



**REGULAR MEETING AGENDA**  
**December 3, 2020 at 2:00 p.m.**

*Pursuant to Governor Newsom's Executive Order, Commissioners of the California Statewide Communities Development Authority or staff may participate in this meeting via a teleconference. In the interest of maintaining appropriate social distancing, members of the public may participate in the meeting telephonically. Members of the public may observe and offer comment at this meeting telephonically by dialing 623-404-9000, Meeting ID 240 338 9861 Passcode 747188. If you are an individual with a disability and need a reasonable modification or accommodation pursuant to the Americans with Disabilities Act ("ADA") please contact [info@cscda.org](mailto:info@cscda.org) or 1-800-531-7476 prior to the meeting for assistance.*

**A. OPENING AND PROCEDURAL ITEMS**

1. Roll Call.

_____ Kevin O'Rourke, Chair	_____ Brian Stiger, Member
_____ Tim Snellings, Vice Chair	_____ Marcia Raines, Member
_____ Brian Moura, Secretary	_____ Niroop Srivatsa, Alt. Member
_____ Jordan Kaufman, Treasurer	
_____ Dan Mierzwa, Member	
2. Consideration of the Minutes of the November 19, 2020 Regular Meeting.
3. Consent Calendar.
4. Public Comment.

**B. ITEMS FOR CONSIDERATION AND ACTION**

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. Legacy Square, L.P. (Legacy Square Apartments), City of Santa Ana, County of Orange; issue up to \$40,000,000 in multi-family housing revenue bonds.
  - b. Washington Court Renewal LP (Washington Court Apartments), City of Los Angeles, County of Los Angeles; issue up to \$40,000,000 in multi-family housing revenue bonds.

This \_\_\_ page agenda was posted at 1100 K Street, Sacramento, California on \_\_\_\_\_, 2020 at \_\_\_: \_\_ m, Signed \_\_\_\_\_. Please email signed page to [info@cscda.org](mailto:info@cscda.org)

- c. Villa del Sol Apartments, LP (Villa de Sol Apartments), City of Los Angeles, County of Los Angeles; issue up to \$27,000,000 in multi-family housing revenue bonds.
- 6. Statewide Community Infrastructure Program (SCIP):  
  
Consider the following resolutions for Statewide Community Infrastructure Program Assessment District No. 20-02 (Tapestry (Phase I)) City of Hesperia, County of San Bernardino for stand-alone bond issuance:
  - a. Resolution of intention to finance capital improvements and/or the payment of development impact fees for public capital improvements, including approval of proposed boundary map; and
  - b. Resolution preliminarily approving the engineer's report, setting date for the public hearing of protests and providing for property owner ballot.
- 7. Consideration of resolution recognizing the service of Michael Cooper.
- 8. Consideration of CSCDA 19/20 Audited Financial Statements.

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

- 9. Executive Director Update.
- 10. Staff Updates.
- 11. Adjourn.

**NEXT MEETING:** Thursday, December 17, 2020 at 2:00 p.m.

**CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY**

**CONSENT CALENDAR**

1. Inducement of Centennial Gardens LP (Centennial Gardens Apartments), City of Santa Maria, County of Santa Barbara; issue up to \$60 million in multi-family housing revenue bonds.
2. Inducement of Community Development Partners (Westview House Apartments), City of Santa Ana, County of Orange; issue up to \$45 million in multi-family housing revenue bonds.
3. Inducement of A0702 Morgan Hill (Crossings at Watsonville), City of Morgan Hill, County of Santa Clara; issue up to \$40 million in multi-family housing revenue bonds.
4. Consideration of agreement with Jones Hall for commercial PACE bond counsel services relating to Poppy Bank.
5. Consideration of Open PACE Documents for Poppy Bank.



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### **CSCDA Community Improvement Authority**

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## MINUTES

### REGULAR MEETING OF THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY

**November 19, 2020 at 2:00 p.m.**

Commission Chair Kevin O'Rourke called the meeting to order at 2:01 pm.

1. Roll Call.

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

Others participating via teleconference: Cathy Bando, CSCDA Executive Director; James Hamill, Bridge Strategic Partners; Jon Penkower, Bridge Strategic Partners; Norman Coppinger, League of California Cities; Sendy Young, CSAC Finance Corporation; and Trisha Ortiz, Richards Watson & Gershon.

2. Consideration of the Minutes of November 5, 2020 Regular Meeting.

The Commission approved the November 5, 2020 Regular Meeting minutes.

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

3. Consideration of the Consent Calendar.

The Commission approved the Consent Calendar.

1. Consideration of a resolution confirming and ratifying resolution No. 19R-12 with respect to financings where Stonehill PACE, LLC acts as the program administrator.

2. Consideration of conflict waiver with Stradling, Yocca, Carlson & Rauth related to dual representation for the City of Lancaster.

***Motion to approve by T. Snellings. Second by M. Raines. Unanimously approved by roll-call vote.***

4. Public Comment.

There was no public comment.

5. Consideration of Annual Meeting Virtual Reception.

The CSCDA Annual Meeting has been set for January 7, 2021 at 2pm.

The Commission approved a 4pm Virtual Reception. Staff will confirm details at a later time.

6. Executive Director Update.

Executive Director Bando had no update.

7. Staff Update.

Staff had no update.

8. Adjourn.

The meeting was adjourned at 2:18 p.m.

