Due (\$)	Amounts Pre-paid by & Reimbursable to Developer	Amount Funded to Agency
Measure C							
Offsite Safety Improvement (Sidewalk)	\$232,650	\$0	\$0	0.00%	\$0	\$0	\$0
Street Frontage Improvement	\$103,400	\$0	\$0	0.00%	\$0	\$0	\$0
Offsite Safety Improvement (Sidewalk)	\$206,800	\$0	\$0	0.00%	\$0	\$0	\$0
Offsite Safety Improvement (Sidewalk)	\$94,000	\$0	\$0	0.00%	\$0	\$0	\$0
Phase 2 - Improvements Funded							
Public Improvements							
Rome Ave. Improvements (Phase 2)	\$66,149	\$21,471	\$35,290	85.81%	\$56,761	\$0	\$56,761
Valencia Ave. (Phase 2)	\$177,892	\$57,740	\$94,904	85.81%	\$152,644	\$0	\$152,644
Other Public Improvements (On-site Public Water)	\$281,650	\$239,892	\$41,758	100.00%	\$281,650	\$0	\$281,650
Measure C							
Offsite Safety Improvement (Sidewalk)	\$415,800	\$0	\$0	0.00%	\$0	\$0	\$0
Street Frontage Improvement	\$184,800	\$0	\$0	0.00%	\$0	\$0	\$0
Offsite Safety Improvement (Sidewalk)	\$369,600	\$0	\$0	0.00%	\$0	\$0	\$0
Offsite Safety Improvement (Sidewalk)	\$168,000	\$0	\$0	0.00%	\$0	\$0	\$0
Subtotal	\$2,995,660	\$593,984	\$409,905	NA	\$1,003,889	\$0	\$1,003,889
Professional Services							
Diamond Creek							
Assessment Engineer	\$15,600	\$13,477	\$2,123	100.00%	\$15,600	\$0	\$15,600
Appraiser	\$10,000	\$8,639	\$1,361	100.00%	\$10,000	\$0	\$10,000
District Administration	\$19,402	\$16,761	\$2,641	100.00%	\$19,402	\$0	\$19,402
Subtotal	\$45,002	\$38,876	\$6,126	NA	\$45,002	\$0	\$45,002
Financing Costs							
Bond Reserve Fund	10.00%	\$433,978	\$68,381	NA	\$502,358	-	-
Capitalized Interest	4.00%	\$173,591	\$27,352	NA	\$200,943	-	-
Legal	1.00%	\$43,398	\$6,838	NA	\$50,236	-	-
Issuer	1.50%	\$65,097	\$10,257	NA	\$75,354	-	-
Underwriter	2.50%	\$108,494	\$17,095	NA	\$125,590	-	-
Contingency	0.01%	\$434	\$68	NA	\$502	-	-
Subtotal	19.01%	\$824,991	\$129,991	NA	\$954,983	-	-
Total Assessment		\$4,339,776	\$683,805		\$5,023,582		

An assessment of the total amount of the costs and expenses of the fees upon the subdivisions of land within the Assessment District, in proportion to the estimated special benefit to be received by the subdivisions from the Impact Fees and Improvements, is set forth upon the following Assessment Roll filed with and made part of this Report.

The Assessment Roll, beginning below, lists the Assessor's Parcel numbers within this Assessment District by assessment number. The assessment numbers appearing on the Assessment Roll correspond with the subdivisions and parcels of land and their current numbers shown on the Boundary Map. The names and addresses of the property owners are as shown on the last equalized assessment roll for taxes or as known to the Secretary of the Authority.

All parcel information has been provided to DTA by the project proponents, the County of Santa Clara Assessor, and the SCIP Administrator.

Assessment Roll							
City of Morgan Hill, County of Santa Clara - Diamond Creek							
Asmt No.	Project	Assessor Parcel Number	Assessed Value	Acreage	Owner & Address	Preliminary Assessment	Final Assessment
1	Diamond Creek Residential	767-23-026	\$2,719,994	4.94	Diamond Creek Villa LLC / Monterey Dynasty LLC 7738 Oak Meadow Court Cupertino, CA	\$2,996,714	-
2	Diamond Creek Commercial Retail	767-23-027	\$1,919,994	2.61	Diamond Creek Villa LLC 7738 Oak Meadow Court Cupertino, CA	\$683,805	-
3	Diamond Creek Residential	767-23-029	\$3,329,271	2.21	Diamond Creek Villa LLC 7738 Oak Meadow Court Cupertino, CA	\$1,343,062	-
Total			\$7,969,259	9.76		\$5,023,582	-

A. Background

Assessment District jurisprudence requires that assessments levied pursuant to the Municipal Improvement Act of 1913 be based on the “special benefit” properties receive from the Works of Improvement (i.e., Impact Fees and Capital Improvements). However, the law does not specify the method or formula that should be used to apportion the assessments in Assessment District proceedings. In addition, Article XIID of the California Constitution, added in November 1996 through the passage of Proposition 218 by voters of the State of California, requires, inter alia, that (i) only special benefits be assessable, (ii) no assessment may exceed the proportional special benefit conferred on the parcel assessed, and (iii) publicly owned parcels shall not be exempt from assessment unless clear and convincing evidence demonstrates that such publicly owned parcels receive no special benefits from the improvements for which the assessment is levied.

“Special benefit” is a particular and distinct benefit over and above general benefits conferred on real property located in the District or to the public at large. Importantly, the general enhancement of property value does not constitute special benefit. As such, this Engineer’s Report has been designed to comply with these requirements, as well as to incorporate recent California court decisions such as: *Silicon Valley Taxpayers Association, Inc. v. Santa Clara County Open Space Authority* (2008), *Beutz v. County of Riverside* (2010), *Golden Hills Neighborhood Association v. City of San Diego* (2011), and *Concerned Citizens v. West Point Fire Protection District* (2011).

