



CSCDA
 CALIFORNIA STATEWIDE COMMUNITIES
 DEVELOPMENT AUTHORITY



REGULAR MEETING AGENDA

December 20, 2018 at 2:00 p.m.

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

Telephonic Locations:

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

City of Sausalito
 420 Litho Street, Sausalito, CA 94965

County of Kern
 1115 Truxtun Avenue, Bakersfield, CA 93301

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

A. OPENING AND PROCEDURAL ITEMS

1. Roll Call.

<ul style="list-style-type: none"> ___ Larry Combs, Chair ___ Kevin O'Rourke, Vice Chair ___ Tim Snellings, Secretary ___ Brian Moura, Treasurer ___ Dan Mierzwa, Member 	<ul style="list-style-type: none"> ___ Jordan Kaufman, Member ___ Marcia Raines, Member ___ Michael Cooper, Alt. Member ___ Niroop Srivatsa, Alt. Member
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2. Consideration of the Minutes of the December 6, 2018 Regular Meeting.
3. Consent Calendar.
4. Public Comment.

B. ITEMS FOR CONSIDERATION

5. Consideration of the issuance of revenue bonds or other obligations to finance or refinance the following projects, the execution and delivery of related documents, and other related actions:
 - a. Corona Park Preservation Limited Partnership (Corona Park Apartments), City of Corona, County of Riverside; issue up to \$55,000,000 in multi-family housing revenue bonds.

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

- b. Seaview Affordable Communities, L.P. (Seaview Village Apartments), City of Seaside, County of Monterey; issue up to \$68,000,000 in multi-family housing revenue bonds.

- 6. Community Facilities District No. 2018-02 (McSweeney).
 - a. Conduct second reading of “Ordinance Levying a Special Tax for Fiscal Year 2018-2019 and Following Fiscal Years Solely Within and Relating to Improvement Area No. 1 of the California Statewide Communities Development Authority Community Facilities District No. 2018-02 (McSweeney), City of Hemet, County of Riverside, State of California”.
 - b. Conduct second reading of “Ordinance Levying a Special Tax for Fiscal Year 2018-2019 and Following Fiscal Years Solely Within and Relating to Improvement Area No. 2 of the California Statewide Communities Development Authority Community Facilities District No. 2018-02 (McSweeney), City of Hemet, County of Riverside, State of California”.

- 7. Community Facilities District No. 2018-03 (Uptown Newport) (“CFD No. 2018-03”).
 - a. Conduct public hearing (hearing to be held at 2 p.m. or shortly thereafter):
 - 1. Open CFD No. 2018-03 Public Hearing.
 - 2. Close CFD No. 2018-03 Public Hearing.
 - b. Consideration of the following resolutions with respect to formation of CFD No. 2018-03:
 - 1. Resolution of formation establishing CFD No. 2018-03 and providing for the levy of a special tax to finance the construction and acquisition of certain public capital improvements and utility undergrounding.
 - 2. Resolution deeming it necessary to incur bonded indebtedness to finance the construction and acquisition of certain public capital improvements and utility undergrounding to mitigate the impacts of development within CFD No. 2018-03.
 - 3. Resolution calling special mailed-ballot election within CFD No. 2018-03.
 - c. Conduct special election within CFD No. 2018-03.
 - d. Consider resolution declaring result of special mailed-ballot election for CFD No. 2018-03.
 - e. Conduct first reading of “Ordinance Levying a Special Tax for Fiscal Year 2019-2020 and Following Fiscal Years Solely Within and Relating to the California Statewide Communities Development Authority Community Facilities District No. 2018-03 (Uptown Newport), City of Newport Beach, County of Orange, State of California”.

8. Consideration of 2017-18 CSCDA Audited Financial Statements.
9. Consideration of a resolution authorizing the issuance of additional limited obligation improvement bonds in an aggregate principal amount not to exceed \$250,000,000 and approving additional bond documents for PACE Funding.
10. Consider directing the Executive Director and staff to replace Willdan Financial Services as assessment administrator for Statewide Community Infrastructure Program (SCIP) with David Taussig & Associates.
11. Consider Setting Location, Date and Time of Annual Meeting to January 10, 2019 at 9:00 AM at Quail Lodge, 8205 Valley Greens Drive, Carmel, California.

C. STAFF ANNOUNCEMENTS, REPORTS ON ACTIVITIES OR REQUESTS

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

NEXT MEETING: Thursday, January 10, 2019 at 9:00 a.m.
Quail Lodge
8205 Valley Greens Drive, Carmel, CA 93923

CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY

CONSENT CALENDAR

1. Inducement of Magnet Senior Housing Partners, L.P. (Magnet Senior Apartments), City of Irvine, County of Orange; issue up to \$45 million in multi-family housing revenue bonds.
2. Inducement of Glen Haven 2019 LP (Glen Haven Apartments), City of Fremont, County of Alameda; issue up to \$20 million in multi-family housing revenue bonds.
3. Inducement of Valley Palms 2019 LP (Valley Palms Apartments), City of San Jose, County of Santa Clara; issue up to \$120 million in multi-family housing revenue bonds.
4. Consideration of renewal memberships with the Council of Development Finance Agencies (CDFA) and the California Council for Affordable Housing (CCAH).
5. Consideration of resolutions of the Commission of the California Statewide Communities Development Authority Ordering the Commencement of Judicial Foreclosure Proceedings Pursuant to the Improvement Bond Act of 1915 to Collect Delinquent Assessment Installments Levied and Directing the Removal of Delinquent Assessment Installments from the County Tax Roll for the following associated with the Statewide Community Infrastructure Program (SCIP).
 - a. Assessment District No. 11-01 (San Joaquin)
 - b. Assessment District No. 07-02 (San Diego)
 - c. Assessment District No. 06-01 (Placer)
 - d. Assessment District No. 08-01 (El Dorado)
 - e. Assessment District No. 03-01 (Contra Costa)
 - f. Assessment District No. 06-01 (San Mateo)
 - g. Assessment District No. 07-01 (Alameda)
 - h. Assessment District No. 05-01 (Placer)

December 20, 2018



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MINUTES

REGULAR MEETING OF THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY

December 6, 2018 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 2:04 pm.

1. Roll Call.

Commission members participating via teleconference: Larry Combs, Tim Snellings, Brian Moura, Dan Mierzwa, Marcia Raines, Michael Cooper, and Niroop Srivatsa (participated but did not vote).

Others present: Jon Penkower, Bridge Strategic Partners; Norman Coppinger, League of California Cities; and Sendy Young, CSAC Finance Corporation.

Others participating via teleconference: Cathy Bando, CSCDA Executive Director; James Hamill, Bridge Strategic Partners; Temidayo Odusolo, Jones Hall; Josh Anzel, Jones Hall; Greg Stepanicich, CSCDA General Counsel; and Andrew Dodd, George K. Baum.

2. Consideration of the Minutes of the November 15, 2018 Regular Meeting.

The Commission approved the November 15, 2018 regular meeting minutes.

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

3. Consideration of the Consent Calendar.

The Commission approved the Consent Calendar.

1. Inducement of Ethel Arnold Preservation, L.P. (Ethel Arnold Bradley Apartments), City of Los Angeles, County of Los Angeles; issue up to \$50 million in multi-family housing revenue bonds.

2. Inducement of Robert Western Preservation, L.P. (Robert Farrell Manor/Western Gardens Apartments), City of Los Angeles, County of Los Angeles; issue up to \$50 million in multi-family housing revenue bonds.
3. Inducement of Morgan Hill Apartments, LP (Butterfield Village Apartments), City of Morgan Hill, County of Santa Clara; issue up to \$150 million in multi-family housing revenue bonds.
4. Consideration of engagement letter with BLX Group to act as CSCDA's Qualified Independent Representative for the SMUD Natural Gas Swap Novation.
5. Addition of the City of Yucaipa and Sacramento County Water Agency as CSCDA Program Participants.

Motion to approve by B. Moura. Second by D. Mierzwa. Unanimously approved by roll-call vote.

4. Public Comment.

There was no public comment.

5. Consideration of the issuance of revenue bonds or other obligation to finance or refinance the following projects, the execution and delivery of related documents, and other related actions.
 - a. NCCD – Hooper Street LLC (California College of the Arts Project), City and County of San Francisco; issue up to \$100,000,000 in 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 an acquisition and construction of student housing facilities. NCCD is developing a 524-bed mixed-use student housing facility to be located on the San Francisco campus of California College of the Arts. Director Bando recommended approval of the financing.

Motion to approve and adopt the resolution by T. Snellings. Second by B. Moura. Unanimously approved by roll-call vote.

- b. Carondelet High School, City of Concord, County of Contra Costa; issue up to \$10,000,000 in nonprofit revenue obligations.

Executive Director Bando gave an overview of the project and the financing complies with CSCDA's general, issuance and K-12 private school policies. Carondelet High School has requested that CSCDA issue tax-exempt nonprofit revenue obligations in an amount not to exceed \$10,000,000 to finance a new 20,000 sq. ft. educational building on its existing campus in the City of Concord. . Executive Director Bando recommended approval of the financing.

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

- c. Cascade Sunrise, L.P. (Cascade Sunrise Apartments), City of Fontana, County of San Bernardino; issue up to \$13,000,000 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 an acquisition and rehabilitation of an 80-unit rental affordable housing project located in the City of Fontana. 100% of the units will remain rent restricted for low-income senior residents. The Project is Kingdom Development's first financing with CSCDA. Executive Director Bando recommended approval of the financing.

Motion to approve and adopt the resolution by B. Moura. Second by D. Mierzwa. Unanimously approved by roll-call vote.

6. Conduct second reading of "Ordinance Levying a Special Tax for Fiscal Year 2018-2019 and Following Fiscal Years Solely Within and Relating to Improvement Area No. 1 of the California Statewide Communities Development Authority Community Facilities District No. 2018-02 (McSweeny), City of Hemet, County of Riverside, State of California".

This item was postponed until CSCDA's next meeting on December 20th.

7. Consideration of Modification to Policy for Professional Services Contracts.

Executive Director Bando explained that Credit Suisse Energy LLC has requested, and SMUD has agreed, to have the ISDA Master Agreement be transferred to BP Energy as the new swap provider. As part of the transfer, new swap regulations have been established since the 2010 bond issuance that require CSCDA to approve the Swap Policy and Appoint an Independent Representative for the Swap Transfer. Orrick, Herrington & Sutcliffe as bond counsel and issuer counsel have reviewed the transfer documents on behalf of CSCDA. CSCDA's Executive Director recommended approval.

Motion to approve and adopt the resolution by B. Moura. Second by M. Raines. Unanimously approved by roll-call vote.

8. Consideration of Modification to Policy for Professional Services Contracts.

Executive Director Bando informed the Commission that the Program Administration Ad Hoc Committee reviewed the professional services contracting policy and determined that CSCDA should have the ability to enter into longer Professional Services Contracts following an initial three-year term. Certain professional service contractors, such as PACE administrators and CSCDA's Program Administrator, provide highly specialized services which require substantial investment in infrastructure in order to provide such services. CSCDA's Executive Director recommended approval of the new Professional Services Contract policy.

Motion to approve by B. Moura. Second by T. Snellings. Unanimously approved by roll-call vote

9. Consideration of Amended and Restated Services Agreement with Bridge Strategic Partners.

Executive Director Bando reviewed a proposed Amended and Restated Services Agreement with Bridge Strategic Partners (BSP), CSCDA's program manager. On December 4, 2014, CSCDA approved a contract with BSP for services that commenced on July 1, 2015 through an initial term ending December 31, 2018. BSP has provided exceptional services to CSCDA.

The Program Administration Ad Hoc Committee recommended entering into a four-year Amended and Restated Agreement with BSP. CSCDA's General Counsel has reviewed the proposed agreement. CSCDA's Program Management Ad Hoc Committee and Executive Director recommended approval of the Amended and Restated Services Agreement with BSP.

Motion to approve by D. Mierzwa. Second by B. Moura. Unanimously approved by roll-call vote.

10. Executive Director Update.

Executive Director Bando let the Commission know that CSCDA's Holiday reception will be held on 12/20 at Ella after the regular meeting.

11. Staff Update.

James Hamill informed the Commission that Renovate America has recently laid-off 130 people. James will have an update at a future meeting regarding the impact this might have on CSCDA.

12. Adjourn.

The meeting was adjourned at 2:42 pm.