Submitted by: Sendy Young, CSAC Finance Corporation

**NEXT MEETING:** Thursday, October 15, 2020 at 2:00 p.m.

## Agenda Item No. 3

### Agenda Report

**DATE:** December 3, 2020  
**TO:** CSCDA COMMISSIONERS  
**FROM:** Cathy Bando, Executive Director  
**PURPOSE:** Consent Calendar

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#### SUMMARY:

4. Consideration of agreement with Jones Hall for commercial PACE bond counsel services relating to Poppy Bank.

*The Commission approved Poppy Bank as a CSCDA Open PACE administrator. Poppy Bank has engaged Jones Hall as bond counsel for its Open PACE financings. The Commission is being asked to approve the standard Jones Hall agreement for such services to be paid by Poppy Bank and commercial PACE borrowers. CSCDA is not responsible for the fees associated with the agreement. Recommend approval.*

5. Consideration of Open PACE Documents for Poppy Bank.

*As part of the Open PACE program Jones Hall has prepared standard documents for its Open PACE financings. The documents are templates that are used by the Open PACE program and have been reviewed by CSCDA staff. Recommend approval.*

Documents:

<https://www.dropbox.com/sh/jiwl5hi984e3t58/AACeD2zLZcaojx5T3CvYBGPFa?dl=0>

**RESOLUTION NO. 20H-\_\_**

**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 3, 2020.

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 3, 2020.

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

**EXHIBIT A**

<b>Project Name</b>	<b>Project Location</b>	<b>Project Description (units)</b>	<b>New Construction/ Acquisition and Rehabilitation</b>	<b>Legal Name of initial owner/operator</b>	<b>Bond Amount</b>
Centennial Gardens Apartments	City of Santa Maria, County of Santa Barbara	160	New Construction	Centennial Gardens LP	\$60,000,000
Westview House Apartments	City of Santa Ana, County of Orange	85	New Construction	Community Development Partners	\$45,000,000
Crossings on Watsonville Road	City of Morgan Hill, County of Santa Clara	72	New Construction	A0702 Morgan Hill, LP	\$40,000,000



## **Agenda Item No. 5a**

### **Agenda Report**

**DATE:** December 3, 2020

**TO:** CSCDA COMMISSIONERS

**FROM:** Cathy Bando, Executive Director

**PROJECT:** Legacy Square Apartments

**PURPOSE:** Approve the Financing of Rental Affordable Housing Project Located in the City of Santa Ana, County of Orange

**AMOUNT:** Not to Exceed \$40,000,000

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#### **EXECUTIVE SUMMARY:**

Legacy Square Apartments (the “Project”) is the new construction of a 93-unit rental housing project located in the City of Santa Ana. 100% of the units will be rent restricted for low-income tenants.

#### **PROJECT DESCRIPTION:**

- Construction of a 93-unit affordable rental housing facility located at 609 N. Spurgeon Street in the City of Santa Ana.
- 1.7 Acre Site.
- Consists of 30 one-bedroom, 39 two-bedroom, and 24 three-bedroom units.
- Playground, computer center, BBQ area.
- Permanent supportive housing set-aside for households who are homeless or at-risk of homelessness.
- Educational, social and health services provided by Mercy House.

#### **PROJECT ANALYSIS:**

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

National Community Renaissance (National CORE) is comprised of National Community Renaissance of California (NCRC), and Hope through Housing Foundation (HOPE), which provides on-site social services to all of National CORE’s communities. National CORE was established in 1992 as a 501(c) (3) not-for-profit public benefit corporation and currently has over 8,000 rental units under ownership in four states, including more than 6,900 throughout the Southern California region. National CORE is the developer, owner, operator and services provider

of all of its properties. National CORE currently employs in excess of 400 people. National CORE is a vertically integrated company with in-house construction, property management, asset management, compliance, accounting and social programs/services departments. National CORE has experienced staff capacity in development, construction management, property management, social services, and is a licensed general contractor. This “in-house” structure allows for strict quality control and cost-savings in all facets of its business. National CORE’s philosophy is to not only develop and maintain high-quality affordable housing, but to go well beyond the bricks and mortar and create vibrant communities that are safe and nurturing environments for its residents. National CORE continues to own and manage all of its properties, thus ensuring long-term affordability as well as the maintenance of high-quality affordable communities. National CORE has financed 13 prior projects with CSCDA.

**Public Agency Approvals:**

**TEFRA Hearing:** December 17, 2019 – City of Santa Ana – Unanimous Approval  
Another TEFRA hearing is scheduled for December 15, 2020 to extend the existing expiring TEFRA resolution. CSCDA approval will be contingent upon the new TEFRA approval by the City.

**CDLAC Approval:** September 16, 2020

**Public Benefits:**

- 100% of the units will be rent restricted for 55 years.
  - 48% (44 units) restricted to 30% or less of area median income households.
  - 34% (31 units) restricted to 50% or less of area median income households.
  - 18% (17 units) restricted to 60% or less of area median income households.
  - One Manager’s Unit
- The Project is in walking distance to parks, recreational facilities, retail shopping and public schools.

**Sources and Uses:**

Sources of Funds:

Tax-Exempt Bonds:	\$ 26,000,000
Taxable Bonds:	\$ 10,600,000
CalHFA Funds:	\$ 1,514,240
City Loan:	\$ 3,170,547
Tax Credit Equity:	\$ 3,599,379
Deferred Costs:	\$ 1,253,988
General Partner Equity:	<u>\$ 2,906,538</u>
Total Sources:	\$ 49,044,692

Uses of Funds:

Land:	\$ 2,886,837
Construction Costs:	\$ 32,035,774

Architecture & Engineering:	\$ 1,860,000
Capitalized/Const. Interest:	\$ 3,150,294
Reserves:	\$ 633,468
Developer Fee:	\$ 5,406,538
Legal Fees:	\$ 400,000
Soft Costs:	\$ 2,671,781
Total Uses:	\$ 49,044,692

**Finance Partners:**

Bond Counsel:	Orrick, Herrington & Sutcliffe, LLP, San Francisco
Authority Counsel:	Orrick, Herrington & Sutcliffe, LLP, Sacramento
Bond Purchaser:	Bank of America, N.A.