Methodologically, it is necessary and essential to identify the special benefit that the Impact Fees, Capital Improvements, and related improvements will render to the properties within the District. It is also necessary that the properties receive a special and direct benefit as distinguished from benefit to the general public.

All costs associated with the financing of Impact Fees and Capital Improvements are to be fairly distributed among the lots and parcels within the District based upon the special benefit received by each lot and parcel. Additionally, in compliance with the California Constitution Article XIID Section 4, each lot’s and parcel’s assessment may not exceed the reasonable cost of the proportional special benefit conferred upon it. In sum, each of the properties benefiting from the Impact Fees, Capital Improvements, and related improvements proposed for Assessment District No. 14-01 will be assessed only for the special benefit conferred on such properties.

The Assessment Engineer is appointed for the purpose of analyzing the facts and determining the method and formula for apportionment of the assessment obligation to the benefited properties. For these proceedings, the Authority has retained the firm of David Taussig & Associates, Inc. as the Assessment Engineer.

The Assessment Engineer makes his or her recommendation for the method of apportionment in this Engineer’s Report for consideration at the public hearing. The final authority and action rests with the Authority after hearing all testimony and evidence presented at the public hearing and the tabulation of the assessment ballots. Upon conclusion of the public hearing,

the Authority must make the final action in determining that the assessment has been made in direct proportion to the special benefit received. Ballot tabulation will then be completed, and if a majority of ballots received, weighted by assessment amount, do not protest the assessment, then the Authority may establish the Assessment District.

B. Special Benefit

1. Development Impact Fees

Impact fees are a form of monetary exaction on new development which must be paid as a condition of development approval. Impact fees are neither taxes nor special assessments, nor are these fees permitted to cover ongoing operations and maintenance costs. Because impact fees are collected during the development approval process, the fees are typically paid by developers, builders, or other property owners that are seeking to develop property. In this manner, developers, builders, and property owners pay their “fair share” of needed capital facilities.

The authority of local governments to impose impact fees on development is derived from their police power to protect the health and welfare of citizens under the California Constitution (Article 11, Section 7). Furthermore, the California Mitigation Fee Act provides a prescriptive guide to establishing and administering impact fees based on constitutional and decisional law. Development impact fees were enacted under Assembly Bill 1600 by the California Legislature in 1987 and codified under California Government Code §66000 *et. seq.*, also referred to as the Mitigation Fee Act (the “Act” or “AB 1600”). Again, Government Code, §65913.8 precludes the use of development fees to fund maintenance or services, with limited exceptions for very small improvements and certain temporary measures needed by certain special districts.

The use of development impact fees to finance public facilities necessary to accommodate new growth is a concept that has been used by cities, counties, and public agencies throughout California. The rationale for charging impact fees is based on the premise that new development should pay its “fair share” of the costs associated with growth. Notably, certain fees levied for utility systems are considered capital charges for the privilege of connection to the utility system (hookup fees) and are charged under different legal authority. All capital impact fees and connection charges that are being paid to finance capital improvements and included in this Engineer’s Report provide direct and special benefit to the properties for which the development impact fees or connection charges are being paid by ultimately allowing for the orderly development of those parcels.

Additionally, it is critical that all fees meet the nexus requirements promulgated under AB 1600 to ensure that they are clearly justifiable and defensible. In order to impose a fee as a condition for a development project, the underlying methodology must accomplish the following:

- *Identify the purpose of the fee.*

- *Identify the use to which the fee is to be put. If the use is financing public facilities, the facilities must be identified.*
- *Determine how there is a reasonable relationship between the fee's use and the type of development project on which the fee is imposed.*
- *Determine how there is a reasonable relationship between the need for the public facility and the type of development project on which the fee is being imposed.*
 - *Implicit in these requirements is a stipulation that a public agency cannot impose a fee to cure existing deficiencies in public facilities or improve public facilities beyond what is required based on the specific impacts of new development.*

Accordingly, the finding and allocation of “special benefit” present in this Engineer’s Report is also predicated on the AB 1600 Nexus Studies previously developed for each of the fees outlined in Section III, under the principle that the above AB 1600 “fair share” requirements also comprehensively demonstrate “special benefit.” These AB 1600 Nexus Studies are voluminous and will not be bound in this Report, but by this reference are incorporated as if attached to this Report. The plans and specifications related to the public improvements funded by these impact and connection fees are on file with the City of Morgan Hill, the County of Santa Clara, California, and/or associated public agencies in the region.

2. Capital Improvements

The construction of public infrastructure improvements is typically necessary as a condition of approval to develop a property. Where applicable, the developer is installing these public facilities, which are necessary for the ultimate completion of the projects. The capital improvements financed for the development project included within this Report provide direct and special benefit to the properties being assessed since they could not be developed with building structures without the installation of the District improvements.

a. Transportation Improvements

Road usage is typically computed on the basis of anticipated trip generation. The Hexagon Transportation Consultants, Inc. *Diamond Creek Villas Mixed-Use Development Traffic Impact Analysis* (“Traffic Study”), indicates peak hour trips per single-family, townhome, and apartment dwelling unit, as well as for various types of commercial development. As such, it is necessary to quantify the number of existing residential dwelling units and commercial/industrial square footage that are not adequately served by the current street and road facilities, and then determine the peak hour trips generated by this existing development based on trip count multipliers listed in the Traffic Study.

Following this, one must quantify the impacts of new development at the project's buildout on the listed intersection and road improvements using trip count multipliers for projected residential and commercial product types within the project, thereby creating a total trip count generated by the project at its buildout.

Finally, one must allocate a portion of total intersection improvement costs to the project based on the percentage of total peak hour trips (the sum of trips calculated above) that the project is expected to generate. Once the project's percentage of improvement costs has been calculated, individual parcels within this phase shall in turn be assigned their portions of costs based on their share of the total trips generated by the development.

b. Water Facilities

The primary determinant of sanitary sewer and water usage is the applicable population equivalent. For that reason, special benefit related to sanitary facilities is calculated using sewer and water usage data which indicates that residential wastewater flow rates are typically determined on the basis of residential density and product type and the average per capita contribution of wastewater. Similarly, sewer and water demand for commercial development is a function of the nature and intensity of use.