Submitted by: Sendy Young, CSAC Finance Corporation

NEXT MEETING: Thursday, December 20, 2018 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 20, 2018
TO: CSCDA COMMISSIONERS
FROM: Cathy Bando, Executive Director
PURPOSE: Consent Calendar

SUMMARY:

4. Consideration of renewal memberships with the Council of Development Finance Agencies (CDFA) and the California Council for Affordable Housing (CAAH).

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 \$750.

CAAH (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. CAAH 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 CAAH membership informed about these matters. CAAH 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.

5. Consideration of resolutions of the Commission of the California Statewide Communities Development Authority Ordering the Commencement of Judicial Foreclosure Proceedings Pursuant to the Improvement Bond Act of 1915 to Collect Delinquent Assessment Installments Levied and Directing the Removal of Delinquent Assessment Installments from the County Tax Roll for the following associated with the Statewide Community Infrastructure Program (SCIP).
- | | |
|--|--|
| a. Assessment District No. 11-01 (San Joaquin) | c. Assessment District No. 06-01 (Placer) |
| b. Assessment District No. 07-02 (San Diego) | d. Assessment District No. 08-01 (El Dorado) |

e. Assessment District No. 03-01
(Contra Costa)

h. Assessment District No. 05-01
(Placer)

f. Assessment District No. 06-01 (San
Mateo)

g. Assessment District No. 07-01
(Alameda)

The above-referenced properties are delinquent in the payment of their property taxes that include SCIP financing. Pursuant to the terms of the Indenture, CSCDA is required to remove the delinquent installment and pursue the property owner for such payment. The resolutions provide the authority for such action by CSCDA. The resolutions have been prepared by CSCDA foreclosure counsel Stradling Yocca Carlson & Rauth.

Resolutions:

https://www.dropbox.com/sh/le8tbp8vwnpywep/AABHcGlz_aQ2s4AOB6uObpOsa?dl=0

RESOLUTION NO. 18H-__

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

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

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

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

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

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

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

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

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

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

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

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

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

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

PASSED AND ADOPTED by the California Statewide Communities Development Authority this December 20, 2018.

The undersigned, an Authorized Signatory of the California Statewide Communities Development Authority, DOES HEREBY CERTIFY that the foregoing resolution was duly adopted by the Commission of said Authority at a duly called meeting of the Commission of said Authority held in accordance with law on December 20, 2018.

By: _____
Authorized Signatory

EXHIBIT A

Project Name	Project Location	Project Description (units)	New Construction/ Acquisition and Rehabilitation	Legal Name of initial owner/operator	Bond Amount
Glen Haven Apartments	City of Fremont, County of Alameda	81	Acquisition and Rehabilitation	Glen Haven 2019 LP	\$20,000,000
Valley Palms Apartments	City of San Jose, County of Santa Clara	354	Acquisition and Rehabilitation	Valley Palms 2019 LP	\$120,000,000
Magnet Senior Apartments	City of Irvine, County of Orange	165	New Construction	Magnet Senior Housing Partners, L.P.	\$45,000,000



Agenda Item No. 5a

Agenda Report

DATE: December 20, 2018

TO: CSCDA COMMISSIONERS

FROM: Cathy Bando, Executive Director

PROJECT: Corona Park Apartments

PURPOSE: Approve the Financing of Rental Affordable Housing Project Located in the City of Corona, County of Riverside

AMOUNT: Not to Exceed \$55,000,000

EXECUTIVE SUMMARY:

Corona Park Apartments (the “Project”) is an acquisition and rehabilitation of a 160-unit rental affordable housing project located in the City of Corona. 100% of the units will remain rent restricted for low-income tenants.

PROJECT DESCRIPTION:

- Acquisition and rehabilitation of 160-unit affordable rental housing facility located at 956 Avenida del Vista in the City of Corona.
- 10.2 acre site.
- 11 two-story residential buildings.
- Consists of 40 one-bedroom units, 78 two-bedroom units, 40 three-bedroom units and two manager’s units.
- The property's common area amenities include a business center, carport, community room, central laundry facility, off-street parking, onsite management and a playground.

PROJECT ANALYSIS:

Background on Applicant:

Preservation Partners Development (PPD) acquires, rehabilitates and permanently preserves “at-risk” affordable housing resources which were originally developed under U.S. Department of Housing and Urban Development (HUD) financing and direct rental subsidy programs. PPD’s objective is to provide long term, secure housing communities, and in partnership with affiliated nonprofit corporations, provide supportive social services focused on the most basic needs of very

low income families and seniors. PPD has previously constructed or rehabilitated more than 30 multifamily properties and has financed more than ten projects with CSCDA.

Public Agency Approval:

TEFRA Hearing: October 17, 2018 – City of Corona – unanimous approval

CDLAC Approval: December 12, 2018

Public Benefits:

- 100% of the units will be rent restricted for 55 years.
 - 30% (48 units) restricted to 50% or less of area median income households.
 - 70% (110 units) restricted to 60% or less of area median income households.
- The Project is in walking distance to recreational facilities and public K-12 schools.

Sources and Uses:

Sources of Funds:

Tax-Exempt Bonds:	\$ 38,500,000
Seller Note:	\$ 10,000,000
Tax Credits:	\$ 1,691,563
Equity Contribution:	\$ 855,810
Deferred Developer Fee:	\$ 4,186,335
Total Sources:	\$ 55,233,708

Uses of Funds:

Acquisition:	\$ 31,100,000
Construction Costs:	\$ 13,205,420
Architecture & Engineering:	\$ 315,000
Capitalized Interest/Fees:	\$ 2,367,664
Developer Fee:	\$ 6,686,335
Bond Costs:	\$ 228,817
Cost of Issuance:	\$ 215,000
Soft Costs:	\$ 1,115,472
Total Uses:	\$ 55,233,708

Finance Partners:

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

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

Underwriter: Citibank

Finance Terms:

Rating: Unrated
Term: 35 years at a fixed interest rate
Structure: Private Placement
Estimated Closing: January 9, 2018

CSCDA Policy Compliance:

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

DOCUMENTS: (as attachments)

1. Project Photograph (Attachment A)
2. CSCDA Resolution (Attachment B)

COMMISSION ACTION RECOMMENDED BY THE EXECUTIVE DIRECTOR:

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

ATTACHMENT A



ATTACHMENT B

RESOLUTION NO. 18H-__

A RESOLUTION OF THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY AUTHORIZING THE ISSUANCE, EXECUTION AND DELIVERY OF MULTIFAMILY HOUSING REVENUE OBLIGATIONS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$55,000,000 FOR THE FINANCING OF A MULTIFAMILY RENTAL HOUSING PROJECT GENERALLY KNOWN AS CORONA PARK APARTMENTS; DETERMINING AND PRESCRIBING CERTAIN MATTERS AND APPROVING AND AUTHORIZING THE EXECUTION OF AND DELIVERY OF VARIOUS DOCUMENTS RELATED THERETO; RATIFYING ANY ACTION HERETOFORE TAKEN AND APPROVING RELATED MATTERS IN CONNECTION WITH THE OBLIGATIONS.

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

WHEREAS, Corona Park Preservation Limited Partnership, a California limited partnership, and entities related thereto (collectively, the "Borrower"), has requested that the Authority execute and deliver its California Statewide Communities Development Authority Multifamily Housing Revenue Construction/Permanent Note (Corona Park Apartments) 2019 Series A-1 and its California Statewide Communities Development Authority Multifamily Housing Revenue Construction Note (Corona Park Apartments) 2019 Series A-2 (collectively, the "Notes") and issue and sell its California Statewide Communities Development Authority Multifamily Housing Revenue Bonds (Corona Park Apartments) 2019 Series A-S (Subordinate Series) (the "Subordinate Bonds") and together with the Notes, the "Obligations") to assist in the financing of the acquisition and rehabilitation of a 160-unit multifamily housing rental development located in the City of Corona, California (the "City"), and known or to be known as Corona Park Apartments (the "Project");

WHEREAS, on December 12, 2018, the Authority received an allocation in the amount of \$49,250,000 (the "Allocation Amount") from the California Debt Limit Allocation Committee in connection with the Project;

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

WHEREAS, the Authority is willing to issue, execute and deliver the Obligations in an aggregate principal amount not to exceed \$55,000,000, provided that the portion of such Obligations issued, executed and delivered as federally tax-exempt obligations shall not exceed the Allocation Amount, and to loan the proceeds thereof to the Borrower to assist in providing financing for the Project, which will allow the Borrower to reduce the cost of the Project and to assist in providing housing for low and very low income persons;

WHEREAS, the Notes will be executed and delivered to Citibank, N.A. (the "Funding Lender"), as the initial holder of the Notes, and the Subordinate Bonds will be privately placed with Corona Park Preservation Limited Partnership, a California limited partnership, or a related entity (the "Holder"), as the initial purchaser of the Subordinate Bonds, in each case in accordance with the Authority's private placement policy;

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

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

- (1) Funding Loan Agreement (the "Funding Loan Agreement") to be entered into between the Funding Lender and the Authority;
- (2) Borrower Loan Agreement (the "Borrower Loan Agreement") to be entered into between the Authority and Borrower;
- (3) Regulatory Agreement and Declaration of Restrictive Covenants (the "Regulatory Agreement") to be entered into between the Authority and the Borrower;
- (4) Contingency Draw-Down Agreement (the "Contingency Draw-Down Agreement") to be entered into by the Funding Lender and the Borrower;
- (5) Subordinate Master Pledge and Assignment (the "Pledge and Assignment") to be entered into among the Authority, Corona Park Preservation Limited Partnership, a California limited partnership, as agent (the "Subordinate Bonds Agent"), and the Holder, relating to the Subordinate Bonds; and
- (6) Subordinate Master Agency Agreement (the "Agency Agreement") to be entered into between the Authority and the Subordinate Bonds Agent, relating to the Subordinate Bonds.

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

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

Section 2. Pursuant to the JPA Law, the Funding Loan Agreement and the Pledge and Assignment, and in accordance with the Housing Law, the Authority is hereby authorized to execute and deliver the Notes and issue and sell the Subordinate Bonds in one or more series. The Notes shall be designated as “California Statewide Communities Development Authority Multifamily Housing Revenue Construction/Permanent Note (Corona Park Apartments) 2019 Series A-1,” and “California Statewide Communities Development Authority Multifamily Housing Revenue Construction Note (Corona Park Apartments) 2019 Series A-2” and the Subordinate Bonds shall be designated as “California Statewide Communities Development Authority Multifamily Housing Revenue Bonds (Corona Park Apartments) 2019 Series A-S (Subordinate Series)” including, if and to the extent necessary, Obligations in one or more sub-series, with appropriate modifications and series and sub-series designations as necessary, in an aggregate principal amount not to exceed \$55,000,000; provided that the aggregate principal amount of any tax-exempt Obligations issued, executed and delivered shall not exceed the Allocation Amount. The Obligations shall be issued, executed and delivered in the form set forth in and otherwise in accordance with the Funding Loan Agreement and the Pledge and Assignment, respectively, and 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 Authorized Signatory (as defined below), and attested by the facsimile signature of the Treasurer and Secretary of the Authority, or the manual signature of any Authorized Signatory. The Obligations shall be secured in accordance with the respective terms of the Funding Loan Agreement and the Pledge and Assignment presented to this meeting, as hereinafter approved. Payment of the principal and purchase price of, and prepayment or redemption premium, if any, and interest on, the Obligations shall be made solely from amounts pledged thereto under the Funding Loan Agreement and the Pledge and Assignment, respectively, and the Obligations shall not be deemed to constitute a debt or liability of the Authority, any Program Participant of the Authority or any Member of the Commission of the Authority (each, a “Member”).

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

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

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

Section 6. The Contingency Draw-Down Agreement in the form presented at this meeting is hereby approved.

Section 7. The Pledge and Assignment in the form presented at this meeting is hereby approved. Any Authorized Signatory, acting alone, is authorized to execute by manual signature and deliver the Pledge and Assignment, with such changes and insertions therein as may be necessary to cause the same to carry out the intent of this Resolution and as are approved by counsel to the Authority, such approval to be conclusively evidenced by the delivery thereof. The date, maturity date or dates (which shall not extend beyond 45 years from the date of issuance thereof), interest rate or rates (which shall not exceed 12%), interest payment dates, denominations, form, registration privileges, manner of execution, place of payment, terms of redemption and other terms of the Subordinate Bonds shall be as provided in the Pledge and Assignment as finally executed.