**Finance Terms:**

Rating:	Unrated
Term:	35 years
Method of Sale:	Private Placement
Estimated Closing:	January 15, 2020

**CSCDA Policy Compliance:**

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

**DOCUMENTS:** (as attachments)

1. CSCDA Resolution (Attachment A)

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

CSCDA's Executive Director recommends that the Commission adopt the resolution, which:

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

**ATTACHMENT A**

**RESOLUTION NO. 20H-\_\_**

**A RESOLUTION OF THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY AUTHORIZING THE ISSUANCE AND DELIVERY OF MULTIFAMILY HOUSING REVENUE BONDS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$40,000,000 FOR THE FINANCING OF A MULTIFAMILY RENTAL HOUSING DEVELOPMENT TO BE KNOWN AS LEGACY SQUARE APARTMENTS; DETERMINING AND PRESCRIBING CERTAIN MATTERS AND APPROVING AND AUTHORIZING THE EXECUTION AND DELIVERY OF VARIOUS DOCUMENTS RELATED THERETO; RATIFYING ANY ACTION HERETOFORE TAKEN AND APPROVING RELATED MATTERS IN CONNECTION WITH THE BONDS**

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

**WHEREAS**, Legacy Square, L.P., a California limited partnership, and entities related thereto (collectively, the “Borrower”), have requested that the Authority issue and sell multifamily housing revenue bonds (the “Bonds”) to assist in the financing of the acquisition, construction, development and equipping of a 93-unit (including one manager’s unit) multifamily rental housing development to be located in the City of Santa Ana (the “City”), California, and known as Legacy Square Apartments (the “Project”);

**WHEREAS**, on September 16, 2020, the Authority received an allocation in the amount of \$26,000,000 (the “Allocation Amount”) of private activity volume cap from the California Debt Limit Allocation Committee (“CDLAC”) 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 of the Bonds;

**WHEREAS**, the Authority is willing to issue the Bonds in an aggregate principal amount not to exceed \$40,000,000, provided that the portion of such Bonds issued 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 income persons;

**WHEREAS**, the Bonds, when issued, will be privately placed with Bank of America, N.A., a national banking association, or an affiliate thereof (the “Bond Purchaser”), as the initial purchaser of the 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 of the Bonds, and such documents are now in substantial form and appropriate instruments to be executed and delivered for the purposes intended:

(1) Trust Indenture (the “Indenture”), to be entered into between the Authority and Wilmington Trust, National Association, as trustee (the “Trustee”);

(2) Loan Agreement (the “Loan Agreement”), to be entered into among the Authority, the Borrower and the Trustee; and

(3) Regulatory Agreement and Declaration of Restrictive Covenants (the “Regulatory Agreement”), to be entered into among the Borrower, the Authority and the Trustee.

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

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

Section 2. Pursuant to the JPA Law and the Indenture, and in accordance with the Housing Law, the Authority is hereby authorized to issue the Bonds in one or more series. The Bonds shall be designated as “California Statewide Communities Development Authority Multifamily Housing Revenue Bonds (Legacy Square Apartments) 2020 Series X,” including, if and to the extent necessary, one or more additional series or sub-series designations, in an aggregate principal amount not to exceed \$40,000,000; provided that the aggregate principal amount of any federally tax-exempt Bonds issued shall not exceed the Allocation Amount.

The Bonds shall be issued in the form set forth in and otherwise in accordance with the Indenture, and shall be executed on behalf of the Authority by the manual or facsimile signature of the Chair of the Authority or the manual signature of any Authorized Signatory (as defined below), and, if appropriate, shall be attested to by the manual or facsimile signature of the Secretary of the Authority or the Assistant Secretary of the Authority, or the manual or facsimile signature of any Authorized Signatory. The Bonds shall be issued and secured in accordance with the terms of the Indenture, presented to this meeting, as hereinafter approved. Payment of the principal and purchase price of, and redemption premium, if any, and interest on, the Bonds shall be made solely from amounts pledged thereto under the Indenture, and the Bonds shall not be deemed to constitute



a debt or liability of the Authority or any Program Participant or any Member of the Commission of the Authority (each, a “Member”).

Section 3. The Indenture in the form presented at this meeting is hereby approved. Any Member, or any other person as may be designated and authorized to sign for the Authority pursuant to a resolution adopted thereby (including, without limitation, the administrative delegates duly authorized pursuant to Resolution No. 20R-1 of the Authority, adopted on January 23, 2020) (together with the Members, each such person is referred to herein individually as an “Authorized Signatory”), acting alone, is authorized to execute by manual signature and deliver the Indenture, with such changes and insertions therein as may be necessary to cause the same to carry out the intent of this Resolution and as are approved by counsel to the Authority, such approval to be conclusively evidenced by the delivery thereof. The date, maturity date or dates (which shall not extend beyond 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 Bonds shall be as provided in the Indenture as finally executed.

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

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

Section 6. The Authority is hereby authorized to issue and sell the Bonds to the Bond Purchaser pursuant to the terms and conditions of the Indenture.

Section 7. The Bonds, when executed, shall be delivered to the Trustee for authentication. The Trustee is hereby requested and directed to authenticate the Bonds by executing the certificate of authentication of the Trustee appearing thereon, and to deliver the Bonds, when duly executed and authenticated, to or at the direction of the Bond 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 Trustee. Such instructions shall provide for the delivery of the Bonds to or at the direction of the Bond Purchaser in accordance with the Indenture upon payment of the purchase price thereof.