Water improvements within the District have been sized to meet the demands of only the new development under review, per discussions with the project's civil engineers.

C. Apportionment

The assessments for this development will be apportioned between the three (3) existing Assessor's Parcels on which the development is located based on projected unit counts within Diamond Creek. The assessments for the District may be subject to further apportionment since the property may experience lot line adjustments and/or subdivisions as properties are sold or lots and parcels are created. Upon recordation of subdivision, parcel or lot line adjustment maps, the assessment for the newly created parcels will be apportioned as described on the following pages.

1. Benefiting Properties within the District

At the time this Report was prepared, the development comprising this District consisted of three (3) Assessor's Parcels 767-23-026, 767-23-027, and 767-23-029, which encompass a current total gross acreage of 9.76 acres. The proposed development will consist of 50 single family units, 81 multi-family units, and 25,000 square feet of commercial retail (to be sited on Assessor's Parcel 767-23-027).

Each parcel will have certain improvements funded through SCIP and will be assessed

for such improvements financed through the District. At the time this Report was prepared, a Subdivision Improvement Agreement for Diamond Creek has been negotiated by and between the developer and the City of Morgan Hill. If building plans change or the existing parcels are not subdivided as planned, the assessment will be allocated to each new assessor's parcels in proportion to the original assessment based on the acreage of each assessor's parcel.

2. Benefit Analysis

Development Impact Fees

The method of apportionment established for the development reflects the proportional special benefit that each property receives from the levied developed impact fees. The assessments for this development will be apportioned onto the three (3) existing Assessor's Parcels on which the development is located based: first, on each parcel's projected share of the overall initial development impact fee burden, and thus the initial District assessment; and second, pro-rata by acreage, based on information provided by Santa Clara County and the project proponents.

If the existing parcels are subdivided at a future date, the assessments will be apportioned between the new Assessor's Parcels in proportion to the number of new single family and Multi-Family homes as well as Commercial Retail Square Footage on each parcel. In the absence of unit counts at the time of the reapportionment, the original assessment will be apportioned between the new parcels in *proportion* to the net acreage of the subdivided parcels.

Capital Improvement

The method of apportionment established for the Diamond Creek development reflects the proportional special benefit that the property receives from the improvements. For this residential and commercial development, it has been determined that the benefit to each of the fifty (50) single family residential is identical and that the most appropriate allocation of special benefit assessment is to assign to each property an amount equal to the total assessment amount associated with the single family residential property divided by the total number of approved single family residential units within the District, or one equivalent benefit unit ("EBU") for each proposed single-family residential unit. Likewise, the methodology for the eighty-one (81) multi-family residential, and the 25,000 square feet of commercial retail would be identical for each respective land use. The assessments for this development will be placed onto the currently existing assessor parcel on which the development is located.

The construction of the improvements associated with the Diamond Creek development provides a direct and special benefit to the properties in the development, for the ultimate purposes of ingress/egress, access, utility service, and drainage. The lots in the development could not be created nor the special benefit

enjoyed by the ultimate lot owners without the construction of these improvements, which were required in order for the property to be developed.

Because all future lots and parcels within the development which are proposed to have buildings constructed on them benefit from the District improvements, they will be assessed for the portion of the specific costs of the improvements that are attributable to them. Lots or areas which are designed as common lots for parking, landscaping, and/or ingress and egress for the site, and which service the lots with building or storage uses within the development and which are not expected to have buildings located on them, will not be assessed.

Transportation improvements are typically computed on the basis of anticipated trip generation. The Traffic Study indicates peak hour trips per single-family, townhome, and apartment dwelling unit, as well as for various types of commercial development. The table below, summarizes the allocation used for transportation improvements based on peak hour trips.

Land Use	Daily Trips	Allocation Percent	Total Cost Allocation
<i>Residential Units (% of Gross Trips)</i>	637	37.83%	\$243,069
<i>Commercial Sq. Ft. (% of Gross Trips)</i>	1047	62.17%	\$399,518
Gross Project Trips	1684	100%	\$642,588
Less: Existing Site (Driveway Count)	(240)	-14.25%	(\$91,199)
Total Net Project Trips	1445	85.81%	\$551,389
<i>Residential Units (% of Net Trips)</i>	N/A	32.46%	\$208,572
<i>Commercial Sq. Ft. (% of Net Trips)</i>	N/A	53.35%	\$342,817

To analyze water improvements, the weighted average water demand factor for a Single-Family Detached dwelling unit, as well as the demand factors for Multi-Family, Retail, and Other Non-Residential Land Uses, were based directly on average usage factors derived from statistics obtained from the State of California Department of Water Resources. The residential water demand was quantified as the number of gallons used per day per dwelling unit, while non-residential water demand was quantified as gallons per day per 1,000 building square feet. The table below summarizes the allocation to the various land uses in the project.