Section 8. The Agency Agreement in the form presented at this meeting is hereby approved. Any Authorized Signatory, acting alone, is authorized to execute by manual signature and deliver the Agency Agreement, with such changes and insertions therein as may be necessary to cause the same to carry out the intent of this Resolution and as are approved by counsel to the Authority, such approval to be conclusively evidenced by the delivery thereof.

Section 9. The Authority is hereby authorized to execute and deliver the Notes to the Funding Lender pursuant to the terms and conditions of the Funding Loan Agreement.

Section 10. The Subordinate Bonds, when executed, shall be delivered to the Agent and the registrar, if any, for authentication. The Agent and the registrar, if any, are hereby requested and directed to authenticate the Subordinate Bonds by executing the certificate of authentication appearing thereon, and to deliver the Subordinate Bonds, when duly executed and authenticated, to or at the direction of the purchasers thereof in accordance with written instructions executed and delivered on behalf of the Authority by an Authorized Signatory, which any Authorized Signatory, acting alone, is hereby authorized and directed to execute and deliver such instructions to the Agent and the registrar, if any. Such instructions shall provide for the delivery of the Subordinate Bonds to the purchasers thereof upon payment of the purchase price thereof.

Section 11. All actions heretofore taken by the officers and agents of the Authority with respect to the financing of the Project and the issuance, execution and delivery of the Obligations are hereby approved, ratified and confirmed, and any Authorized Signatory, acting alone, is hereby authorized and directed, for and in the name and on behalf of the Authority, to do any and all things and take any and all actions and execute and deliver any and all certificates, agreements and other documents, including but not limited to a tax certificate, loan related documents, assignments of deed of trust, a subordination or intercreditor agreement, a termination of regulatory agreement, an endorsement, allonge or assignment of any note and such other documents as described in the Funding Loan Agreement, the Pledge and Assignment and the other documents herein approved, which they, or any of them, may deem necessary or advisable in order to consummate the lawful issuance, execution and delivery of the Obligations and to effectuate the purposes thereof and of the documents herein approved in accordance with this resolution and resolutions heretofore adopted by the Authority and otherwise in order to carry out the financing of the Project.

Section 12. All consents, approvals, notices, orders, requests and other actions permitted or required by any of the documents authorized by this Resolution, whether before or after the issuance, execution and delivery of the Obligations, including without limitation any of the foregoing that may be necessary or desirable in connection with any default under or amendment of such documents, any transfer or other disposition of the Project, any addition or substitution of security for the Obligations or any prepayment or redemption of the Obligations, may be given or taken by any Authorized Signatory, as appropriate, without further authorization by the Commission, and each such officer is hereby authorized and directed to give any such consent, approval, notice, order or request and to take any such action that such officer may deem necessary or desirable to further the purposes of this Resolution and the financing of the Project; provided such action shall not create any obligation or liability of the Authority other than as provided in the Funding Loan Agreement, the Pledge and Assignment and other documents approved herein.

Section 13. This Resolution shall take effect upon its adoption.

PASSED AND ADOPTED by the California Statewide Communities Development Authority this December 20, 2018.

The undersigned, an Authorized Signatory of the California Statewide Communities Development Authority, DOES HEREBY CERTIFY that the foregoing resolution was duly adopted by the Commission of the Authority at a duly called meeting of the Commission of the Authority held in accordance with law on December 20, 2018.

By _____
Authorized Signatory

PUBLIC DISCLOSURES RELATING TO CONDUIT REVENUE OBLIGATIONS

Pursuant to California Government Code Section 5852.1, the borrower (the "Borrower") identified below has provided the following required information to the California Statewide Communities Development Authority (the "Authority") as conduit financing provider, prior to the Authority's regular meeting (the "Meeting") of its Commission (the "Commission") at which Meeting the Commission will consider the authorization of conduit revenue obligations (the "Obligations") as identified below.

1. Name of Borrower: **Corona Park Preservation Limited Partnership, a California limited partnership**
2. Authority Meeting Date: **December 20, 2018**
3. Name of Obligations:
**CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY
MULTIFAMILY HOUSING REVENUE [CONSTRUCTION/PERMANENT][CONSTRUCTION]
NOTE
(CORONA PARK APARTMENTS),
2019 SERIES A-1 & A-2
2019 SERIES A-S (SUBORDINATE SERIES)**
4. Private Placement Lender or Bond Purchaser, Underwriter or Financial Advisor (mark one) engaged by the Borrower provided the Borrower with the required good faith estimates relating to the Obligations [as follows / attached as Schedule A]:
 - [(A) The true interest cost of the Obligations, which means the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for Obligations (to the nearest ten-thousandth of one percent): **5.61%%.**
 - [(B) The finance charge of the Obligations, which means the sum of all fees and charges paid to third parties: **\$1,144,798.**
 - [(C) The amount of proceeds received by the public body for sale of the Obligations less the finance charge of the Obligations described in subparagraph (B) and any reserves or capitalized interest paid or funded with proceeds of the Obligations: **\$45,605,203.**
 - [(D) The total payment amount, which means the sum total of all payments the Borrower will make to pay debt service on the Obligations plus the finance charge of the Obligations described in subparagraph (B) not paid with the proceeds of the Obligations (which total payment amount shall be calculated to the final maturity of the Obligations): **\$101,357,993**
5. The good faith estimates [provided above / attached as Schedule A] were presented to the governing board of the Borrower, or presented to the official or officials or

committee designated by the governing board of the Borrower to obligate the Borrower in connection with the Obligations or, in the absence of a governing board, ___ presented to the official or officials of the Borrower having authority to obligate the Borrower in connection with the Obligations (mark one).

The foregoing estimates constitute good faith estimates only. The actual principal amount of the Obligations issued and sold, the true interest cost thereof, the finance charges thereof, the amount of proceeds received therefrom and total payment amount with respect thereto may differ from such good faith estimates due to a variety of factors. The actual interest rates borne by the Obligations and the actual amortization of the Obligations will depend on market interest rates at the time of sale thereof. Market interest rates are affected by economic and other factors beyond the control of the Borrower.

The Authority is authorized to make this document available to the public at the Meeting of the Authority.

Dated: 12/20/18



Agenda Item No. 5b

Agenda Report

DATE: December 20, 2018

TO: CSCDA COMMISSIONERS

FROM: Cathy Bando, Executive Director

PROJECT: Seaview Village Apartments

PURPOSE: Approve the Financing of Rental Affordable Housing Project Located in the City of Seaside, County of Monterey

AMOUNT: Not to Exceed \$68,000,000

EXECUTIVE SUMMARY:

Seaview Village Apartments (the “Project”) is an acquisition and rehabilitation of a 133-unit affordable rental housing project located in the City of Seaside. 100% of the units will remain rent restricted for low-income tenants.

PROJECT DESCRIPTION:

- Acquisition and rehabilitation of 133-unit affordable rental housing facility located at 1773 Waring Place in the City of Seaside.
- 8.55 acre site.
- 44 two-story residential buildings, laundry room and a community room.
- Consists of 16 one-bedroom units, 34 two-bedroom units, 39 three-bedroom units, 28 four-bedroom units and 14 five-bedroom units, including two manager’s units.

PROJECT ANALYSIS:

Background on Applicant:

Islas Development, LLC (“Islas”) was formed by Mr. Ruben Islas in December 2001 as a vehicle to develop and provide affordable housing in the communities that need it most. Through Islas Development, Mr. Islas and his business partner, Mr. Jules Arthur of Suffolk Development, LLC have been able to acquire ownership interests in over 2900 affordable units across the Western United States, with the most significant holdings being in California. Islas has previously constructed or rehabilitated more than 18 multifamily properties including more than 15 financings with CSCDA.

Public Agency Approval:

TEFRA Hearing: November 1, 2018 – City of Seaside – unanimous approval

CDLAC Approval: Expected January 16, 2019. Commission approval shall be subject to receipt of a successful allocation award.

Public Benefits:

- 100% of the units will be rent restricted for 55 years.
 - 90% (117 units) restricted to 60% or less of area median income households.
 - 10% (14 units) restricted to 50% or less of area median income households.
- The Project is in walking distance to recreational facilities, grocery stores, and public K-12 schools.

Sources and Uses:

Sources of Funds:

Tax-Exempt Bonds:	\$ 48,950,000
Tax Credit Equity:	\$ 5,511,580
Operating Income:	\$ 2,016,262
Deferred Developer Fee:	\$ 7,228,713
Total Sources:	\$ 63,706,555

Uses of Funds:

Acquisition:	\$ 40,361,931
Rehabilitation:	\$ 7,708,792
Financing Costs:	\$ 1,089,775
Debt Service:	\$ 1,964,394
Soft Costs:	\$ 3,046,311
Reserves:	\$ 2,306,639
Developer Fee:	\$ 7,228,713
Total Uses:	\$ 63,706,555

Finance Partners:

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

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

Bond Purchaser: Citibank

Finance Terms:

Rating: Unrated
Term: 35 years at a fixed interest rate
Structure: Private Placement
Estimated Closing: January 29, 2019

CSCDA Policy Compliance:

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

DOCUMENTS: (as attachments)

1. Photo of the Project (Attachment A)
2. CSCDA Resolution (Attachment B)

COMMISSION ACTION RECOMMENDED BY THE EXECUTIVE DIRECTOR:

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

ATTACHMENT A



ATTACHMENT B

RESOLUTION NO. 18H-__

A RESOLUTION OF THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY AUTHORIZING THE EXECUTION AND DELIVERY OF MULTIFAMILY HOUSING REVENUE OBLIGATIONS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$68,000,000 FOR THE FINANCING OF A MULTIFAMILY RENTAL HOUSING PROJECT TO BE GENERALLY KNOWN AS SEAVIEW VILLAGE APARTMENTS; DETERMINING AND PRESCRIBING CERTAIN MATTERS AND APPROVING AND AUTHORIZING THE EXECUTION OF AND DELIVERY OF VARIOUS DOCUMENTS RELATED THERETO; RATIFYING ANY ACTION HERETOFORE TAKEN AND APPROVING RELATED MATTERS IN CONNECTION WITH THE OBLIGATIONS.

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

WHEREAS, Seaview Affordable Communities, L.P., a California limited partnership, and entities related thereto (collectively, the "Borrower"), has requested that the Authority execute and deliver its California Statewide Communities Development Authority Multifamily Housing Revenue Tax-Exempt Construction/Permanent Note (Seaview Village Apartments) 2019 Series A-1 (the "Tax-Exempt Note"), its California Statewide Communities Development Authority Multifamily Housing Revenue Taxable Construction Note (Seaview Village Apartments) 2019 Series A-2 (the "Taxable Note" and collectively, the "Notes") and issue its California Statewide Communities Development Authority Multifamily Housing Revenue Bonds (Seaview Village Apartments) 2019 Tax-Exempt Subordinate Series A-S (the "Subordinate Bonds" and, together with the Notes, the "Obligations") to assist in the financing of the acquisition, rehabilitation and development of a 133-unit multifamily housing rental development located in the City of Seaside, County of Monterey, California, and known as Seaview Village Apartments (the "Project");

WHEREAS, on January 16, 2019, the Authority expects to receive an allocation in the amount of \$48,900,000 (such amount as finally approved, the "Allocation Amount") from the California Debt Limit Allocation Committee in connection with the Project;

WHEREAS, the City of Seaside is a Program Participant (as defined in the Agreement) of the Authority and has authorized the execution and delivery of the Obligations in an amount that is not materially less than the amount authorized under this resolution;

WHEREAS, the Authority is willing to execute and deliver the Obligations in an aggregate principal amount not to exceed \$68,000,000, provided that the portion of such Obligations executed and delivered as federally tax-exempt obligations shall not exceed the Allocation Amount, and to loan the proceeds thereof to the Borrower to assist in providing financing for the Project, which will allow the Borrower to reduce the cost of the Project and to assist in providing housing for low and very low income persons;

WHEREAS, the Notes will be executed and delivered to Citibank, N.A. (the "Funding Lender"), as the initial holder of the Notes;

WHEREAS, the Subordinate Bonds will be privately placed with Hannon Seaview Housing Partners, L.P., a California limited partnership, or an affiliate thereof (the "Subordinate Bonds Purchaser"), as the initial purchaser of the Subordinate Bonds, in accordance with the Authority's private placement policy;

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

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

- (1) Funding Loan Agreement (the "Funding Loan Agreement") to be entered into between the Funding Lender and the Authority;
- (2) Borrower Loan Agreement (the "Borrower Loan Agreement") to be entered into between the Authority and Borrower;
- (3) A form of Regulatory Agreement and Declaration of Restrictive Covenants relating to each of the sites comprising the Project (collectively, the "Regulatory Agreement") to be entered into among the Authority, the Borrower and Wilmington Trust, National Association, as trustee for the Subordinate Bonds (the "Subordinate Bonds Trustee");
- (4) Indenture of Trust (the "Subordinate Indenture") to be entered into between the Authority and the Subordinate Bonds Trustee, relating to the Subordinate Bonds;
- (5) Financing Agreement (the "Subordinate Financing Agreement") to be entered into among the Authority, the Subordinate Bonds Trustee and the Borrower, relating to the Subordinate Bonds; and
- (6) Contingency Draw-Down Agreement (the "Contingency Draw-Down Agreement") to be entered into by the Funding Lender and the Borrower.

