



REGULAR MEETING AGENDA

December 19, 2019 at 2:00 p.m.

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

Telephonic Locations:

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

City of Sausalito
420 Litho Street, Sausalito, CA 94965

City of Lafayette
3675 Mt. Diablo Blvd., Suite 210
Lafayette, CA 94549

709 Portwalk Place
Redwood City, CA 94061

County of Kern
1115 Truxtun Avenue, Bakersfield, CA 93301

A. OPENING AND PROCEDURAL ITEMS

1. Roll Call.

<input type="checkbox"/> Larry Combs, Chair	<input type="checkbox"/> Jordan Kaufman, Member
<input type="checkbox"/> Kevin O'Rourke, Vice Chair	<input type="checkbox"/> Marcia Raines, Member
<input type="checkbox"/> Tim Snellings, Secretary	<input type="checkbox"/> Michael Cooper, Alt. Member
<input type="checkbox"/> Brian Moura, Treasurer	<input type="checkbox"/> Niroop Srivatsa, Alt. Member
<input type="checkbox"/> Dan Mierzwa, Member	
2. Consideration of the Minutes of the December 5, 2019 Regular Meeting.
3. Consent Calendar.
4. Public Comment.
5. Recognition of Larry Combs's Service to CSCDA.

B. ITEMS FOR CONSIDERATION

6. Consider Setting Location, Date and Time of Annual Meeting to January 9, 2020 at 9:00 AM at Carmel Valley Ranch, One Old Ranch Road, Carmel, California 93923.

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C. STAFF ANNOUNCEMENTS, REPORTS ON ACTIVITIES OR REQUESTS

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

NEXT MEETING: Thursday, January 9, 2020 at 9:00 a.m.
Carmel Valley Ranch
One Old Ranch Road, Carmel, CA 93923

CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY

CONSENT CALENDAR

1. Inducement of St. Michaels, LP (St. Michael's Community Housing), City of Riverside, County of Riverside; issue up to \$15 million in multi-family housing revenue bonds.
2. Consideration of membership renewal with the Council of Development Finance Agencies (CDFA).
3. Consideration of membership and sponsorship renewal with the California Council of Affordable Housing (CCAH).
4. Consideration of Legal Services Agreement with Allen Matkins related to Commercial PACE delinquency.
5. Consideration of PACE foreclosure resolution related to San Luis Obispo County.
6. Consideration of agreement for services with DTA with assessment administrator services related to LordCap's commercial PACE program.

December 19, 2019



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MINUTES

REGULAR MEETING OF THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY

December 5, 2019 at 2:00 p.m.

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

Commission Chair Larry Combs called the meeting to order at 2:01 pm.

1. Roll Call.

Commission members present:

Commission members participating via teleconference: Larry Combs, Kevin O'Rourke, Tim Snellings, Brian Moura, Dan Mierzwa, Jordan Kaufman, Marcia Raines, and Michael Cooper.

Others present:

Others participating via teleconference: Cathy Bando, CSCDA Executive Director; James Hamill, Bridge Strategic Partners; Jon Penkower, Bridge Strategic Partners; Tricia Ortiz, Richards Watson & Gershon; and Sedy Young, CSAC Finance Corporation.

2. Consideration of the Minutes of November 21, 2019 Regular Meeting.

The Commission approved the November 21, 2019 Regular Meeting minutes.

Motion to approve by K. O'Rourke. Second by T. Snellings. Unanimously approved by roll-call vote. M. Raines did not vote.

3. Public Comment.

There was no public comment.

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

- a. Centralia Affordable Communities, L.P. (Hawaiian Gardens Apartments), City of Hawaiian Gardens, County of Los Angeles; issue up to \$130,000,000 in multi-family housing revenue bonds.

Executive Director Bando gave an overview of the project, and the financing complies with CSCDA's general and issuance policies. The project is the acquisition and rehabilitation of a 264-unit rental affordable housing project. 100% of the units will remain rent restricted for low-income tenants. Islas has previously constructed or rehabilitated more than 18 multifamily properties including more than 15 financings with CSCDA. CSCDA's Executive Director recommended that the Commission adopt the resolution.

Motion to approve by B. Moura. Second by J. Kaufman. Unanimously approved by roll-call vote.

- b. El Centro Affordable Communities, L.P. (Desert Villas), City of El Centro, County of Imperial; issue up to \$25,000,000 in multi-family housing revenue bonds.

Executive Director Bando gave an overview of the project, and the financing complies with CSCDA's general and issuance policies. Desert Villas is an acquisition and rehabilitation of a 172-unit rental affordable housing project. 100% of the units will remain rent restricted for low-income tenants. Islas has previously constructed or rehabilitated more than 18 multifamily properties including more than 15 financings with CSCDA. CSCDA's Executive Director recommended that the Commission adopt the resolution.