Land Use Classification	Water Demand (GPD)	Unit of Measurement	EDU Factor	Units/Sq. Ft.	EDUs	Allocation
Single-Family	339	Dwelling Unit	1.00	50.00	50.00	48.80%
Multi-Family	156	Dwelling Unit	0.46	81.00	37.27	36.38%
Commercial/Institutional	206	1,000 Building Square Feet	0.61	25.00	15.19	14.83%
Industrial	34	1,000 Building Square Feet	0.10	0.00	0.00	0.00%
					102.47	100%

D. Conclusion

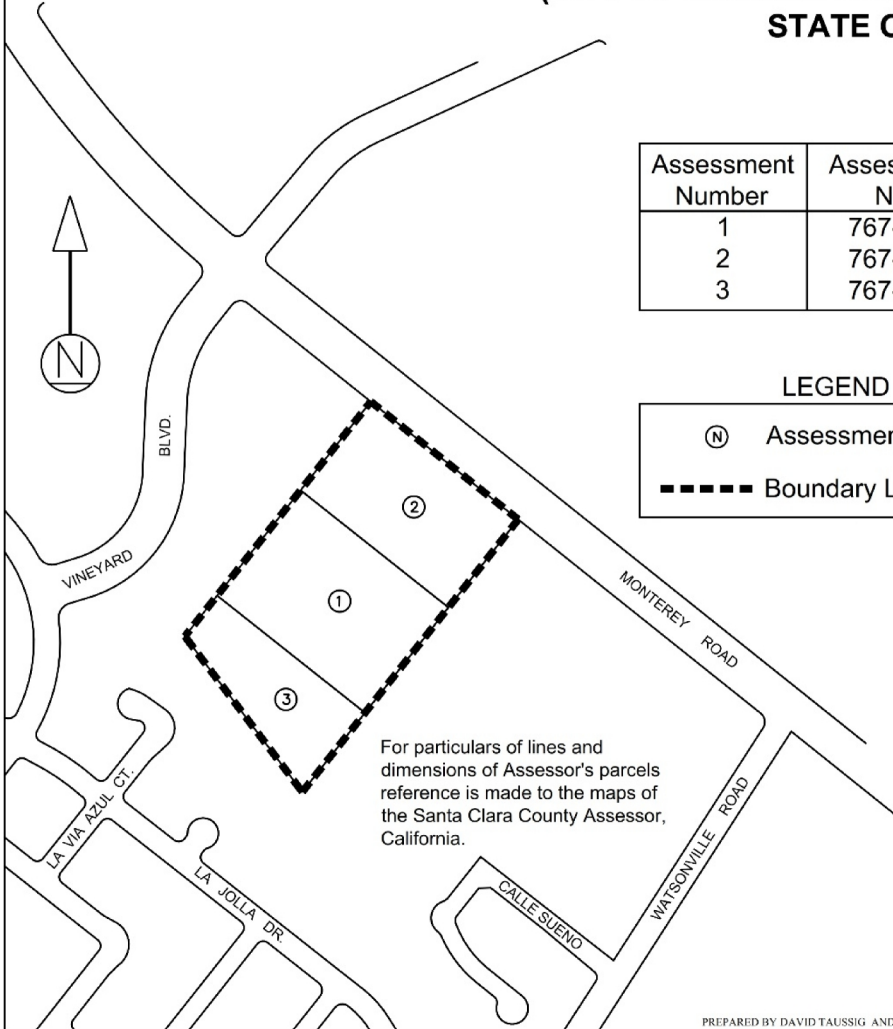
In conclusion, it is the Assessment Engineer's opinion that the assessments for the California Statewide Communities Development Authority (Statewide Communities Infrastructure Program) Assessment District No. 14-01 (City of Morgan Hill, County of Santa Clara, California) are allocated in accordance with the direct and special benefit which the land receives from the Works of Improvement in compliance with the requirements of Article XIID of the California Constitution.

A Boundary Map showing the Assessment District, including the boundaries and dimensions of the parcels, lots, or subdivisions of land within the Assessment District as they existed at the time of the passage of the Resolution of Intention, is filed with and made a part of this Report and part of the assessment. Each of the subdivisions of land, parcels, or lots has been given a separate number on the Boundary Map that corresponds with the assessment number shown on the Assessment Roll.

The Assessment Diagram will be filed with the Final Engineer's Report at the time of the passage of the Resolution of Formation.

SHEET 1 OF 1

**PROPOSED BOUNDARIES OF
CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY
STATEWIDE COMMUNITIES INFRASTRUCTURE PROGRAM
ASSESSMENT DISTRICT NO. 14-01
(CITY OF MORGAN HILL, COUNTY OF SANTA CLARA)
STATE OF CALIFORNIA**



Assessment Number	Assessor Parcel Number
1	767-023-026
2	767-023-027
3	767-023-029

LEGEND

(N)	Assessment Number
-----	Boundary Line

Filed this _____ day of _____, 201__, at the hour of _____ o'clock ____ m., in book _____ of Maps of Assessment and Community Facilities Districts at page _____ in the office of the Recorder of the County of Santa Clara, State of California.

By Deputy,
County Recorder, County of Santa Clara

Recorded in the office of the Superintendent of Streets of the Commission of the California Statewide Communities Development Authority on the _____ day of _____, 201__.

Superintendent of Streets
California Statewide Communities Development Authority

I hereby certify that the within map showing proposed boundaries of California Statewide Communities Development Authority, Statewide Communities Infrastructure Program, Assessment District No. 14-01 (City of Morgan Hill, County of Santa Clara), State of California, was approved by the Commission of the California Statewide Communities Development Authority at a regular meeting thereof, held on the _____ day of _____, 201__, by its resolution No. _____.

Secretary of the Authority
California Statewide Communities Development Authority

PREPARED BY DAVID TAUSSIG AND ASSOCIATES, INC.

In addition to or as a part of the assessment lien levied against each parcel of land within the District, each parcel of land shall also be subject to an annual administrative cost add-on to pay costs incurred by the Authority and not otherwise reimbursed which results from the administration and collection of assessments or from the administration or registration of any bonds and/or reserve or other related funds. The maximum total amount of such annual administrative cost add-on for the Assessment District will not exceed five percent (5.00%) of the initial annual principal and interest amount, subject to an increase annually by the positive change, if any, in the consumer price index (CPI) for the San Francisco-Oakland-San Jose area. Each parcel's share of the administrative cost add-on shall be computed based on the parcel's proportionate share of its annual assessment.