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

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

Section 2. Pursuant to the JPA Law, the Funding Loan Agreement and the Subordinate Indenture, and in accordance with the Housing Law, the Authority is hereby authorized to execute and deliver the Obligations in one or more series. The Obligations shall be designated as (i) "California Statewide Communities Development Authority Multifamily Housing Revenue Tax-Exempt Construction/Permanent Note (Seaview Village Apartments) 2019 Series A-1" (ii) California Statewide Communities Development Authority Multifamily Housing Revenue Taxable Construction Note (Seaview Village Apartments) 2019 Series A-2, and (iii) "California Statewide Communities Development Authority Multifamily Housing Revenue Bonds (Seaview Village Apartments) 2019 Tax-Exempt Subordinate Series A-S" including, if and to the extent necessary, one or more sub-series, with appropriate modifications and series and sub-series designations as necessary, in an aggregate principal amount not to exceed \$68,000,000; provided that the aggregate principal amount of any tax-exempt Obligations executed and delivered shall not exceed the Allocation Amount. The Notes shall be executed and delivered and the Subordinate Bonds shall be issued in the form set forth in and otherwise in accordance with the Funding Loan Agreement and the Subordinate Indenture, respectively, and 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 Authorized Signatory (as defined below) and the Subordinate Bonds shall be attested to by the manual or facsimile signature of the Secretary of the Authority or the manual signature of any Authorized Signatory. The Notes and the Subordinate Bonds shall be secured in accordance with the terms of the Funding Loan Agreement and the Subordinate Indenture, respectively, presented to this meeting, as hereinafter approved. Payment of the principal and purchase price of, and prepayment premium, if any, and interest on, the Notes and the Subordinate Bonds shall be made solely from amounts pledged thereto under the Funding Loan Agreement and the Subordinate Indenture, respectively, and the Obligations shall not be deemed to constitute a debt or liability of the Authority or any Program Participant or Member of the Commission of the Authority (each, a "Member").

Section 3. The Funding Loan Agreement in the form presented at this meeting is hereby approved. Any Member, or any other person as may be designated and authorized to sign for the Authority pursuant to a resolution adopted thereby (including, without limitation, the administrative delegates duly authorized pursuant to Resolution No. 18R-2 of the Authority, adopted on April 19, 2018) (together with the Members, each such person is referred to herein individually as an "Authorized Signatory"), acting alone, is authorized to execute by manual signature and deliver the Funding Loan Agreement, with such changes and insertions therein as may be necessary to cause the same to carry out the intent of this Resolution and as are approved by counsel to the Authority, such approval to be conclusively evidenced by the delivery thereof. The date, maturity date or dates (which shall not extend beyond January 1, 2064), interest rate or rates (which shall not exceed 12%), interest payment dates, denominations, form, registration privileges, manner of execution, place of payment, terms of prepayment and other terms of the Notes shall be as provided in the Funding Loan Agreement as finally executed.

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

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

Section 6. The Subordinate Indenture in the form presented at this meeting is hereby approved. Any Authorized Signatory, acting alone, is authorized to execute by manual signature and deliver the Subordinate Indenture, with such changes and insertions therein as may be necessary to cause the same to carry out the intent of this Resolution and as are approved by counsel to the Authority, such approval to be conclusively evidenced by the delivery thereof. The date, maturity date or dates (which shall not extend beyond January 1, 2064), interest rate or rates (which shall not exceed 12%), interest payment dates, denominations, form, registration privileges, manner of execution, place of payment, terms of redemption and other terms of the Subordinate Bonds shall be as provided in the Subordinate Indenture as finally executed.

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

Section 8. The Contingency Draw-Down Agreement in the form presented at this meeting is hereby approved.

Section 9. The Authority is hereby authorized to execute and deliver the Notes to the Funding Lender pursuant to the terms and conditions of the Funding Loan Agreement.

Section 10. The Authority is hereby authorized to issue and sell the Subordinate Bonds to the Subordinate Bonds Purchaser pursuant to the terms and conditions of the Subordinate Indenture.

Section 11. The Subordinate Bonds, when executed, shall be delivered to the Subordinate Bonds Trustee for authentication. The Subordinate Bonds Trustee is hereby requested and directed to authenticate the Subordinate Bonds by executing the certificate of authentication of the Subordinate Bonds Trustee appearing thereon, and to deliver the Subordinate Bonds, when duly executed and authenticated, to the Subordinate Bonds Purchaser in accordance with written instructions executed and delivered on behalf of the Authority by an Authorized Signatory, which any Authorized Signatory, acting alone, is hereby authorized and directed to execute and deliver

such instructions to the Subordinate Bonds Trustee. Such instructions shall provide for the delivery of the Subordinate Bonds to the Subordinate Bonds Purchaser in accordance with the Subordinate Indenture upon payment of the purchase price thereof.

Section 12. All actions heretofore taken by the officers and agents of the Authority with respect to the financing of the Project and the issuance, execution and delivery of the Obligations are hereby approved, ratified and confirmed, and any Authorized Signatory, acting alone, is hereby authorized and directed, for and in the name and on behalf of the Authority, to do any and all things and take any and all actions and execute and deliver any and all certificates, agreements and other documents, including but not limited to a tax certificate, loan related documents, an assignment of any deed of trust, termination of any regulatory agreements, an endorsement, allonge or assignment of any note and such other documents as described in the Funding Loan Agreement, the Subordinate Indenture and the other documents herein approved, which they, or any of them, may deem necessary or advisable in order to consummate the lawful issuance, execution and delivery of the Obligations and to effectuate the purposes thereof and of the documents herein approved in accordance with this resolution and resolutions heretofore adopted by the Authority and otherwise in order to carry out the financing of the Project.

Section 13. All consents, approvals, notices, orders, requests and other actions permitted or required by any of the documents authorized by this Resolution, whether before or after the execution and delivery of the Obligations, including without limitation any of the foregoing that may be necessary or desirable in connection with any default under or amendment of such documents, any transfer or other disposition of the Project, any addition or substitution of security for the Obligations or any prepayment or redemption of the Obligations, may be given or taken by any Authorized Signatory, as appropriate, without further authorization by the Commission, and each such officer is hereby authorized and directed to give any such consent, approval, notice, order or request and to take any such action that such officer may deem necessary or desirable to further the purposes of this Resolution and the financing of the Project; provided such action shall not create any obligation or liability of the Authority other than as provided in the Funding Loan Agreement, the Subordinate Indenture and other documents approved herein.

Section 14. This Resolution shall take effect upon its adoption.

[Remainder of Page Intentionally Left Blank]

PASSED AND ADOPTED by the California Statewide Communities Development Authority this December 20, 2018.

The undersigned, an Authorized Signatory of the California Statewide Communities Development Authority, DOES HEREBY CERTIFY that the foregoing resolution was duly adopted by the Commission of the Authority at a duly called meeting of the Commission of the Authority held in accordance with law on December 20, 2018.

By _____
Authorized Signatory

PUBLIC DISCLOSURES RELATING TO CONDUIT REVENUE OBLIGATIONS

Pursuant to California Government Code Section 5852.1, the borrower (the "Borrower") identified below has provided the following required information to the California Statewide Communities Development Authority (the "Authority") as conduit financing provider, prior to the Authority's regular meeting (the "Meeting") of its Commission (the "Commission") at which Meeting the Commission will consider the authorization of conduit revenue obligations (the "Obligations") as identified below.

1. Name of Borrower: Seaview Affordable Community LP
2. Authority Meeting Date: December 20, 2018
3. Name of Obligations: Seaview Apartments
4. Private Placement Lender or Bond Purchaser, Underwriter or Financial Advisor (mark one) engaged by the Borrower provided the Borrower with the required good faith estimates relating to the Obligations [as follows / attached as Schedule A]:
 - [(A) The true interest cost of the Obligations, which means the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for Obligations (to the nearest ten-thousandth of one percent): 4.90%.
 - [(B) The finance charge of the Obligations, which means the sum of all fees and charges paid to third parties: \$1,025,014.40
 - [(C) The amount of proceeds received by the public body for sale of the Obligations less the finance charge of the Obligations described in subparagraph (B) and any reserves or capitalized interest paid or funded with proceeds of the Obligations: \$42,624,985.
 - [(D) The total payment amount, which means the sum total of all payments the Borrower will make to pay debt service on the Obligations plus the finance charge of the Obligations described in subparagraph (B) not paid with the proceeds of the Obligations (which total payment amount shall be calculated to the final maturity of the Obligations): \$56,713,153.58
5. The good faith estimates [provided above / attached as Schedule A] were presented to the governing board of the Borrower, or presented to the official or officials or committee designated by the governing board of the Borrower to obligate the Borrower in connection with the Obligations or, in the absence of a governing board, presented to the official or officials of the Borrower having authority to obligate the Borrower in connection with the Obligations (mark one).

The foregoing estimates constitute good faith estimates only. The actual principal amount of the Obligations issued and sold, the true interest cost thereof, the finance charges thereof, the amount of proceeds received therefrom and total payment amount with respect thereto may differ from such good faith estimates due to a variety of factors. The actual interest rates borne by the Obligations and the actual amortization of the Obligations will depend on market interest rates at the time of sale thereof. Market interest rates are affected by economic and other factors beyond the control of the Borrower.

The Authority is authorized to make this document available to the public at the Meeting of the Authority.

Dated: _____



Agenda Item No. 6

Agenda Report

- DATE:** December 20, 2018
- TO:** CSCDA COMMISSIONERS
- FROM:** Cathy Bando, Executive Director
- PROJECT:** McSweeny (City of Hemet) – Community Facilities District
- PURPOSE:** Community Facilities District No. 2018-02 (McSweeny)
- a. Conduct second reading of “Ordinance Levying a Special Tax for Fiscal Year 2018-2019 and Following Fiscal Years Solely Within and Relating to Improvement Area No. 1 of the California Statewide Communities Development Authority Community Facilities District No. 2018-02 (McSweeny), City of Hemet, County of Riverside, State of California”.
 - b. Conduct second reading of “Ordinance Levying a Special Tax for Fiscal Year 2018-2019 and Following Fiscal Years Solely Within and Relating to Improvement Area No. 2 of the California Statewide Communities Development Authority Community Facilities District No. 2018-02 (McSweeny), City of Hemet, County of Riverside, State of California”.

EXECUTIVE SUMMARY:

- On September 20, 2018, the Commission approved the following to initiate the formation of the McSweeny CFD for the City of Hemet: (1) a joint community facilities agreement; (2) a declaration of intention to levy a special tax; (3) a resolution to incur bond indebtedness; and (4) set the public hearing to November 1, 2018.
- On November 1, 2018 the Commission conducted the public hearing and adopted resolutions forming the District, and conducted the first reading of the Ordinance Levying a Special Tax.