Section 8. All actions heretofore taken by the officers and agents of the Authority with respect to the financing of the Project and the sale and issuance of the Bonds are hereby approved, ratified and confirmed, and any Authorized Signatory, acting alone, is hereby authorized and directed, for and in the name and on behalf of the Authority, to do any and all things and take any and all actions and execute and deliver any and all certificates, agreements and other

documents, including but not limited to a tax certificate, loan-related documents, an assignment of any deed of trust, a subordination or intercreditor agreement, an endorsement, allonge or assignment of any note and such other documents as described in the Indenture and the other documents herein approved, which they, or any of them, may deem necessary or advisable in order to consummate the lawful issuance and delivery of the Bonds and to effectuate the purposes thereof and of the documents herein approved in accordance with this Resolution and resolutions heretofore adopted by the Authority and otherwise in order to carry out the financing of the Project.

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

This Resolution shall take effect upon its adoption.

**PASSED AND ADOPTED** by the California Statewide Communities Development Authority this December 3, 2020.

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 3, 2020.

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: **Legacy Square, L.P.**
2. Authority Meeting Date: December 2, 2020
3. Name of Obligations: **Legacy Square**
4.   X   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:
  - [(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): **3.50%**.
  - (B) The finance charge of the Obligations, which means the sum of all fees and charges paid to third parties: **\$928,660**.
  - (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: **\$23,111,340**.
  - (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): **\$1,960,000**.
5. The good faith estimates provided above were   X   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.

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: **November 30, 2020**



## **Agenda Item No. 5b**

### **Agenda Report**

**DATE:** December 3, 2020

**TO:** CSCDA COMMISSIONERS

**FROM:** Jon Penkower, Managing Director

**PROJECT:** Washington Court Apartments

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

**AMOUNT:** Not to Exceed \$40,000,000

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#### **EXECUTIVE SUMMARY:**

Washington Court Apartments (the “Project”) is an acquisition and rehabilitation of 102 units of rental affordable housing located in the City of Los Angeles. 100% of the units will remain rent restricted for low-income residents.

#### **PROJECT DESCRIPTION:**

- Acquisition and rehabilitation of a 103-unit affordable rental housing facility located at 1717 E. 103rd Street in the City of Los Angeles.
- 7.34 acre site.
- 30 two-story residential buildings, playground, BBQ area and laundry facilities.
- Consists of 60 two-bedroom, 28 three-bedroom and 14 four-bedroom units including two manager’s units.

#### **PROJECT ANALYSIS:**

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

The National Foundation for Affordable Housing (the “Foundation”) was organized in 1990 and since its inception recognized the tax implications being faced by general partners and limited partners in the multifamily industry. The Foundation has been able to structure creative transactions for current owners seeking exit strategies. Since 1991, the Foundation has been integrally involved in the recapitalization and preservation of over 50,000 units of multifamily housing with transaction values totaling in excess of \$2.5 billion. The Foundation, through its 509(a)(3) supporting organizations, has acquired a portfolio of properties in Alabama, Delaware,

Illinois, Maryland, Minnesota, New Jersey, Pennsylvania, Virginia, Tennessee and Washington, DC with additional focus now on target markets in California, Kentucky, New York, Oregon, Texas, Washington and West Virginia. This will be the Foundation's second financing with CSCDA.

**Public Agency Approvals:**

**TEFRA Hearing:** October 28, 2020 – City of Los Angeles – unanimous approval

**CDLAC Approval:** September 16, 2020

**Public Benefits:**

- 100% of the units will be rent restricted for 55 years.
  - 70% (70 units) restricted to 60% or less of area median income households.
  - 30% (30 units) restricted to 50% or less of area median income households.
  - Two Manager's units.
- The Project is in walking distance to parks, recreational facilities, retail shopping and public schools.

**Sources and Uses:**

Sources of Funds:

Tax-Exempt Bonds:	\$ 25,000,000
Bridge Loan:	\$ 12,399,771
Tax Credit Equity:	\$ 13,251,654
Deferred Developer Fee:	<u>\$ 3,007,771</u>
Total Sources:	\$ 50,651,425

Uses of Funds:

Acquisition:	\$ 34,000,000
Construction Costs:	\$ 7,944,182
Architecture & Engineering:	\$ 171,400
Relocation:	\$ 127,500
Capitalized/Const. Interest:	\$ 1,439,336
Reserves:	\$ 894,613
Developer Fee:	\$ 5,351,252
Legal Fees:	\$ 290,000
Soft Costs:	<u>\$ 433,142</u>
Total Uses:	\$ 50,651,425

**Finance Partners:**

Bond Counsel: Orrick, Herrington & Sutcliffe, LLP, San Francisco  
Authority Counsel: Orrick, Herrington & Sutcliffe, LLP, Sacramento  
Underwriter: Stifel

**Finance Terms:**

Rating: AAA (Moody's)  
Term: 3 years  
Method of Sale: Public Offering  
Estimated Closing: December 30, 2020

**CSCDA Policy Compliance:**

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

**DOCUMENTS:** (as attachments)

1. CSCDA Resolution (Attachment A)

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

It is recommended that the Commission adopt the resolution, which:

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

**ATTACHMENT A**

**RESOLUTION NO. 20H-\_\_**

**A RESOLUTION OF THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY AUTHORIZING THE ISSUANCE AND DELIVERY OF MULTIFAMILY HOUSING REVENUE BONDS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$40,000,000 FOR THE FINANCING OF A MULTIFAMILY RENTAL HOUSING DEVELOPMENT TO BE KNOWN AS WASHINGTON COURT APARTMENTS; DETERMINING AND PRESCRIBING CERTAIN MATTERS AND APPROVING AND AUTHORIZING THE EXECUTION AND DELIVERY OF VARIOUS DOCUMENTS RELATED THERETO; RATIFYING ANY ACTION HERETOFORE TAKEN AND APPROVING RELATED MATTERS IN CONNECTION WITH THE BONDS**