(Compliance with Part 7.5 of Division 4 of the Streets and Highways Code)

Pursuant to Sections 2960, 2961 and 10200 of the Streets and Highways Code, the Commission of the California Statewide Communities Development Authority intends to comply with the requirements of the Special Assessment Investigation, Limitations and Majority Protest Act of 1931 by proceeding under Part 7.5 of Division 4 of the Streets and Highways Code.

We are not aware of any prior assessment liens for the properties located within California Statewide Communities Development Authority (Statewide Communities Infrastructure Program) Assessment District No. 14-01 (City of Morgan Hill, County of Santa Clara, California).

The total confirmed assessment liens for California Statewide Communities Development Authority (Statewide Communities Infrastructure Program) Assessment District No. 14-01 (City of Morgan Hill, County of Santa Clara, California) equals \$5,023,582.

The County of Santa Clara's assessed value of the parcels within California Statewide Communities Development Authority (Statewide Communities Infrastructure Program) Assessment District No. 14-01 (City of Morgan Hill, County of Santa Clara, California) totals \$7,969,259.

One-half of the assessed value of the parcels within California Statewide Communities Development Authority (Statewide Communities Infrastructure Program) Assessment District No. 14-01 (City of Morgan Hill, County of Santa Clara, California) totals \$3,984,629.50.

The value-to-lien based on the County of Santa Clara's assessed value for all properties located in the District is 1.59.

An appraisal is being performed by the firm of Seevers, Jordan and Ziegenmeyer (SJZ) for the appraised value of the parcels located within California Statewide Communities Development Authority (Statewide Communities Infrastructure Program) Assessment District No. 14-01 (City of Morgan Hill, County of Santa Clara, California) and will be incorporated into the Final Engineer's Report.

[http://localhost/resources/Clients/SCIP/Morgan Hill \(Diamond Creek\)/Engineer Report/CSCDA AD No 14-01 \(Santa Clara County\) Engineer's Report \(Preliminary 12.10.2013\).docx](http://localhost/resources/Clients/SCIP/Morgan Hill (Diamond Creek)/Engineer Report/CSCDA AD No 14-01 (Santa Clara County) Engineer's Report (Preliminary 12.10.2013).docx)

Attachment 1

Assessment District No. 14-01
California Statewide Communities Development Authority
(Statewide Communities Infrastructure Program)
City of Morgan Hill, County of Santa Clara

Assessment Roll

(Please See Section VI)

RESOLUTION NO. _____

RESOLUTION OF INTENTION OF THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY TO FINANCE CAPITAL IMPROVEMENTS AND THE PAYMENT OF DEVELOPMENT IMPACT FEES FOR PUBLIC IMPROVEMENTS IN THE PROPOSED ASSESSMENT DISTRICT NO. 14-01 (CITY OF MORGAN HILL, COUNTY OF SANTA CLARA, CALIFORNIA), APPROVING A PROPOSED BOUNDARY MAP, MAKING CERTAIN DECLARATIONS, FINDINGS AND DETERMINATIONS CONCERNING RELATED MATTERS, AND AUTHORIZING RELATED ACTIONS IN CONNECTION THEREWITH

WHEREAS, under the authority of the Municipal Improvement Act of 1913 (the “1913 Act”), being Division 12 (commencing with Sections 10000 and following) of the California Streets and Highways Code (the “Code”), the Commission (the “Commission”) of the California Statewide Communities Development Authority (the “Authority”) intends to finance, through its Statewide Community Infrastructure Program, certain capital improvements (the “Improvements”) and the payment of certain development impact fees for public improvements (the “Improvement Fees”) as described in Exhibit A attached hereto and by this reference incorporated herein, all of which are of benefit to the proposed Statewide Community Infrastructure Program Assessment District No. 14-01 (City of Morgan Hill, County of Santa Clara, California) (the “Assessment District”); and

WHEREAS, the Commission finds that the land specially benefited by the financing of the Improvements and the Improvement Fees is shown within the boundaries of the map entitled “Proposed Boundaries of California Statewide Communities Development Authority Statewide Community Infrastructure Program Assessment District No. 14-01, City of Morgan Hill, County of Santa Clara, California,” a copy of which map is on file with the Secretary and presented to this Commission meeting, and determines that the land within the exterior boundaries shown on the map shall be designated “Statewide Community Infrastructure Program Assessment District No. 14-01 (City of Morgan Hill, County of Santa Clara, California)”;

WHEREAS, the City of Morgan Hill is a member of the Authority and has approved the adoption on its behalf of this Resolution of Intention and has consented to the levy of the assessments in the Assessment District;

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

1. The above recitals are true and correct, and the Commission so finds and determines.
2. Pursuant to Section 2961 of the Special Assessment Investigation, Limitation and Majority Protest Act of 1931 (the “1931 Act”), being Division 4 (commencing with Section

2800) of the Code, the Commission hereby declares its intent to comply with the requirements of the 1931 Act by complying with Part 7.5 thereof.

3. The Commission has designated a registered, professional engineer as Engineer of Work for this project, and hereby directs said firm to prepare the report containing the matters required by Sections 2961(b) and 10204 of the Code, as supplemented by Section 4 of Article XIIIID of the California Constitution.

4. The proposed boundary map of the Assessment District is hereby approved and adopted. Pursuant to Section 3111 of the Code, the Secretary of the Authority is directed to file a copy of the map in the office of the County Recorder of the County of Santa Clara within fifteen (15) days of the adoption of this resolution.

5. The Commission determines that the cost of financing the Improvements and the payment of the Improvement Fees shall be specially assessed against the lots, pieces or parcels of land within the Assessment District benefiting from the financing of the Improvements and payment of the Improvement Fees. The Commission intends to levy a special assessment upon such lots, pieces or parcels in accordance with the special benefit to be received by each such lot, piece or parcel of land, respectively, from the financing of the Improvements and the payment of the Improvement Fees.