The actions requested today are the third and final step in the formation of the McSweeny CFD. The CFD is being formed to finance public facilities and fees for the City of Hemet. The first series of bonds are anticipated to be issued in the first quarter of 2019 and will finance the following:

- Public Facilities
- State Street Improvements
- McSweeny Parkway Improvements
- Newport Road Improvements

- North Village Loop Improvements
- Master Plan Landscaping & Park Improvements (Park Areas 36 & 37)
- Drainage Improvements
 - Avery Canyon Wash
 - Lorenz Canyon Wash

BACKGROUND:

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

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

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

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

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

COMMISSION ACTION RECOMMENDED BY THE EXECUTIVE DIRECTOR:

CSCDA’s Executive Director recommends the following actions:

1. Conduct second reading of “Ordinance Levying a Special Tax for Fiscal Year 2018-2019 and Following Fiscal Years Solely Within and Relating to Improvement Area No. 1 of the California Statewide Communities Development Authority Community Facilities District No. 2018-02 (McSweeny), City of Hemet, County of Riverside, State of California”.
2. Conduct second reading of “Ordinance Levying a Special Tax for Fiscal Year 2018-2019 and Following Fiscal Years Solely Within and Relating to Improvement Area No. 2 of the California Statewide Communities Development Authority Community Facilities District No. 2018-02 (McSweeny), City of Hemet, County of Riverside, State of California”.

ATTACHMENT A

ORDINANCE NO. 18ORD-2

**CALIFORNIA STATEWIDE COMMUNITIES
DEVELOPMENT AUTHORITY**

**ORDINANCE LEVYING A SPECIAL TAX FOR FISCAL YEAR 2018-2019
AND FOLLOWING FISCAL YEARS SOLELY WITHIN AND RELATING TO
IMPROVEMENT AREA NO. 1 OF THE CALIFORNIA STATEWIDE
COMMUNITIES DEVELOPMENT AUTHORITY COMMUNITY FACILITIES
DISTRICT NO. 2018-02 (MCSWEENY), CITY OF HEMET, COUNTY OF
RIVERSIDE, STATE OF CALIFORNIA**

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

SECTION 1. Pursuant to California Government Code Sections 53316 and 53340, and in accordance with the Rate and Method of Apportionment (the “RMA”), as set forth in Exhibit E-1 of Resolution No. 18SCIP-79 (the “Resolution of Intention”) adopted September 20, 2018, as incorporated into Resolution No. 18SCIP-103 (the “Resolution of Formation”) adopted November 1, 2018, with respect to the California Statewide Communities Development Authority Community Facilities District No. 2018-02 (McSweeny), City of Hemet, County of Riverside, State of California (the “Community Facilities District”) including Improvement Area No. 1 therein (the “Improvement Area”), a special tax is hereby levied on all taxable parcels within the Improvement Area for the 2018-2019 fiscal year and for all subsequent fiscal years in the amount determined by the Community Facilities District in accordance with the RMA, until collection of the Special Tax by the Commission ceases and a Notice of Cessation of Special Tax is recorded in accordance with Section 53330.5 of the Act, provided that this amount may in any fiscal year be levied at a lesser amount by resolution of the Commission.

SECTION 2. The Authority’s special tax consultant, currently Willdan Financial Services, 27368 Via Industria, Suite 200, Temecula, California 92590, telephone (951) 587-3575, is authorized and directed, with the aid of the appropriate officers and agents of the Authority, to determine each year, without further action of the Commission, the appropriate amount of the Special Tax (pursuant to, and as that term is defined in, the Resolution of Formation) to be levied for the Improvement Area, to prepare the annual Special Tax roll in accordance with the RMA, and to present the roll to the Commission for consideration.

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

SECTION 4. The appropriate officers and agents of the Authority are authorized to make adjustments to the Special Tax roll prior to the final posting of the Special Tax to the Riverside County tax

roll each fiscal year, as may be necessary to achieve a correct match of the Special Tax levy with the assessor's parcel numbers finally utilized by the Riverside County Auditor in sending out property tax bills.

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

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

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

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

* * *

I, the undersigned, the duly appointed and qualified representative of the Commission of the California Statewide Communities Development Authority, DO HEREBY CERTIFY that the foregoing ordinance was first read at a regular meeting of the Commission on November 1, 2018, and was duly passed and adopted by the Commission of the Authority at a duly called meeting of the Commission of the Authority held in accordance with law on November 15, 2018.

AYES:

NOES:

ABSENT:

ABSTAIN:

By: _____
Authorized Signatory
California Statewide Communities
Development Authority

ORDINANCE NO. 18ORD-3

**CALIFORNIA STATEWIDE COMMUNITIES
DEVELOPMENT AUTHORITY**

**ORDINANCE LEVYING A SPECIAL TAX FOR FISCAL YEAR 2018-2019
AND FOLLOWING FISCAL YEARS SOLELY WITHIN AND RELATING TO
IMPROVEMENT AREA NO. 2 OF THE CALIFORNIA STATEWIDE
COMMUNITIES DEVELOPMENT AUTHORITY COMMUNITY
FACILITIES DISTRICT NO. 2018-02 (MCSWEENY), CITY OF HEMET,
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

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

SECTION 1. Pursuant to California Government Code Sections 53316 and 53340, and in accordance with the Rate and Method of Apportionment (the “RMA”), as set forth in Exhibit E-2 of Resolution No. 18SCIP-79 (the “Resolution of Intention”) adopted September 20, 2018, as incorporated into Resolution No. 18SCIP-103 (the “Resolution of Formation”) adopted November 1, 2018, with respect to the California Statewide Communities Development Authority Community Facilities District No. 2018-02 (McSweeny), City of Hemet, County of Riverside, State of California (the “Community Facilities District”) including Improvement Area No. 2 therein (the “Improvement Area”), a special tax is hereby levied on all taxable parcels within the Improvement Area for the 2018-2019 fiscal year and for all subsequent fiscal years in the amount determined by the Community Facilities District in accordance with the RMA, until collection of the Special Tax by the Commission ceases and a Notice of Cessation of Special Tax is recorded in accordance with Section 53330.5 of the Act, provided that this amount may in any fiscal year be levied at a lesser amount by resolution of the Commission.

SECTION 2. The Authority’s special tax consultant, currently Willdan Financial Services, 27368 Via Industria, Suite 200, Temecula, California 92590, telephone (951) 587-3575, is authorized and directed, with the aid of the appropriate officers and agents of the Authority, to determine each year, without further action of the Commission, the appropriate amount of the Special Tax (pursuant to, and as that term is defined in, the Resolution of Formation) to be levied for the Improvement Area, to prepare the annual Special Tax roll in accordance with the RMA, and to present the roll to the Commission for consideration.

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

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

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

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

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

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

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

* * *

I, the undersigned, the duly appointed and qualified representative of the Commission of the California Statewide Communities Development Authority, DO HEREBY CERTIFY that the foregoing ordinance was first read at a regular meeting of the Commission on November 1, 2018, and was duly passed and adopted by the Commission of the Authority at a duly called meeting of the Commission of the Authority held in accordance with law on December 20, 2018.

AYES:

NOES:

ABSENT:

ABSTAIN:

By: _____

Authorized Signatory
California Statewide Communities
Development Authority



Agenda Item No. 7

Agenda Report

- DATE:** December 20, 2018
- TO:** CSCDA COMMISSIONERS
- FROM:** Cathy Bando, Executive Director
- PROJECT:** Uptown Newport (City of Newport Beach) – Community Facilities District
- PURPOSE:**
- a. Conduct public hearing (hearing to be held at 2 p.m. or shortly thereafter):
 1. Open CFD No. 2018-03 Public Hearing.
 2. Close CFD No. 2018-03 Public Hearing.
 - b. Consideration of the following resolutions with respect to formation of CFD No. 2018-03:
 1. Resolution of formation establishing CFD No. 2018-03 and providing for the levy of a special tax to finance the construction and acquisition of certain public capital improvements and utility undergrounding.
 2. Resolution deeming it necessary to incur bonded indebtedness to finance the construction and acquisition of certain public capital improvements and utility undergrounding to mitigate the impacts of development within CFD No. 2018-03.
 3. Resolution calling special mailed-ballot election within CFD No. 2018-03.
 - c. Conduct special election within CFD No. 2018-03.
 - d. Consider resolution declaring result of special mailed-ballot election for CFD No. 2018-03.
 - e. Conduct first reading of “Ordinance Levying a Special Tax for Fiscal Year 2019-2020 and Following Fiscal Years Solely Within and Relating to the California Statewide Communities Development Authority Community Facilities District No. 2018-03 (Uptown Newport), City of Newport Beach, County of Orange, State of California”.
-

EXECUTIVE SUMMARY:

On November 15, 2018 the Commission approved the following to initiate the formation of the Uptown Newport CFD for the City of Newport Beach: (1) a joint community facilities agreement; (2) a declaration of intention to levy a special tax; (3) a resolution to incur bond indebtedness; and (4) set the public hearing to December 20, 2018.

The actions requested today are the second step in the formation of the Uptown Newport CFD.

BACKGROUND:

Uptown Newport is owned by TSG – Parcel 1, LLC, a Delaware limited liability company and Uptown Newport Jamboree, LLC, a Delaware limited liability company (collectively, the “Developer”).

Uptown Newport is approved for the following type of development:

- 1,244 dwelling units and 11,500 sf of commercial retail with the residential units being 772 apartments and 472 condominiums.
- Phase I of the project consists of the 458 apartments, the 158 condominiums and 9,750 sf of commercial, although only the 158 condo units and the 9,750 sf of commercial will be subject to the CFD tax, as the developer of the apartments will contribute their share in cash.
- Phase II consists of 314 apartments, 314 condominiums and 1,750 sf of commercial, all of which will be subject to the CFD tax.
- There is an Entitled Specific Plan, Certified EIR, a Development Agreement and a recorded Tract Map for the project.
- The project is located on Jamboree Road and bounded by Birch Street and MacArthur Boulevard in downtown Newport Beach. The Uptown Newport development project will promote economic development, the stimulation of economic activity, and increase the tax base within the City.

THE CFD:

The CFD will be authorized to finance public capital facilities and improvements including:

- Preliminary and Incidental Expenses and Appurtenant Work and Improvements, associated with the undergrounding of overhead utilities by Southern California Edison (SCE), and a City Park.
- The current budget includes \$3,305,000 for the 1 acre City Park, and \$3,250,000 for the 66-kV utility undergrounding project.
- Pursuant to various private letter rulings, bond counsel is of the opinion the utility undergrounding project can be financed on a tax exempt basis as long as the undergrounding does not increase capacity.
- The utility work will be done by SCE pursuant to a Rule 20B SCE Agreement with the City. The park will be constructed by the developer and acquired from bond proceeds pursuant to an acquisition agreement.

The current bond estimate is approximately \$8.8 MM. The City approved the formation of the CFD by CSCDA on June 26, 2018.

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

COMMISSION ACTION RECOMMENDED BY THE EXECUTIVE DIRECTOR:

CSCDA's Executive Director recommends the following actions and approving the resolutions:

- a. Conduct public hearing (hearing to be held at 2 p.m. or shortly thereafter):
 1. Open CFD No. 2018-03 Public Hearing.
 2. Close CFD No. 2018-03 Public Hearing.
- b. Consideration of the following resolutions with respect to formation of CFD No. 2018-03:
 1. Resolution of formation establishing CFD No. 2018-03 and providing for the levy of a special tax to finance the construction and acquisition of certain public capital improvements and utility undergrounding.
 2. Resolution deeming it necessary to incur bonded indebtedness to finance the construction and acquisition of certain public capital improvements and utility undergrounding to mitigate the impacts of development within CFD No. 2018-03.
 3. Resolution calling special mailed-ballot election within CFD No. 2018-03.
- c. Conduct special election within CFD No. 2018-03.
- d. Consider resolution declaring result of special mailed-ballot election for CFD No. 2018-03.
- e. Conduct first reading of "Ordinance Levying a Special Tax for Fiscal Year 2019-2020 and Following Fiscal Years Solely Within and Relating to the California Statewide Communities Development Authority Community Facilities District No. 2018-03 (Uptown Newport), City of Newport Beach, County of Orange, State of California".