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

**WHEREAS**, Washington Court Renewal LP, a California limited partnership, and entities related thereto (collectively, the “Borrower”), has requested that the Authority issue and sell multifamily housing revenue bonds (the “Bonds”) to assist in the financing of the acquisition, construction, development and equipping of a 102-unit multifamily rental housing development to be located in the City of Los Angeles (the “City”), California, and known as Washington Court Apartments (the “Project”);

**WHEREAS**, on September 16, 2020, the Authority received an allocation in the amount of \$24,500,000 (the “Allocation Amount”) of private activity volume cap from the California Debt Limit Allocation Committee (“CDLAC”) 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 of the Bonds;

**WHEREAS**, the Authority is willing to issue the Bonds in an aggregate principal amount not to exceed \$40,000,000, provided that the portion of such Bonds issued 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 income persons;

**WHEREAS**, pursuant to a Bond Purchase Agreement, to be dated the date of sale of the Bonds (the “Purchase Contract”), by and among the Authority, the Borrower and Stifel,



Nicolaus & Company, Incorporated, as underwriter (the “Underwriter”), the Bonds will be sold to the Underwriter;

**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 of the Bonds, and such documents are now in substantial form and appropriate instruments to be executed and delivered for the purposes intended:

(1) Trust Indenture (the “Indenture”), to be entered into between the Authority and Zions Bancorporation, National Association, as trustee (the “Trustee”);

(2) Loan Agreement (the “Loan Agreement”), to be entered into between the Authority and the Borrower;

(3) Regulatory Agreement and Declaration of Restrictive Covenants (the “Regulatory Agreement”), to be entered into among the Borrower, the Authority and the Trustee;

(4) Purchase Contract; and

(5) A proposed form of official statement (the “Official Statement”) to be used by the Underwriter in connection with the offering and sale of the 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 and the Indenture, and in accordance with the Housing Law, the Authority is hereby authorized to issue the Bonds in one or more series. The Bonds shall be designated as “California Statewide Communities Development Authority Multifamily Housing Revenue Bonds (Washington Court Apartments) 2020 Series Y,” including, if and to the extent necessary, one or more additional series or sub-series designations, in an aggregate principal amount not to exceed \$40,000,000; provided that the aggregate principal amount of any federally tax-exempt Bonds issued shall not exceed the Allocation Amount.

The Bonds shall be issued in the form set forth in and otherwise in accordance with the Indenture, and shall be executed on behalf of the Authority by the manual or facsimile signature of the Chair of the Authority or the manual signature of any Authorized Signatory (as defined below), and, if appropriate, shall be attested to by the manual or facsimile signature of the Secretary of the Authority or the Assistant Secretary of the Authority, or the manual or facsimile signature of any Authorized Signatory. The Bonds shall be issued and secured in accordance with the terms of the Indenture, presented to this meeting, as hereinafter approved. Payment of the principal and

purchase price of, and redemption premium, if any, and interest on, the Bonds shall be made solely from amounts pledged thereto under the Indenture, and the Bonds shall not be deemed to constitute a debt or liability of the Authority or any Program Participant or any Member of the Commission of the Authority (each, a “Member”).

Section 3. The Indenture in the form presented at this meeting is hereby approved. Any Member, or any other person as may be designated and authorized to sign for the Authority pursuant to a resolution adopted thereby (including, without limitation, the administrative delegates duly authorized pursuant to Resolution No. 20R-1 of the Authority, adopted on January 23, 2020) (together with the Members, each such person is referred to herein individually as an “Authorized Signatory”), acting alone, is authorized to execute by manual signature and deliver the Indenture, with such changes and insertions therein as may be necessary to cause the same to carry out the intent of this Resolution and as are approved by counsel to the Authority, such approval to be conclusively evidenced by the delivery thereof. The date, maturity date or dates (which shall not extend beyond 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 Bonds shall be as provided in the Indenture as finally executed.

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

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

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

Section 7. The preliminary Official Statement in the form presented at this meeting is hereby approved. The Underwriter is hereby authorized to distribute the Official Statement in preliminary form, to persons who may be interested in the purchase of the Bonds and to deliver the Official Statement in final form, in substantially the form of the preliminary Official Statement, to the purchasers of the Bonds.

Section 8. The Bonds, when executed, shall be delivered to the Trustee for authentication. The Trustee is hereby requested and directed to authenticate the Bonds by executing the certificate of authentication of the Trustee appearing thereon, and to deliver the Bonds, when duly executed and authenticated, to or at the direction of the Underwriter, 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 Trustee. Such instructions shall provide for the delivery of the Bonds to or at the direction of the Underwriter in accordance with the Indenture upon payment of the purchase price thereof.

Section 9. All actions heretofore taken by the officers and agents of the Authority with respect to the financing of the Project and the sale and issuance of the Bonds are hereby approved, ratified and confirmed, and any Authorized Signatory, acting alone, is hereby authorized and directed, for and in the name and on behalf of the Authority, to do any and all things and take any and all actions and execute and deliver any and all certificates, agreements and other documents, including but not limited to a tax certificate, loan-related documents, an assignment of any deed of trust, a subordination or intercreditor agreement, an endorsement, allonge or assignment of any note and such other documents as described in the Indenture and the other documents herein approved, which they, or any of them, may deem necessary or advisable in order to consummate the lawful issuance and delivery of the Bonds and to effectuate the purposes thereof and of the documents herein approved in accordance with this Resolution and resolutions heretofore adopted by the Authority and otherwise in order to carry out the financing of the Project.

Section 10. All consents, approvals, notices, orders, requests and other actions permitted or required by any of the documents authorized by this Resolution, whether before or after the issuance and delivery of the Bonds, including without limitation any of the foregoing that may be necessary or desirable in connection with any default under or amendment of such documents, any transfer or other disposition of the Project, any addition or substitution of security for the Bonds or any redemption of the Bonds, may be given or taken by any Authorized Signatory, as appropriate, without further authorization by the Commission, and each such officer is hereby authorized and directed to give any such consent, approval, notice, order or request and to take any such action that such officer may deem necessary or desirable to further the purposes of this Resolution and the financing of the Project; provided such action shall not create any obligation or liability of the Authority other than as provided in the Indenture and other documents approved herein.