Motion to approve by D. Mierzwa. Second by T. Snellings. Unanimously approved by roll-call vote.

5. Executive Director Update.

Executive Director Bando informed the Commission that she and staff represented CSCDA at the CSAC Annual Meeting in San Francisco this week.

She also reminded the Commission that the CSCDA Holiday Party would be held at Ella on December 19th right after the CSCDA Regular Meeting. The CSCDA Annual Meeting will follow January 8-10th in Carmel. She gave a brief outline of what to expect during those three days.

6. Staff Update.

Staff asked interested Commission Members to submit topics of discussion for the Annual Meeting agenda.

7. Adjourn.

The meeting was adjourned at 2:15 p.m.

Submitted by: Sendy Young, CSAC Finance Corporation

NEXT MEETING: Thursday, December 19, 2019 at 2:00 p.m.
California State Association of Counties
1100 K Street, 1st Floor, Sacramento, CA 95814



Agenda Item No. 3

Agenda Report

DATE: December 19, 2019
TO: CSCDA COMMISSIONERS
FROM: Cathy Bando, Executive Director
PURPOSE: Consent Calendar

SUMMARY:

2. Consideration of membership renewal with the Council of Development Finance Agencies (CDFA) and the California Council for Affordable Housing (CCAH).

CDFA is the national development finance association for conduit issuers and the association represents the interests of conduit issuers in Washington DC. The annual membership cost is \$850.

3. Consideration of membership and sponsorship renewals with the California Council for Affordable Housing (CCAH).

CCAH (California Council for Affordable Housing) is a tax-exempt nonprofit organization dedicated to facilitating the development and expansion of affordable housing in the State of California. CCAH devotes its resources to tracking relevant state and federal legislation, monitoring current housing development and finance programs, making recommendations on appropriate housing and programs, and keeping the CCAH membership informed about these matters. CCAH sponsors two annual statewide conferences and presents special seminars on a wide range of topics facing the affordable housing industry. The annual membership cost is \$750. The Bronze Level Conference Sponsorship is \$1,500 for each of the fall and spring conferences. This sponsorship provides CSCDA's logo on all conference materials and one registration. CSCDA staff will be attending the conferences.

4. Consideration of Legal Services Agreement with Allen Matkins related to Commercial PACE delinquency.

CSCDA issued bonds for a hotel project in the City of Coachella that included a Commercial PACE component. The property owner has defaulted on the mortgage for the property, and PACE Equity, the PACE administrator, has requested to retain counsel to ensure that the bondholder rights are protected. PACE Equity and the property owner will be responsible for

the legal fees, not CSCDA. Allen Matkins currently represents CSCDA in the bankruptcy proceedings for Verity Health related to its PACE financing. CSCDA General Counsel has reviewed the agreement. <https://www.dropbox.com/s/wlpgr8rxqk2s67/Allen%20Matkins%20-%20CSCDA%20Engagement.pdf?dl=0>

5. Consideration of PACE foreclosure resolution related to San Luis Obispo County.

San Luis Obispo County annually removes delinquent PACE installments from its tax rolls in order for CSCDA to address the delinquencies. The attached resolution is the action taken by the Commission to allow CSCDA Foreclosure Counsel, Stradling, Yocca Rauth & Carlson to address the delinquencies. The subject property owners will receive a letter from counsel prior to commencing foreclosure actions allowing the property owner to cure the delinquency. https://www.dropbox.com/s/s02u7kymaj4izxf/Resolution%20to%20Initiate%20Foreclosure%20-%28PACE%20SLO%29%204812-7228-6636_1.docx?dl=0

6. Consideration of agreement for services with DTA with assessment administrator services related to LordCap's commercial PACE program.

LordCap is an approved Commercial PACE provider for CSCDA Open PACE. LordCap has engaged DTA as its assessment administrator for its program. The assessment administrator is levying the assessment on behalf of CSCDA and as such requires the agreement to be with CSCDA. CSCDA General Counsel has reviewed the agreement. <https://www.dropbox.com/s/76cupyvp387muhb/CA%20CPACE%20Lord%20Capital%2005.pdf?dl=0>

RESOLUTION NO. 19H-__

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

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

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

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

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

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

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

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

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

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

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

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

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

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

PASSED AND ADOPTED by the California Statewide Communities Development Authority this December 19, 2019.

The undersigned, an Authorized Signatory of the California Statewide Communities Development Authority, DOES HEREBY CERTIFY that the foregoing resolution was duly adopted by the Commission of said Authority at a duly called meeting of the Commission of said Authority held in accordance with law on December 19, 2019.

By: _____
Authorized Signatory

EXHIBIT A

Project Name	Project Location	Project Description (units)	New Construction/ Acquisition and Rehabilitation	Legal Name of initial owner/operator	Bond Amount
St. Michael's Community Housing	City of Riverside, County of Riverside	50	New Construction	St. Michaels, LP	\$15,000,000