Resolutions:

https://www.dropbox.com/sh/imqduvmvg7zsrpf/AAAQK-MkOD0Jnli_S4PL3cZxa?dl=0



Agenda Item No. 8

Agenda Report

DATE: December 20, 2018

TO: CSCDA COMMISSIONERS

FROM: Cathy Bando, Executive Director

PURPOSE: Consideration of CSCDA Audited Financial Statement for the Year Ended June 30, 2018

BACKGROUND AND SUMMARY:

Attached for the consideration of the Commission are the CSCDA audited financial statements for the Year Ended June 30, 2018. Mann, Urrutia, Nelson, CPAs & Associates, LLP prepared the reports working with the League of California Cities and CSCDA staff. Highlights from the audited financial statements include the following:

1. **Bonds Issued** – During fiscal year ending June 30, 2018, CSCDA issued \$2 billion in conduit bonds which were in the following categories:
 - **Private Activity Bonds** – CSCDA financed 35 projects for a total of \$1.6 billion in bonds
 - **Public Agency Bonds** – CSCDA issued 9 bond issues totaling \$85 million in bonds benefiting 26 public agencies.
 - **PACE** – CSCDA issued had 333 bond issuances totaling \$283 million in bonds
2. **Bond Issuance Fees** – CSCDA collected \$5,317,328 in new bond issuance fees which is a 2% increase over 2017 Bond Issuance Fees of \$5.2 million.
3. **Bond Administrative Fees** – CSCDA collected \$9,121,545 in bond administration fees which is a 10% decrease over 2017 Bond Administrative Fees of \$10.1 million.
4. **Distributions** – CSCDA’s disbursements were:
 - \$5,098,732 – HB Capital, down \$512 thousand (-11%) compared to 2017.
 - \$2,953,518 – BSP, down \$143 thousand (-5%) from 2017.
 - \$5,948,768 – CSAC Finance Corporation and League of California Cities, an increase of \$143 thousand (+3%) over 2017.
 - \$145,520 – General Administrative Activities, down \$320 thousand (-31%) compared to 2017.

5. **Cash and Investment** – As of June 30, 2018, CSCDA’s had \$6,232,350 in cash and investments which primarily represent prepaid bond administration fees and deposits. The balance in the General Administrative Fund was \$376,966.
6. **Investments** – CSCDA’s cash and investments are held in money market funds and US Treasury Obligations

RECOMMENDED ACTION:

CSCDA’s Executive Director recommends approval of the Audited Financial Statement for the Year Ended June 30, 2018.

**CALIFORNIA STATEWIDE COMMUNITIES
DEVELOPMENT AUTHORITY (CSCDA)**



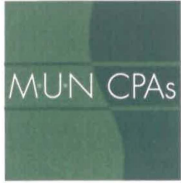
Independent Auditor's Report
Financial Statement
and Supplementary Information

June 30, 2018

**MANN, URRUTIA, NELSON, CPAS & ASSOCIATES, LLP
1760 CREEKSIDE OAKS DRIVE, SUITE 160
SACRAMENTO, CALIFORNIA 95833**

CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY
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JUNE 30, 2018

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MANN • URRUTIA • NELSON CPAs & ASSOCIATES, LLP
GLENDALE • ROSEVILLE • SACRAMENTO • SOUTH LAKE TAHOE • KAUAI, HAWAII

INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
California Statewide Communities Development Authority
Sacramento, California

We have audited the accompanying statement of fiduciary assets and liabilities - agency funds - of the California Statewide Communities Development Authority, as of June 30, 2018, and the related notes to the financial statement.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on this financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statement referred to above present fairly, in all material respects, the financial position of the California Statewide Communities Development Authority, as of June 30, 2018 in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis as listed in the table of contents, be presented to supplement the basic financial statement. Such information, although not a part of the basic financial statement, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statement in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statement, and other knowledge we obtained during our audit of the basic financial statement. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statement. The schedule of fiduciary fee collections/charges and disbursements related to the conduit finance activities - agency funds is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The schedule of fiduciary fee collections/charges and disbursements related to the conduit finance activities - agency funds is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statement. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of fiduciary fee collections/charges and disbursements related to the conduit finance activities - agency funds is fairly stated, in all material respects, in relation to the basic financial statement as a whole.

Mann, Wuntia, Nelson CPA's

Sacramento, California
November 21, 2018

CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis

The California Statewide Communities Development Authority (CSCDA) was created in 1988, under California's Joint Exercise of Powers Act, to provide California's local governments with an effective tool for the timely financing of community-based public benefit projects.

Although cities, counties and special districts are able to issue their own debt obligations or serve as a conduit issuer of private activity bonds that promote economic development and provide critical community services, many local agencies find stand-alone financings too costly or lack the necessary resources or experience to facilitate the bond issuance and perform post-issuance activities for the term of the bonds.

In response, local governments formed CSCDA. CSCDA was created by and for local governments in California, and is sponsored by the California State Association of Counties (CSAC) and the League of California Cities (the League).

Today, over 500 cities, counties, and special districts have become Program Participants to CSCDA - which serves as their conduit issuer and provides access to an efficient and effective mechanism to finance locally-approved public benefit projects. At June 30, 2018, the aggregate amount of CSCDA's conduit debt obligations outstanding issued on behalf of program participants totaled \$24.2 billion.

CSCDA helps local governments build community infrastructure, provide affordable housing, create jobs, make access available to quality healthcare and education, and more. CSCDA provides an important resource to its local government members by ensuring that local community projects get funded quickly and reliably.

Conduit Finance Activity

During the fiscal year ended June 30, 2018, CSCDA served as issuer for \$2.0 billion in conduit revenue bonds related to its Private Activity and Public Agency Finance Programs.

Private Activity Finance Program projects are those owned by the private sector, but which provide specific public benefits as authorized under the Internal Revenue Code and approved by the local City Council or County Board of Supervisors. During the year ended June 30, 2018, CSCDA provided conduit financing for 35 Private Activity Finance Program projects ranging from construction of affordable and senior housing apartments to erecting hospital and educational infrastructure to building new manufacturing facilities. In total, CSCDA provided conduit access to the tax-exempt and taxable municipal finance marketplace for approximately \$1.6 billion in Private Activity Finance Program projects.

Public Agency Finance Program projects are those where CSCDA serves as the conduit issuer for financing where a city, county, and/or special district is the borrower. CSCDA frequently conducts these types of financings on a pooled basis with more than one government entity participating in a single financing, thereby spreading the costs of issuance across borrowers to produce a lower-cost transaction than each local government would enjoy on its own. During the year ended June 30, 2018, CSCDA conducted 9 Public Agency Finance Program conduit issuances totaling approximately \$85 million and benefiting 26 of its public agency members.

PACE Finance Program allow property owners in participating cities and counties to finance renewable energy, energy water efficiency improvements, seismic improvements and electric vehicle charging infrastructure on their property. Participation in the assessment is 100% voluntary by the property owner. The improvements installed on the owner's property are financed by the issuance of bonds. The bonds are secured by a voluntary contractual assessment levied on the owner's property. Property owners who wish to participate in PACE agree to repay the money through the voluntary contractual assessment collected with property taxes. The voluntary contractual assessments are levied by CSCDA and collected in annual installments through the applicable county secured property tax bill. During the year ended June 30, 2018, there were 333 bond issuances totaling \$283 million through the CSCDA PACE program.

Overview of the Financial Statement

This discussion and analysis is intended to serve as an introduction to CSCDA's financial statement. CSCDA's financial statement comprises two components: 1) the statement of fiduciary assets and liabilities- agency funds and 2) notes to the financial statement.

CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS

Financial Statement. CSCDA has only one financial statement, the statement of fiduciary assets and liabilities-agency funds, which appears on page 6. This statement reports assets held in an agency capacity for others and that are not the property of CSCDA itself. As an issuer which acts exclusively in a conduit capacity, CSCDA has no assets, liabilities, revenues, or expenses of its own. Instead, cash flows related to the collection of CSCDA service fees are treated as discussed below in the sections titled "Bond Issuance" and "Bond Administration" while costs associated with CSCDA's operations are handled as discussed below in the sections titled "General Administrative Activities." Because of this structure, in accordance with Accounting Principles Generally Accepted in the United States of America, CSCDA does not report either a statement of net position and governmental fund balance sheet or a statement of activities and governmental fund revenues, expenditures, and changes in fund balance.

Notes to the Financial Statement. The notes provide additional information that is essential to a full understanding of the data provided in the financial statement. The notes to the financial statement can be found on pages 7 - 11 of this report.

Analysis of Fiduciary Assets and Liabilities-Agency Funds

Agency funds reported by CSCDA in the statement of fiduciary assets and liabilities-agency funds are the property of others. These agency funds fall into one of three categories, each of which is reported in the schedule of fiduciary fee collections/charges and disbursements related to the conduit finance activities - agency funds, which appears on page 12 as information supplemental to the financial statement. The categories are: 1) bond issuance, 2) bond administration, and 3) general administrative activities:

Bond Issuance. This agency fund represents amounts received from borrowers in CSCDA's name to pay for the program manager's services as well as for the program sponsorship, and marketing provided by CSAC and the League. CSCDA bills the borrower in advance for bond issuance fees and then places the payment on deposit with US Bank. Amounts held are invested in cash and cash equivalents.

Once bonds are issued, the trustee distributes payments pursuant to agreements approved by the CSCDA Board of Commissioners and for services provided to CSCDA. For the year ended June 30, 2018, CSCDA collected approximately \$7.2 million for bond issuance services and CDLAC deposits. At June 30, 2018, the related accounts held approximately \$1.7 million.

Bond Administration. This agency fund represents amounts assessed by CSCDA for the performance of ongoing administration and compliance work to help keep long-term bond issues in good standing. Bond administration fees are generally paid in advance by the borrower (sometimes several years in advance) and are remitted into various accounts with US Bank until the associated ongoing administration services are performed. These monies are invested either in cash and cash equivalents or in United States government treasury STRIPs.

Amounts held are considered to be the property of the payer until such time as the ongoing administration services are carried out by the program manager or others. Such services are primarily performed by the program manager and a housing compliance monitoring firm, each of which receives payments as services are rendered. For the year ended June 30, 2018, CSCDA collected approximately \$9.1 million in payments and prepayments for ongoing bond administration activities. At June 30, 2018, the related accounts held approximately \$4.0 million for bond administration activities pending performance of bond administration services.

General Administrative Activities. This agency fund represents amounts held in bank accounts where they are owned jointly by CSAC and the League. These accounts are funded by set-asides made prior to the distribution of bond administration service fees. Amounts held in these reserve accounts are first used, under the direction of the CSCDA Board of Commissioners, to pay the expenses of the CSCDA Executive Director and General Counsel, both of whom are engaged under contract with CSCDA. Remaining amounts are used by CSCDA for purposes such as marketing, funding public agency education programs, purchasing public official's insurance for the Board of Commissioners, to reimburse Commissioner expenses, and paying audit, legal, and other professional services expenses. For the year ended June 30, 2018 these accounts funded \$391,876 in general administrative expenses of which \$66,851 was paid to the Executive Director and \$179,505 was paid to General Counsel. At June 30, 2018, the general administrative activities agency fund totaled \$376,966.

CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS

Related Parties

CSCDA maintains agreements with CSAC and the League for the provision of program sponsorship, and marketing. In exchange, both organizations receive shares of the distributions made from agency funds collected for bond issuance and bond administration services. For the year ended June 30, 2018, CSAC and the League together received \$5,948,768, shared equally between them. Program administration services are performed under contract with CSCDA by Bridge Strategic Partners. For the year ended June 30, 2018, this company was paid \$3,262,062. Prior program administration fees are paid pursuant to an Agreement between CSCDA and HB Capital Resources, Ltd. For the year ended June 30, 2018 this company was paid \$5,098,732.

Requests for Information

This financial report is designed to provide a general overview of CSCDA's finances for all those interested. Questions concerning any of the information provided in this report or requests for additional information should be addressed to:

California Statewide Communities Development Authority
1100 K Street, Suite 101
Sacramento, California 95814

CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
AS OF JUNE 30, 2018

ASSETS

Cash and investments	\$ <u>6,232,350</u>
Total Assets	\$ <u><u>6,232,350</u></u>

LIABILITIES

Accounts payable	\$ 113,380
Agency obligations	<u>6,118,970</u>
Total Liabilities	\$ <u><u>6,232,350</u></u>

See accompanying notes to the financial statement

CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY
NOTES TO THE FINANCIAL STATEMENT
JUNE 30, 2018

NOTE 1 - NATURE OF ORGANIZATION

The California Statewide Communities Development Authority (CSCDA) is a conduit finance issuer only. It has no revenues, expenses, assets, or liabilities of its own. Debt obligations issued through CSCDA are those of the governments, non-profit organizations, and private companies who use CSCDA's own governmental status to access the tax-exempt and taxable municipal finance marketplace. Once a borrower uses CSCDA to issue debt, financial servicing of that debt falls to a trustee, or potentially to the investor itself in certain private placements. CSCDA maintains no ongoing interest in bonds issued through its conduit and no debt servicing responsibility.