6. The Commission intends, pursuant to subparagraph (f) of Section 10204 of the Code, to provide for an annual assessment upon each of the parcels of land in the proposed assessment district to pay various costs and expenses incurred from time to time by the Authority and not otherwise reimbursed to the Authority which result from the administration and collection of assessment installments or from the administration or registration of the improvement bonds and the various funds and accounts pertaining thereto.

7. Bonds representing unpaid assessments, and bearing interest at a rate not to exceed twelve percent (12%) per annum, will be issued in the manner provided by the Improvement Bond Act of 1915 (Division 10 of the Code), and the last installment of the bonds shall mature not to exceed thirty (30) years from the second day of September next succeeding twelve (12) months from their date.

8. The procedure for the collection of assessments and advance retirement of bonds under the Improvement Bond Act of 1915 shall be as provided in Part 11.1 thereof.

9. Neither the Authority nor any member agency thereof will obligate itself to advance available funds from its or their own funds or otherwise to cure any deficiency which may occur in the bond redemption fund. A determination not to obligate itself shall not prevent the Authority or any such member agency from, in its sole discretion, so advancing funds.

10. The amount of any surplus remaining in the improvement fund after completion of the Improvements and payment of the Improvement Fees and all other claims shall be distributed in accordance with the provisions of Section 10427.1 of the Code.

11. To the extent any Improvement Fees are paid to the Authority in cash with respect to property within the proposed Assessment District prior to the date of issuance of the bonds,

the amounts so paid shall be reimbursed from the proceeds of the bonds to the property owner or developer that made the payment.

PASSED AND ADOPTED by the California Statewide Communities Development Authority this December 19, 2013.

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 19, 2013.

By _____
Authorized Signatory
California Statewide Communities
Development Authority

EXHIBIT A

DESCRIPTION OF WORK

The payment of development impact fees levied by the City of Morgan Hill upon parcels within the District, which are authorized to be financed pursuant to the Municipal Improvement Act of 1913 and as to which the owners of the applicable parcels have applied for participation in SCIP, as more particularly described below.

PAYMENT OF IMPACT FEES

1. Water Connection Fee
2. Sewer Fee
3. Storm Drain Fee
4. Park Fee
5. Local Traffic Fees
6. Measure C Fees

CAPITAL IMPROVEMENTS

1. Street / Roadway
2. Storm Drain
3. Sanitary Sewer
4. Water

RESOLUTION NO. _____

**RESOLUTION PRELIMINARILY APPROVING ENGINEER'S REPORT,
SETTING DATE FOR PUBLIC HEARING OF PROTESTS AND PROVIDING
FOR PROPERTY OWNER BALLOTS FOR CALIFORNIA STATEWIDE
COMMUNITIES DEVELOPMENT AUTHORITY STATEWIDE COMMUNITY
INFRASTRUCTURE PROGRAM ASSESSMENT DISTRICT NO. 14-01 (CITY
OF MORGAN HILL, COUNTY OF SANTA CLARA, CALIFORNIA)**

WHEREAS, at the direction of this Commission, David Taussig & Associates, as Engineer of Work for improvement proceedings in California Statewide Communities Development Authority Statewide Community Infrastructure Program Assessment District No. 14-01 (City of Morgan Hill, County of Santa Clara, California) has filed with the Authority the report described in Section 10204 of the Streets and Highways Code (Municipal Improvement Act of 1913, hereafter in this resolution referred to as "the Act"), and containing the matters required by Article XIID of the California Constitution ("Article XIID"), and it is appropriate for this Commission to preliminarily approve said report and to schedule the public hearing of protests respecting said report.

NOW, THEREFORE, THE COMMISSION OF THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY HEREBY FINDS, DETERMINES AND RESOLVES as follows:

Section 1. The foregoing recital is true and correct, and this Commission so finds and determines.

Section 2. This Commission preliminarily approves the report without modification, for the purpose of conducting a public hearing of protests as provided in the Act, Article XIID, and Section 53753 of the California Government Code ("Section 53753"). Said report shall stand as the report for the purpose of all subsequent proceedings under the Act and Section 53753, except that it may be confirmed, modified, or corrected as provided in the Act.

Section 3. This Commission hereby sets 10:00 a.m., or as soon thereafter as the matter may be heard, on February 6, 2014 at the office of the League of California Cities, 1400 K Street, 3rd Floor, Sacramento, California, as the time and place for a public hearing of protests to the proposed financing of public capital improvements, the proposed levy of assessments, the amounts of individual assessments, and related matters as set forth in said report, and any interested person may appear and object to said financing of public capital improvements, or to the extent of said assessment district or to said proposed assessment.

Section 4. Staff is hereby directed to cause a notice of said public hearing to be given by mailing notices thereof, together with assessment ballots, in the time, form and manner provided by Section 53753, and upon the completion of the mailing of said notices and assessment ballots, staff is hereby directed to file with the Engineer of Work an affidavit setting forth the time and manner of the compliance with the requirements of law for mailing said notices and assessment ballots.

Section 5. David Taussig & Associates, Engineer of Work, 2250 Hyde Street, 5th Floor, San Francisco, California 94109, (415) 962-1480, is hereby designated to answer inquiries regarding the report and the protest proceedings.

PASSED AND ADOPTED by the California Statewide Communities Development Authority
this 19th day of December, 2014.

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 19, 2014.

By _____
Authorize Signatory
California Statewide Communities
Development Authority

Item IX

Discussion and approval of Resolution Authorizing the Issuance of Bonds not to exceed \$220,000 for Softcom under the CaliforniaFirst PACE Program, City of Galt, County of Sacramento. (Staff: James Hamill)

SUMMARY AND APPROVALS

PROGRAM: CALIFORNIAFIRST
PURPOSE: CONSIDERATION AND APPROVAL OF CALIFORNIAFIRST PROJECT FOR THE CITY OF GALT, COUNTY OF SACRAMENTO
DATE: DECEMBER 19, 2013

Background:

In 2010, the Commission formed the CaliforniaFirst program to finance energy efficient projects through a contractual assessment. The following is a summary of a commercial project (the “Project”) for approval in City of Galt, Sacramento County. The Project meets the criteria established by the Commission to participate in the CaliforniaFIRST program.