This Resolution shall take effect upon its adoption.

**PASSED AND ADOPTED** by the California Statewide Communities Development Authority this \_\_\_\_\_, 2020.

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 \_\_\_\_\_, 2020.

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: Washington Court Renewal LP
2. Authority Meeting Date: December 3, 2020
3. Name of Obligations: Multifamily Housing Revenue Bonds (Washington Court Apartments) 2020 Series Y
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): 1.2341%.
  - [(B)] The finance charge of the Obligations, which means the sum of all fees and charges paid to third parties: \$329,125.00.
  - [(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: \$24,500,000.00.
  - [(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): \$24,936,108.33.
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,   X   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: November 24, 2020



## **Agenda Item No. 5c**

### **Agenda Report**

**DATE:** December 3, 2020

**TO:** CSCDA COMMISSIONERS

**FROM:** Cathy Bando, Executive Director

**PROJECT:** Villa del Sol Apartments

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

**AMOUNT:** Not to Exceed \$27,000,000

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#### **EXECUTIVE SUMMARY:**

Villa del Sol Apartments (the “Project”) is an acquisition and rehabilitation of 103 units of rental affordable housing located in the City of Los Angeles. 100% of the units will remain rent restricted for low-income residents.

#### **PROJECT DESCRIPTION:**

- Acquisition and rehabilitation of a 103-unit affordable rental housing facility located at 9158 Telfair Avenue in the City of Los Angeles.
- 5-acre site.
- 17 two-story residential buildings, playground and laundry facilities.
- Consists of 7 one-bedroom, 24 two-bedroom and 72 three-bedroom units including one manager’s unit.

#### **PROJECT ANALYSIS:**

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

Spira Equity Partners (“Spira”) is a real estate investment and development company with socially responsible investing and environmental, social and governance principles integral to its mandate. Spira’s immediate focus is on the preservation of multifamily affordable housing utilizing low income housing tax credits. This is Spira’s fourth financing with CSCDA.

**Public Agency Approvals:**

**TEFRA Hearing:** September 8, 2020 – City of Los Angeles – unanimous approval

**CDLAC Approval:** September 16, 2020

**Public Benefits:**

- 100% of the units will be rent restricted for 55 years.
  - 70% (71 units) restricted to 60% or less of area median income households.
  - 30% (31 units) restricted to 50% or less of area median income households.
  - One Manager's unit.
- The Project is in walking distance to parks and public schools.

**Sources and Uses:**

Sources of Funds:

Tax-Exempt Bonds:	\$ 15,750,000
Taxable Bonds:	\$ 7,000,000
General Partner Loan:	\$ 3,176,340
General Partner Equity:	\$ 847,237
Tax Credit Equity:	\$ 5,598,903
Income:	\$ 1,041,735
Deferred Developer Fee:	\$ 3,950,876
Total Sources:	\$ 37,365,091

Uses of Funds:

Acquisition:	\$ 22,701,000
Construction Costs:	\$ 8,233,562
Architecture & Engineering:	\$ 212,050
Relocation:	\$ 135,000
Capitalized/Const. Interest:	\$ 891,450
Operating Reserve	\$ 373,386
Developer Fee:	\$ 3,950,876
Legal Fees:	\$ 153,500
Soft Costs:	\$ 714,267
Total Uses:	\$ 37,365,091

**Finance Partners:**

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

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

Bond Purchaser: Capital One, N.A.



**Finance Terms:**

<b>Rating:</b>	Unrated
<b>Term:</b>	35 years
<b>Method of Sale:</b>	Private Placement
<b>Estimated Closing:</b>	January 15, 2020

**CSCDA Policy Compliance:**

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

**DOCUMENTS:** (as attachments)

1. CSCDA Resolution (Attachment A)

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

CSCDA's Executive Director recommends that the Commission adopt the resolution, which:

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

**ATTACHMENT A**

**RESOLUTION NO. 20H-\_\_**

**A RESOLUTION OF THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY AUTHORIZING THE ISSUANCE AND DELIVERY OF ONE OR MORE SERIES OF MULTIFAMILY HOUSING REVENUE OBLIGATIONS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$27,000,000 FOR THE FINANCING OF A MULTIFAMILY RENTAL HOUSING DEVELOPMENT GENERALLY KNOWN AS VILLA DEL SOL APARTMENTS; DETERMINING AND PRESCRIBING CERTAIN MATTERS AND APPROVING AND AUTHORIZING THE EXECUTION AND DELIVERY OF VARIOUS DOCUMENTS RELATED THERETO; RATIFYING ANY ACTION HERETOFORE TAKEN AND APPROVING RELATED MATTERS IN CONNECTION WITH THE BONDS**

**WHEREAS**, the California Statewide Communities Development Authority (the “Authority”) is authorized by the Joint Powers Act, commencing with Section 6500 of the California Government Code (the “JPA Law”), and its Amended and Restated Joint Exercise of Powers Agreement, dated as of June 1, 1988, as the same may be amended (the “Agreement”), to issue revenue bonds and execute and deliver revenue notes for the purpose of financing, among other things, the acquisition, rehabilitation, construction 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**, Villa del Sol Apartments, LP, a California limited partnership (the “Borrower”), has requested that the Authority issue, sell and deliver revenue bonds to assist in the financing of the acquisition and rehabilitation of a 103-unit multifamily rental housing development (including one manager’s unit) located in the City of Los Angeles, California, and known as Villa del Sol Apartments (the “Project”);

**WHEREAS**, on September 16, 2020, the Authority received an allocation in the amount of \$19,500,000 (the “Allocation Amount”) of private activity volume cap from the California Debt Limit Allocation Committee in connection with the Project;