CSCDA is a public agency established in 1988 as a Joint Powers Authority (JPA). It is sponsored by the California State Association of Counties and the League of California Cities and is set up per the provisions of California's Joint Exercise of Powers Act. Under this law, any two or more public agencies may by agreement jointly exercise powers common among them. In this manner, through CSCDA, local governments have a vehicle they control to complete public benefit projects that otherwise may not have been economical or practical to pursue were the local jurisdiction to have served as issuer. CSCDA is a cooperative repository of public benefit finance expertise that allows its members to use an array of tax-exempt programs without the burden of managing the associated set of issuance and ongoing administrative responsibilities directly themselves.

CSCDA is governed by a seven-member commission. CSCDA's Board of Commissioners (Board) is appointed by the California State Association of Counties (CSAC) and the League of California Cities (the League) (see Note 4 - Related Parties), which together represent the interests of counties and cities throughout the state. This Board is required by the joint powers agreement to establish public benefit finance criteria and to evaluate every submitted project on the basis of benefit provided, after receiving the requisite local approval. No project can proceed without the approval of the commissioners which ensures the preservation of both city and county interests. Since January 16, 2014, administration of CSCDA has been managed by an Executive Director engaged under contract by the Board.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General

The accompanying financial statement of CSCDA has been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental units. The financial statement is presented using the accrual basis of accounting. As discussed in Note 1, however, CSCDA has no revenues or expenses to report for the period covered.

Agency Fund - Bond Issuance and Ongoing Bond Administration

While CSCDA has no revenues of its own, the Program Manager (see Note 4 - Related Parties) oversee the collection of bond issuance and ongoing bond administration fees received in CSCDA's name. Such fees are published in CSCDA's fee schedule and are generally assessed as percentages of bonds issued or bonds outstanding. Fee collections, some of which are prepaid by borrowers, are deposited into one or more third-party trustee accounts where they are held until distributed to CSAC, the League, the Program Manager, the Prior Program Manager, or other designated payees. CSCDA recognizes no revenues or expenses related to these fee collections and disbursements, all of which are reported in the financial statements of CSAC, the League, the Program Manager, and other third parties. Funds held in third-party trustee accounts related to bond issuance and ongoing bond administration activities, and reported within the statement of fiduciary assets and liabilities - agency funds, amounted to \$5,742,004 at June 30, 2018.

CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY
NOTES TO THE FINANCIAL STATEMENT
JUNE 30, 2018

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Agency Fund - General Administrative Activities

Prior to the distribution of bond administration service fees to CSAC, the League, and the Program Manager (see Note 4 - Related Parties), an allocation is made to accounts owned by CSAC and the League and held for them. These accounts are first used, under the direction of the Commission, to pay the expenses of the CSCDA Executive Director and General Counsel, both of whom are engaged under contract with CSCDA. Remaining amounts are used to buy insurance for CSCDA, fund certain marketing activities, reimburse Commissioner expenses, and support other general administrative activities. Amounts held in reserve accounts are for CSAC and the League and are reported within the statement of fiduciary assets and liabilities - agency funds. The general administrative activity agency fund amounted to \$376,966 at June 30, 2018.

NOTE 3 - CONDUIT FINANCE ACTIVITY

CSCDA's conduit finance activity for the year ended June 30, 2018 appears as follows:

<u>Private Activity Finance Programs</u>	<u>No. of Projects Financed</u>	<u>No. of Bonds Issued</u>	<u>Debt Issued</u>
Qualified 501(c)(3) Nonprofit	12	12	\$ 1,041,105,000
Affordable Multifamily Housing	<u>23</u>	<u>23</u>	<u>595,033,961</u>
Total Private Activity	<u><u>35</u></u>	<u><u>35</u></u>	<u><u>\$ 1,636,138,961</u></u>

<u>Public Agency Finance Programs</u>	<u>No. of Program Participants</u>	<u>No. of Bonds Issued</u>	<u>Debt Issued</u>
Statewide Community Infrastructure Program (SCIP)	20	3	\$ 54,315,000
Community Facilities Districts (CFDs)	1	1	14,505,000
CaLease	2	2	6,475,000
Tax and Revenue Anticipation Notes	2	2	8,955,000
Airport	<u>1</u>	<u>1</u>	<u>500,000</u>
Total Public Agency	<u><u>26</u></u>	<u><u>9</u></u>	<u><u>\$ 84,750,000</u></u>

<u>Property Assessed Clean Energy (PACE) Finance Programs</u>	<u>No. of Bonds Issued</u>	<u>Debt Issued</u>
Open PACE Program	<u>333</u>	<u>\$ 283,423,578</u>
Total PACE	<u><u>333</u></u>	<u><u>\$ 283,423,578</u></u>
Total Debt Issued	<u><u>377</u></u>	<u><u>\$ 2,004,312,539</u></u>

At June 30, 2018 the aggregate amount of CSCDA's conduit debt obligations outstanding issued on behalf of program participants totaled \$24.2 billion.

The amount of conduit debt obligations authorized, but unsold as of June 30, 2018 was \$56,805,000.

CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY
NOTES TO THE FINANCIAL STATEMENT
JUNE 30, 2018

NOTE 4 - RELATED PARTIES

CSCDA has entered into Intellectual Property License, Royalty, and Administrative Agreements with CSAC and the League (see Note 1-Nature of Organization) for sponsorship and marketing of CSCDA's conduit finance programs. In addition, per the provisions of the CSCDA Joint Powers Agreement, CSAC and the League appoint individuals to serve on CSCDA's seven-member commission.

CSCDA has also entered into Program Administration Agreements with Bridge Strategic Partners for the provision of comprehensive staff services for daily operational and marketing purposes. Acting as CSCDA's staff, Bridge Strategic Partners personnel implement the issuance policies established by CSCDA's Board of Commissioners, execute aspects of the deal qualification and structuring process, analyze and present transactions to CSCDA's Board of Commissioners for review and approval, and work with the financial and legal community, local agencies and regulatory bodies, and others to ensure that conduit bonds issued in CSCDA's name remain in good standing. CSCDA has a prior administration agreement with HB Capital Resources Ltd. related to bond administration fees for bond issuances prior to July 1, 2015.

Pursuant to the above referenced program administration agreements, HB Capital Resources Ltd. receives a percentage of bond administration fees paid by borrowers for bond issuances prior to July 1, 2015 and Bridge Strategic Partners receives a set percentage of the bond issuance and ongoing bond administration fees assessed to borrowers in CSCDA's name after June 30, 2015, with such percentages varying based upon deal type. Under the intellectual Property License, et seq. Agreement, CSAC and the League receive an equal portion of the remaining bond issuance and ongoing bond administration fees. CSAC, the League, HB Capital Resources and Bridge Strategic Partners pay all their own expenses related to the provision of their respective activities or services. For the year ended June 30, 2018, CSAC and the League of California Cities together received \$5,948,768 split equally between them. Bridge Strategic Partners received \$3,262,062 and HB Capital Resources received \$5,098,732.

NOTE 5 - CASH AND INVESTMENTS

Cash and investments at June 30, 2018 consisted of the following:

Investments	
Money Market Funds	\$ 3,484,994
U.S. Treasury Obligations	<u>2,747,356</u>
Total investments	<u>\$ 6,232,350</u>

Agency Fund Investments Authorized by CSCDA's Investment Practice

The table below identifies the investment types authorized by CSCDA for agency funds held for the benefit of CSCDA's conduit issuance activities. "None," in the context used in the table, means there are no limitations. (This table does not address investments of conduit bond proceeds held by bond trustees that are governed by the provisions of the associated conduit debt agreements.)

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum % of Portfolio</u>	<u>Maximum Investment in one Issuer</u>
Money Market Funds	N/A	None	None
U.S. Treasury Obligations	None	None	None

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in interest rates. One of the ways that CSCDA manages the exposure of agency funds is by authorizing the purchase of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity over time as necessary to provide the cash flow and liquidity needed for conduit operations.

CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY
NOTES TO THE FINANCIAL STATEMENT
JUNE 30, 2018

NOTE 5 - CASH AND INVESTMENTS (Continued)

Information about the sensitivity of the fair values of agency fund investments to market rate fluctuations is provided by the following table that shows the distribution of investments by maturity:

Investment Type	Maturities				Total
	12 Months or Less	13 to 24 Months	25 to 60 Months	More Than 60 Months	
Money Market Funds	\$ 3,484,994	\$ -	\$ -	\$ -	\$ 3,484,994
U.S Treasury Obligations	<u>276,183</u>	<u>219,439</u>	<u>544,364</u>	<u>1,707,370</u>	<u>2,747,356</u>
Total	<u>\$ 3,761,177</u>	<u>\$ 219,439</u>	<u>\$ 544,364</u>	<u>\$ 1,707,370</u>	<u>\$ 6,232,350</u>

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. CSCDA mitigates the credit risk of agency funds by limiting permitted investments to U.S. Treasury obligations or money market funds that carry the assignment of a BBB or better rating by a nationally-recognized statistical rating organization. At June 30, 2018, agency fund investments were held entirely in money market funds and U.S. Treasury obligations with Standards & Poor's ratings of AA+ and AA+, respectively. However, under GASB 40, U.S. Treasury obligations are not considered to have credit risk.

Concentration of Credit Risk

CSCDA's investment practice with respect to agency funds limits concentration of credit risk by restricting investments to U.S. Treasury obligations or money market funds. CSCDA's agency fund investment position at June 30, 2018, was in compliance with this practice.

Custodial Credit Risk

The custodial credit risk for agency fund investments is the risk that, in the event of the failure of the counterparty to a transaction, the beneficiaries of the agency funds will not be able to recover the value of their investments or collateral securities that are in the possession of another party. CSCDA's agency fund investments are not exposed to custodial credit risk because their existence is not evidenced by securities that exist in physical or book entry form.

The custodial credit risk for agency fund deposits is the risk that, in the event of the failure of a depository financial institution, CSCDA will not be able to recover collateral securities that are in the possession of an outside party. Deposits that potentially subject CSCDA to custodial credit risk consist of demand deposits and money market accounts in excess of amounts insured by the Federal Deposit Insurance Corporation (FDIC). It is the practice of CSCDA to place its demand deposits and money market accounts with a high-credit, quality financial institution. At June 30, 2018, CSCDA held all of its funds at one financial institution which provides FDIC coverage of deposits up to \$250,000. Deposits not covered by the FDIC are secured in accordance with the California Government Code, which requires that financial institutions secure deposits made by state and local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law. The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. Collateral is considered held in CSCDA's name.

CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY
NOTES TO THE FINANCIAL STATEMENT
JUNE 30, 2018

NOTE 5 - CASH AND INVESTMENTS (Continued)

Fair Value Measurements

CSCDA categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles (GASB 72). The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. The Authority has the following recurring fair value measurements as of June 30, 2018:

<u>Investment Type</u>	<u>Total</u>	<u>Fair Value Measurements Using:</u>	
		<u>Level 1</u>	<u>Level 2</u>
Money Market Funds	\$ 3,484,994	\$ -	\$ 3,484,994
U.S. Treasury Obligations	<u>2,747,356</u>	<u>2,747,356</u>	<u>-</u>
Total	<u>\$ 6,232,350</u>	<u>\$ 2,747,356</u>	<u>\$ 3,484,994</u>

SUPPLEMENTARY INFORMATION

The following page contains information that is supplemental to the operations of the California Statewide Communities Development Authority (CSCDA). The information that appears shows the consolidated activity and balances of accounts used to collect issuance and administrative fees remitted to CSCDA by borrowers. Amounts collected in these accounts are the property of the California State Association of Counties (CSAC), the League of California Cities (the League), and certain conduit borrowers for which services have not yet been performed, but who have deposited funds for the future payment of those services. CSCDA holds no right or title to these accounts.

CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY
SCHEDULE OF FIDUCIARY FEE COLLECTIONS/CHARGES AND DISBURSEMENTS
RELATED TO THE CONDUIT FINANCE ACTIVITIES
AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

	<u>Bond Issuance</u>	<u>Bond Administration</u>	<u>General Administrative Activities</u>	<u>Total</u>
Amounts Collected and Charged in Benefit of Conduit Finance Activities of CSCDA				
Bond issuance fees	\$ 5,317,328	\$ -	\$ -	\$ 5,317,328
Bond administrative fees	-	9,121,545	-	9,121,545
Deposits	1,838,105	-	-	1,838,105
Investment income:				
Interest	14,931	17,817	-	32,748
Change in fair value of investments	<u>-</u>	<u>(31,472)</u>	<u>-</u>	<u>(31,472)</u>
Total Amounts Collected and Charged in Benefit of Conduit Finance Activities of CSCDA	<u>7,170,364</u>	<u>9,107,890</u>	<u>-</u>	<u>16,278,254</u>
Amounts Disbursed in Benefit of Conduit Finance Activities of CSCDA				
Program Administration:				
Program Manager - Bridge Strategic Partners, LLC	2,436,682	516,836	-	2,953,518
Prior Program Manager - HB Capital Resources, Ltd.	-	5,098,732	-	5,098,732
Program Governance and Marketing:				
CSAC	1,442,548	1,531,836	-	2,974,384
League of California Cities	1,442,548	1,531,836	-	2,974,384
Compliance Monitoring:				
Urban Futures Bond Administration, Inc.	-	187,950	-	187,950
Bridge Strategic Partners, LLC	-	284,544	-	284,544
Executive Director & General Counsel Compensation	-	-	246,356	246,356
General Administrative:				
Bridge Strategic Partners, LLC	-	-	24,000	24,000
Others	-	-	121,520	121,520
Deposits returned and Other	<u>2,207,078</u>	<u>-</u>	<u>-</u>	<u>2,207,078</u>
Total Amounts Disbursed in Benefit of Conduit Finance Activities of CSCDA	<u>7,528,856</u>	<u>9,151,734</u>	<u>391,876</u>	<u>17,072,466</u>
Transfers	<u>-</u>	<u>(456,804)</u>	<u>456,804</u>	<u>-</u>
Change in Agency Obligations	(358,492)	(500,648)	64,928	(794,212)
Agency Obligations, July 1, 2017	<u>2,066,226</u>	<u>4,534,918</u>	<u>312,038</u>	<u>6,913,182</u>
Agency Obligations, June 30, 2018	<u>\$ 1,707,734</u>	<u>\$ 4,034,270</u>	<u>\$ 376,966</u>	<u>\$ 6,118,970</u>

See accompanying notes to the financial statement



Agenda Item No. 9

Agenda Report

DATE: December 20, 2018

TO: CSCDA COMMISSIONERS

FROM: Cathy Bando, Executive Director

PURPOSE: Consideration of a resolution authorizing the issuance of additional limited obligation improvement bonds in an aggregate principal amount not to exceed \$250,000,000 and approving additional bond documents for PACE Funding

BACKGROUND AND SUMMARY:

PACE Funding and its counsel have requested that the Commission consider and approve the following amendments to the residential PACE indentures:

1. **Amendment to Indenture:** An amendment and restatement to the current residential indenture. The amendment and restatement will support the conversion into bonds of assessments that were previously in the assignment pool.
2. **Increase in Authorized Amount:** In 2016, the Commission authorized PACE Funding for a not-to-exceed amount of \$100 million in PACE issuance. PACE Funding has issued in excess of \$60 million and is requesting an additional amount up to \$250 million be authorized.

Stradling, Yocca, Rauth & Carlson as counsel to the PACE Funding PACE program has drafted the above-referenced amendments. The amendments are intended to bring further efficiencies to mechanisms of the indentures.

RECOMMENDED ACTION:

CSCDA's Executive Director recommends approval of a resolution approving the indenture amendments for residential PACE financings under the PACE Funding program, and increasing the not-to-exceed amount authorized to be financed by PACE Funding to \$250 million.

RESOLUTION NO. _____

RESOLUTION OF THE COMMISSION OF THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY AUTHORIZING THE ISSUANCE OF ADDITIONAL LIMITED OBLIGATION IMPROVEMENT BONDS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED TWO HUNDRED FIFTY MILLION DOLLARS (\$250,000,000) AND APPROVING ADDITIONAL BOND DOCUMENTS, AND TAKING CERTAIN OTHER ACTIONS IN CONNECTION THEREWITH

WHEREAS, the California Statewide Communities Development Authority, a public entity of the State of California (“CSCDA”), is authorized under Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (the “Act”) and a joint exercise of powers agreement entered into by a number of California cities, counties and special districts in accordance with the Act, to authorize assessments to finance or refinance the installation of distributed generation renewable energy sources, energy efficiency improvements, water efficiency improvements, seismic strengthening improvements, electric vehicle charging infrastructure and such other work, infrastructure or improvements as may be authorized by law from time to time that are permanently fixed to real property (collectively, the “Improvements”), all in accordance with Chapter 29 of Part 3 of Division 7 of the Streets & Highways Code of the State of California, as amended (“Chapter 29”); and

WHEREAS, on November 6, 2014, pursuant to Resolution No. 14R-61 (the “Resolution of Intention”), the Commission declared its intention to establish the CSCDA Open PACE Program (the “Program”) in the Covered Jurisdictions (as defined in the Resolution of Intention and herein, the “Covered Jurisdictions”); and

WHEREAS, the Resolution of Intention directed the Executive Director or the designee thereof to prepare or cause to be prepared and to file with the Commission a report (the “Program Report”) addressing all of the matters set forth in Sections 5898.22 and 5898.23 of Chapter 29; and

WHEREAS, on December 4, 2014, pursuant to Resolution No. 14R-66 (the “Resolution Confirming Report”), the Commission confirmed the Program Report and established the Program in the Covered Jurisdictions, subject to the limitations set forth in the Resolution of Intention; and

WHEREAS, pursuant to Chapter 29 and the Resolution Confirming Report, CSCDA is authorized to enter into contractual assessments (the “Assessments”) to finance or refinance the installation of Improvements in the Covered Jurisdictions, subject to the limitations set forth in the Resolution of Intention; and

WHEREAS, pursuant to the Resolution of Intention, the Commission provided for the issuance of one or more series of limited obligation improvement bonds from time to time pursuant to the Improvement Bond Act of 1915, Division 10 of the Streets and Highways Code of the State of California (the “Bond Act”) for the purpose, among others, of financing or refinancing the installation of Improvements; and

WHEREAS, on July 21, 2016, pursuant to Resolution No. 16R-33 (the “Resolution of Issuance”), CSCDA previously authorize the issuance of limited obligation improvement bonds, to be issued in one or more series, in an aggregate principal amount of not to exceed \$100,000,000 (the “Prior Bonds”), secured by the Assessments pursuant to the Bond Act for the purpose, among others, of financing or refinancing the installation of Improvements, such Prior Bonds to be sold to one or more lending institutions as selected by Pace Funding, LLC, acting as Program Administrator (the “Program Administrator”); and

WHEREAS, pursuant to the Resolution of Issuance, in connection with the financing of the Improvements and the issuance of the Prior Bonds, CSCDA also approved the forms of the Master Indenture, a Supplemental Indenture to Master Indenture, the Assessment Contract and Addendum thereto (collectively, the “Bond Documents”)

WHEREAS, in addition to the issuance of the Prior Bonds, CSCDA now desires to approve the issuance of additional limited obligation improvement bonds, to be issued in one or more series, in an aggregate principal amount of not to exceed \$250,000,000 (the “Additional Bonds”), secured by the Assessments pursuant to the Bond Act for the purpose, among others, of financing or refinancing the installation of Improvements, such Additional Bonds to be sold to one or more lending institutions as selected by the Program Administrator; and

WHEREAS, in connection with the financing of the Improvements and the issuance of the Additional Bonds, in addition to the Bond Documents previously authorized for the Prior Bonds and the Additional Bonds, CSCDA desires to approve the forms of two additional Master Indentures, to be executed and delivered in connection with the issuance of the Additional Bonds (the “Additional Master Indentures”); and

WHEREAS, CSCDA previously approved and executed a Master Assignment and Assumption Agreement, by and between CSCDA and the Program Administrator, dated as of October 20, 2016 (the “Master Assignment and Assumption Agreement”); and

WHEREAS, CSCDA now desires to approve the form of First Amendment to Master Assignment and Assumption Agreement, by and between CSCDA and the Program Administrator (the “First Amendment to Master Assignment and Assumption Agreement, and, together with the Additional Master Indentures, the “Additional Bond Documents”); and

WHEREAS, the Assessments have previously been validated pursuant to Section 860 *et seq.* of the Government Code of the State of California in three separate validation actions;

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

Section 1. Each of the above recitals is true and correct and is adopted by the Commission.

Section 2. The issuance of the Additional Bonds in an aggregate principal amount of not to exceed \$250,000,000 is hereby authorized. The Additional Bonds may be issued in one or more series and will be privately placed with one or more lending institutions as selected by the Program Administrator.

The forms of the Additional Bond Documents are hereby approved and each of the Chair of the Commission, the Vice Chair of the Commission, the Executive Director of CSCDA and the Finance Director of CSCDA, or any of their designees (collectively, the "Authorized Officers"), are hereby authorized to execute the Additional Bond Documents substantially in the form presented herewith, with such additions thereto and changes therein as the officer or officers executing the same deem necessary or desirable, including but not limited to insert the offering price(s), interest rate(s), selling compensation, principal amount per maturity, redemption dates and prices, reserve account deposits and such other related terms and provisions as such Authorized Officer or Authorized Officers shall deem appropriate.

Section 3. CSCDA is hereby authorized to assign any Assessments prior to the issuance of the Additional Bonds to the Program Administrator in connection with any financings secured by the Assessments in anticipation of Additional Bonds being issued.

Section 4. Each of the Authorized Officers is authorized to provide for all services necessary to effect the issuance, sale and delivery of the Additional Bonds and the origination of the Assessments. Such services shall include, but not be limited to, obtaining legal services, trustee services, consultant services and any other services deemed appropriate by an Authorized Officer. Any one of the Authorized Officers is authorized to pay for the cost of such services, together with other costs of issuance incurred in connection with the issuance of the Additional Bonds from the sale and delivery of Additional Bond proceeds.

All actions heretofore taken by any Authorized Officers, or by any officers, employees or agents of CSCDA, with respect to: (1) the issuance, delivery or sale of the Additional Bonds; (2) the Assessments; and (3) the Bond Documents and the Additional Bond Documents or any of the documents referenced therein, are hereby approved, confirmed and ratified. The Authorized Officers and the other officers responsible for the fiscal affairs CSCDA are hereby jointly and severally authorized and directed to do all things and take any and all actions and execute and deliver any and all documents as are necessary or desirable to accomplish the issuance, sale and delivery of the Additional Bonds in multiple series in accordance with the provisions of this Resolution and as are necessary or appropriate for the fulfillment of the purposes of the Additional Bonds and the Assessments. Any document authorized herein to be signed by the Secretary may be signed by a duly appointed Deputy Secretary.

Section 5. This resolution shall take effect immediately upon its passage.

PASSED AND ADOPTED by the California Statewide Communities Development Authority this December 20, 2018.

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 20, 2018.

By _____

Authorized Signatory
California Statewide Communities
Development Authority



Agenda Item No. 10

Agenda Report

DATE: December 20, 2018

TO: CSCDA COMMISSIONERS

FROM: Cathy Bando, Executive Director

PURPOSE: Consider directing the Executive Director and staff to replace Willdan Financial Services as assessment administrator for Statewide Community Infrastructure Program (SCIP) with David Taussig & Associates.

BACKGROUND AND SUMMARY:

When CSCDA's SCIP program (the "Program") was initiated in 2003, Willdan Financial Services ("Willdan") was appointed the assessment administrator for the Program. In 2013, the Commission issued a request for proposals and awarded the assessment administration services to David Taussig & Associates (DTA). DTA remains the current assessment administrator for the Program through 2020 pursuant to another request for proposals that was issued in 2016.

Willdan has continued to perform assessment administration services for SCIP financings that were issued prior to awarding the contract to DTA in 2013 ("Prior SCIP Bonds"). CSCDA staff learned that Willdan has not notified CSCDA of significant payment delinquencies on the Prior SCIP Bonds. Under the terms of the indenture for SCIP Bonds, CSCDA is required to take certain actions such as the initiation of foreclosure proceedings on delinquent assessment payments. Without the proper information provided by its assessment administrator, CSCDA cannot fulfill its obligations.

RECOMMENDED ACTION:

CSCDA's Executive Director recommends the transfer of assessment engineer services for the Prior SCIP Bonds to its current assessment administrator, DTA, under terms that are similar to the terms of the existing contract for services with DTA. Such transition will be with the assistance of the Executive Director, Staff, Willdan and DTA. The Executive Director will report back to the Commission on the transition and an amended contract with DTL for services will be presented to the Commission for consideration.