Project Description:

Jurisdiction: City of Galt, County of Sacramento

Property Owner: SoftCom (data center for high speed Internet solutions)

Project Scope: Solar PV

Bond Amount: \$215,000

Energy Savings: SoftCom is in the process of expanding their operations and therefore will have greater energy use. The solar PV will allow them to increase their energy capacity by 115%, at a lower cost than their current energy bill.

Interest Rate: 7.01%

Financing Approval:

Based on the overall public benefit of the Project as outlined in Attachment I, the Authority shall approve the Resolution as submitted and attached, which:

1. Approves the issuance of the Bonds,
2. Approves all necessary actions and documents for the financing; and
3. Authorizes any member of the Authority’s Commission or Authorized Signatory to sign all necessary documents.

Attachment I

Public Benefit:

The Project provides energy efficient solar power to Softcom whose energy needs continue to be significant as they grow. The Project allows growth to be accomplished through cost-effective measures, in addition to providing green solutions.

Finance Team:

- Bond Counsel: Jones Hall, San Francisco, CA
- Bond Purchaser: Clean Fund LLC, Sausalito, CA

Financing Structure:

The Bond is expected to be unrated for a term of 20 years. The Bonds will be privately placed. The total bond issuance is not to exceed \$220,000, and the Bonds will be sold in compliance with the Authority's issuance policies.

RESOLUTION NO. _____

**A RESOLUTION AUTHORIZING ISSUANCE OF BONDS CAPTIONED
“CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT
AUTHORITY, CALIFORNIA FIRST LIMITED OBLIGATION
IMPROVEMENT BONDS, SERIES 2014-NR1,” APPROVING AND
DIRECTING THE EXECUTION OF RELATED DOCUMENTS AND
APPROVING RELATED DOCUMENTS AND ACTIONS**

WHEREAS, this Commission has conducted proceedings under Resolution No. 10R-5, entitled “Resolution Declaring Intention to Finance Installation of Distributed Generation Renewable Energy Sources, Energy Efficiency and Water Efficiency Improvements” (the “Resolution of Intention”), which this Commission adopted on January 27, 2010, under Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California in accordance with Chapter 29 of Part 3 of Division 7 of the Streets & Highways Code of the State of California (the “Act”), to authorize the levy of contractual assessments to finance the installation of distributed generation renewable energy sources, and energy efficiency and water efficiency improvements that are permanently fixed to real property (the “Authorized Improvements”), all as described therein; and

WHEREAS, as a result of its proceedings under a resolution adopted on March 10, 2010, entitled “Resolution Confirming Report Relating to the Financing of Installation of Distributed Generation Renewable Energy Sources, and Energy Efficiency and Water Efficiency Improvements and Approving and Ordering Other Related Matters” (the “Resolution Confirming Report”), which this Commission adopted on March 10, 2010, the Authority has established the CaliforniaFIRST Program in the County of Sacramento (the “County”); and

WHEREAS, pursuant to the Act and the Resolution Confirming Report, (i) the Authority is authorized to enter into contractual assessments to finance the installation of Authorized Improvements on parcels in the County that the Authority has placed into a “residential pool” of properties (the “Residential Pool”), (ii) the Authority is authorized to enter into contractual assessments to finance the installation of Authorized Improvements on parcels in the County that the Authority has placed into a “non-residential pool” of properties (the “Non-Residential Pool”) and (iii) the Authority is authorized to enter into contractual assessments to finance the installation of Authorized Improvements on one or more individual parcels that have not been placed in either the Residential Pool or the Non-Residential Pool (the “Non-Pooled Properties”); and

WHEREAS, pursuant to the Resolution Confirming Report, this Commission, among other things, confirmed and approved a report that, as subsequently amended, addressed all the matters set forth in Sections 5898.22 and 5898.23 of the Act, including a form of assessment contract between the Authority and property owners participating in the CaliforniaFIRST Program providing for payment of contractual assessments; and

WHEREAS, pursuant to the Resolution of Intention, this Commission has provided for the issuance of one or more series of improvement bonds pursuant to the Improvement Bond Act of 1915, Division 10 of the Streets and Highways Code of the State of California (the “Bond Law”); and

WHEREAS, this Commission adopted its Resolution No. 10R-51 for the County on March 10, 2010, entitled “A Resolution Authorizing Issuance of Limited Obligation Improvement Bonds, Approving and Directing the Execution of Related Documents and Approving Related Documents and Actions” (the “Program Resolution of Issuance”), pursuant to which it (among other things) authorized the issuance of one or more series of local obligation bonds secured by contractual assessments levied on Non-Pooled Properties (“Non-Pooled Bonds”) and approved a form of indenture for Non-Pooled Bonds (“Non-Pooled Indenture”); and

WHEREAS, on August 17, 2012, the Superior Court of the County of Sacramento filed a default judgment in the validation action entitled “California Statewide Communities Development Authority v. All Persons Interested in the Matter of California Communities’ “CaliforniaFIRST” Property Assessed Clean Energy (“PACE”) Program Established in Certain Counties and Cities, Including the Adoption of Resolutions and the Authorization of the Matters Therein, and all Bonds, Contracts, Contractual Assessments, and other Matters and Proceedings Related Thereto,” Case No. 34-2012-00121447, pursuant to which, among other things, the court ordered that all persons are thereby permanently enjoined and restrained from the institution of any action or proceeding challenging, inter alia, the validity of the contractual assessments and forms of the assessment contract, Non-Pooled Bonds, and Non-Pooled Indenture; and

WHEREAS, the Authority wishes to issue a series of Non-Pooled Bonds to be captioned “California Statewide Communities Development Authority, California FIRST Limited Obligation Improvement Bonds, Series 2014-NR1” (the “Bonds”) for the purpose of providing financing for Authorized Improvements to Assessor’s Parcel No. 150-0710-001-0002 located within the County; and