**WHEREAS**, the Authority is willing to execute and deliver and/or issue not to exceed \$27,000,000 aggregate principal amount of its California Statewide Communities Development Authority Multifamily Housing Revenue Note (Villa del Sol Apartments) 2021 Series A-1 (the “Note”) and its California Statewide Communities Development Authority Multifamily Housing Revenue Bonds (Villa del Sol Apartments) 2021 Series A-2 (the “Bonds” and together with the Note, the “Obligations”), provided that the aggregate portion of such Obligations issued 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 income persons;

**WHEREAS**, the City of Los Angeles is a Program Participant (as defined in the Agreement) of the Authority;

**WHEREAS**, pursuant to Section 147(f) of the Internal Revenue Code of 1986 (the “Code”), prior to their issuance, the Obligations are required to be approved by the “applicable elected representative” of the governmental unit on whose behalf the Obligations are expected to be issued and by a governmental unit having jurisdiction over the area in which any facility financed by the Obligations is to be located, after a public hearing held following reasonable public notice;

**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**, the Note is expected to be executed and delivered to Capital One, National Association (the “Funding Lender”), as the initial holder of the Note in accordance with the Authority’s private placement policies and thereafter purchased by the Federal Home Loan Mortgage Corporation, a shareholder-owned government-sponsored enterprise (“Freddie Mac”) upon the date of satisfaction of the conditions set forth in the Freddie Mac commitment related thereto and the Bonds are expected to be initially offered for sale to the public by Stifel, Nicolaus & Company, Inc., as underwriter (the “Underwriter”), as the purchaser of the Bonds;

**WHEREAS**, there have been prepared and made available to the members of the Commission of the Authority (the “Commission”) the following documents required for the execution and delivery of the Note and the issuance of the Bonds, 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 among the Authority, U.S. Bank National Association, as fiscal agent (the “Fiscal Agent”) and the Funding Lender with respect to the Note;

(2) Project Loan Agreement (the “Project Loan Agreement”) to be entered into among the Authority, the Fiscal Agent and the Borrower with respect to the Note;

(3) Regulatory Agreement and Declaration of Restrictive Covenants (the “Regulatory Agreement”), to be entered into by and between the Authority and the Borrower with respect to the Obligations;

(4) Trust Indenture (the “Indenture”), to be entered into between the Authority and U.S. Bank National Association, as trustee (the “Trustee”) with respect to the Bonds;

(5) Loan Agreement (the “Loan Agreement”), to be entered into between the Authority and the Borrower with respect to the Bonds;

(6) Bond Purchase Agreement (the “Bond Purchase Agreement”), to be entered into by the Authority, the Underwriter and the Borrower with respect to the Bonds; and

(7) Official Statement (the “Official Statement”), to be used in connection with the offer and sale of the 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 Indenture, respectively, and in accordance with the Housing Law, the Authority is hereby authorized to execute and deliver the Note and issue the Bonds in one or more series. The Obligations shall be designated as “California Statewide Communities Development Authority Multifamily Housing Revenue Note (Villa del Sol Apartments) 2021 Series A-1,” and “California Statewide Communities Development Authority Multifamily Housing Revenue Bonds (Villa del Sol Apartments) 2021 Series A-2,” including, if and to the extent necessary, one or more series and sub-series, with appropriate modifications and series and sub-series designations as necessary, in an aggregate principal amount not to exceed \$27,000,000, provided that the aggregate principal amount of any tax-exempt Obligations issued and/or executed and delivered shall not exceed the Allocation Amount. The Note shall be executed and delivered in the form set forth in and otherwise in accordance with the Funding Loan Agreement and the Bonds shall be issued in the form set forth in and otherwise in accordance with the terms of the Indenture, and such Obligations 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, if appropriate, attested by the manual or facsimile signature of the Secretary of the Authority or the Assistant to the Secretary of the Authority, or the manual signature of any Authorized Signatory. The Note shall be executed, delivered and secured in accordance with the terms of the Funding Loan Agreement and Bonds shall be issued and secured in accordance with the terms of the Indenture, presented to this meeting, as hereinafter approved. Payment of the principal and purchase price of, and redemption premium, if any, and interest on, the Obligations shall be made solely from amounts pledged thereto under the Funding Loan Agreement and Indenture, respectively, and the Obligations shall not be deemed to constitute a debt or liability of the Authority or any Program Participant 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. 20R-1 of the Authority, adopted on January 23, 2020) (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 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 Note shall be as provided in the Funding Loan Agreement as finally executed.

Section 4. The Project 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 Project 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 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 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 45 years from the date of execution and delivery thereof), interest rate or rates (which shall not exceed 12%), interest payment dates, denominations, form, registration privileges, manner of execution, place of payment, terms of redemption and other terms of the Bonds shall be as provided in the Indenture as finally executed.

Section 6. The Loan Agreement in the form presented at this meeting is hereby approved. Any Authorized Signatory, acting alone, is authorized to execute by manual signature and deliver the Loan Agreement, with such changes and insertions therein as may be necessary to cause the same to carry out the intent of this Resolution and as are approved by counsel to the Authority, such approval to be conclusively evidenced by the delivery thereof.

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

Section 8. The Authority is hereby authorized to execute and deliver the Note to the Funding Lender pursuant to the terms and conditions of the Funding Loan Agreement.

Section 9. The Note, when executed, shall be delivered to the Fiscal Agent for authentication. The Fiscal Agent is hereby requested and directed to authenticate the Note by executing the certificate of authentication of the Fiscal Agent appearing thereon, and to deliver the Note, when duly executed and authenticated, to or at the direction of the Funding Lender, 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 Fiscal Agent. Such instructions shall provide for the delivery of the Note to or at the direction of the Funding Lender in accordance with the Funding Loan Agreement upon payment of the purchase price thereof.