WHEREAS, all conditions, things and acts required to exist, to have happened and to have been performed precedent to and in the issuance of the Bonds exist, have happened and have been performed in due time, form and manner as required by the laws of the State of California, including the Act and the Bond Law;

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

1. Pursuant to the Bond Law, this Resolution and the Indenture (the “Indenture”) between the Authority and Wilmington Trust, National Association, as trustee, the Bonds are hereby authorized to be issued in the aggregate principal amount not to exceed \$220,000. The Bonds shall be executed in the form, mature, and be payable in the priorities and bear interest at the rates as provided in the Indenture, which the Commission confirms is substantially in the form approved by it under the Program Resolution of Issuance. The Commission finds that the issuance of the Bonds complies with the Act, Bond Law and Program Resolution of Issuance.

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

3. The Commission hereby approves the assessment contract entitled "Agreement to Pay Assessment and Finance Improvements" (the "Assessment Contract") in substantially the form on file with the Secretary, together with any changes therein or additions thereto approved by an Authorized Signatory of the Authority (as designated by a current resolution of the Commission), and the execution thereof by an Authorized Signatory shall be conclusive evidence of the approval of any such changes or additions. The Commission hereby authorizes and directs an Authorized Signatory to execute the final form of Assessment Contract for and in the name of the Authority in connection with the issuance of the Bonds. The Commission hereby authorizes the delivery and performance of the Assessment Contract in connection with the Bonds.

4. Each Authorized Signatory of the Authority is hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and direct recordation with the County recorder of a Payment of Contractual Assessment Required (pursuant to Section 5898.24(d)(1) of the Act) and notice of assessment (pursuant to Section 5898.32 of the Act) and do any and all other things and take any and all other actions, including execution and delivery of any and all assignments, certificates, requisitions, agreements, notices, consents, instruments of conveyance, warrants and other documents, that they, or any of them, may deem necessary or advisable in order to consummate the issuance and sale of the Bonds and any of the other transactions contemplated by the documents approved pursuant to this Resolution. All actions heretofore taken by the officers and agents of the Authority with respect to the sale and issuance of the Bonds are hereby approved, confirmed and ratified.

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

PASSED AND ADOPTED by the California Statewide Communities Development Authority this 19th day of December 2013.

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 19, 2013.

By: _____
Authorized Signatory
California Statewide
Communities Development
Authority

Item X

Discussion and approval of CSCDA issuer counsel pursuant to request for proposals. (Issuer Counsel Ad Hoc Committee)

SUMMARY AND APPROVALS

DATE: DECEMBER 19, 2013

REQUEST: DISCUSS AND APPROVE AD HOC COMMITTEE RECOMMENDATION FOR
CSCDA ISSUER COUNSEL

Background/Discussion:

Pursuant to the CSCDA Professional Services Contract Policy the Commission authorized the issuance of a request for proposals for issuer counsel services. The following is a summary of the process:

- The request for proposals (RFP) was emailed to ten (10) law firms both local and national in scope. In addition the RFP was posted on the CSCDA website and posted for two weeks in The Bond Buyer which is the daily publication for public finance.
- CSCDA received five (5) proposals from the following firms: (1) Hawkins, Delafield & Wood; (2) Nixon Peabody; (3) Fulbright Jaworski; (4) Orrick, Herrington & Sutcliffe (CSCDA's current issuer counsel); and (5) Goodwin Proctor.
- An ad hoc committee of Commissioners Schutten, Stenbakken & Snellings appointed to review proposals and submit a recommendation back to the Commission.
- The ad hoc committee met in person on December 5, 2013 to discuss/evaluate the proposals and finalized a recommendation to the Commission.

The ad hoc committee recommendation is Orrick, Herrington & Sutcliffe. The recommendation is based upon a number of factors including fees, legal team, and office locations.

Recommendations:

After review of the submissions the ad hoc committee makes the following recommendation to the Commission for issuer counsel services:

- Award Orrick, Herrington & Sutcliffe the contract through 2016 pursuant to the three year CSCDA professional services policy with the new contract beginning on January 1, 2014;
- Orrick, Herrington & Sutcliffe to submit an engagement letter for review to CSCDA's General Counsel and approval by the Commission.

Item XIII

Semi-annual Compliance update of the CSCDA affordable housing portfolio. (Staff: Caitlin Lanctot)

SUMMARY/INFORMATIONAL ITEM

PROGRAM: MULTIFAMILY AFFORDABLE HOUSING
PURPOSE: SEMI-ANNUAL COMPLIANCE REVIEW OF THE AFFORDABLE MULTIFAMILY PORTFOLIO
DATE: DECEMBER 19, 2013

Background:

At the June 27, 2013 Annual Commissioner Workshop, the Commission requested that staff provide a semi-annual report on the compliance status of the multifamily affordable housing properties financed by CSCDA. As of December 15, 2013 the compliance status of the portfolio is as follows:

- Staff monitors 608 affordable properties, representing nearly 69,000 units. Of all units, nearly 55,900 are restricted for affordable housing.
- 18 projects are under construction.
- 583 projects are in compliance.
- 7 projects are out of compliance, but there are no materially non-compliant properties.
 - 5 properties have outstanding file audits (over 90 days old). Owners have been notified on all projects to put pressure on management. All but one project has been cooperative and responding to ongoing request for file information.
 - 1 property has overdue reports from October. Site manager and regional compliance manager have been reminded via email and phone call.
 - 1 property has 1 unit with a late recertification. Management has been reminded to recertify unit by the next reporting period.
- The portfolio is 98.8% compliant with affordable agreements.

In the coming months, staff will collect and review quarterly reports in January and April and submit annual certificates of compliance to the California Debt Limit Allocation Committee (CDLAC) in March.