Section 10. The Authority is hereby authorized to sell the Bonds to the Underwriter pursuant to the terms and conditions of the Bond Purchase Agreement. The form, terms and provisions of the Bond Purchase Agreement in the form presented at this meeting are hereby approved. Any Authorized Signatory, acting alone, is authorized to execute by manual signature

and deliver the Bond Purchase 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 hereby approved by counsel to the Authority, such approval to be conclusively evidenced by the delivery thereof.

Section 11. The Official Statement in the form presented at this meeting is hereby approved and the Commission hereby approves the distribution of the Official Statement to prospective purchasers of the Bonds. Any Authorized Signatory, acting alone, is authorized to certify on behalf of the Authority that the Official Statement, as to the sections therein related directly to the Authority, is deemed final as of its date, within the meaning of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934. Any Authorized Signatory, acting alone, is authorized to execute, at the time of the sale of the Bonds, said Official Statement in final form, 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 hereby approved by counsel to the Authority, such approval to be conclusively evidenced by the delivery thereof.

Section 12. The Bonds, when executed, shall be delivered to the Trustee for authentication. The Trustee is hereby requested and directed to authenticate the Bonds by executing the certificate of authentication of the Trustee appearing thereon, and to deliver the Bonds, when duly executed and authenticated, to or at the direction of the Underwriter, 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 Trustee. Such instructions shall provide for the delivery of the Bonds to or at the direction of the Underwriter in accordance with the Bond Purchase Agreement upon payment of the purchase price thereof.

Section 13. All actions heretofore taken by the officers and agents of the Authority with respect to the financing of the Project and the sale, execution and delivery of the Note and the sale, issuance and delivery of the Bonds are hereby approved, ratified and confirmed, and any Authorized Signatory, acting alone, is hereby authorized and directed, for and in the name and on behalf of the Authority, to do any and all things and take any and all actions and execute and deliver any and all certificates, agreements and other documents, including but not limited to one or more tax certificates, a subordination and/or intercreditor agreement, any endorsement and/or assignment of the deed of trust and such other documents as described in the Funding Loan Agreement, the Indenture, and the other documents herein approved, which they, or any of them, may deem necessary or advisable in order to consummate the lawful execution and delivery of the Note and the issuance and delivery of the Bonds and to effectuate the purposes thereof and of the documents herein approved in accordance with this resolution and resolutions heretofore adopted by the Authority and otherwise in order to carry out the financing of the Project.

Section 14. 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 Note and issuance of the Bonds, including without limitation any of the foregoing that may be necessary or desirable in connection with any default under or amendment of such documents, any transfer or other disposition of the Project, any addition or substitution of security for the Obligations or any prepayment of the Note or redemption of the Bonds, may be given or taken by any Authorized Signatory, as appropriate, without further authorization by the Commission, and each such officer is hereby authorized and directed to give any such consent, approval, notice, order or request and to take any such action that such officer

may deem necessary or desirable to further the purposes of this Resolution and the financing of the Project; provided such action shall not create any obligation or liability of the Authority other than as provided in the Funding Loan Agreement, the Indenture, and other documents approved herein.

This Resolution shall take effect upon its adoption.

**PASSED AND ADOPTED** by the California Statewide Communities Development Authority this December 3, 2020.

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 3, 2020.

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: **Villa del Sol Apartments, LP, a California limited partnership**
2. Authority Meeting Date: **December 3, 2020**
3. Name of Obligations:  
**California Statewide Communities Development Authority  
Multifamily Housing Revenue Bonds  
(Villa Del Sol Apartments) 2021 Series A-1 & A-2**
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:
  - [(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): **2.8825%. (Freddie TEL & short-term bonds)**
  - (B) The finance charge of the Obligations, which means the sum of all fees and charges paid to third parties: **\$495,000.**
  - (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: **\$19,005,000.**
  - (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): **\$25,826,812.06.**

5. The good faith estimates provided above 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, X 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: 11/30/2020

## **Agenda Item No. 6**

### **Agenda Report**

**DATE:** December 3, 2020

**TO:** CSCDA COMMISSIONERS

**FROM:** Cathy Bando, Executive Director

**PURPOSE:** Consider the following resolutions for Statewide Community Infrastructure Program Assessment District No. 20-02 (Tapestry (Phase I)) City of Hesperia, County of San Bernardino for stand-alone bond issuance:

- a. Resolution of intention to finance capital improvements and/or the payment of development impact fees for public capital improvements, including approval of proposed boundary map; and
- b. Resolution preliminarily approving the engineer's report, setting date for the public hearing of protests and providing for property owner ballot.

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

The actions requested today by the Commission are the first steps in connection with a stand-alone bond issuance for Tapestry (the "Project") located in the City of Hesperia (the "City"). During the next 25 years the Project will build 15,663 housing units on 9,400 acres of open land in the southwest part of the City. The Project will include town centers, police and fire stations, parks, trails and thousands of square feet of open space. It will also have shopping centers and other commercial elements – 700,000 square feet total – as well as seven elementary schools, one middle school and one high school. Attachment A includes a map of the master plan.

Prices will range from the low \$200,000's to \$400,000 and above, with the houses generally having two, three and four bedrooms. Tapestry's first phase will have 2,100 units, with about 500 of those expected to be put up for sale in two years. The Project is proposing to fund approximately \$12.7 million for the widening of a main road known as Ranchero Road.

The resolutions/notices include the following actions:

1. Intent to finance the development impact fees, including approval of proposal boundary maps.
2. Preliminary approval of the engineer's reports.

3. Setting the public hearing of protests and providing property owner ballots for January 21, 2021 at 2:00 pm.

Subsequent approvals of the financing will be brought back to the Commission at future meetings.

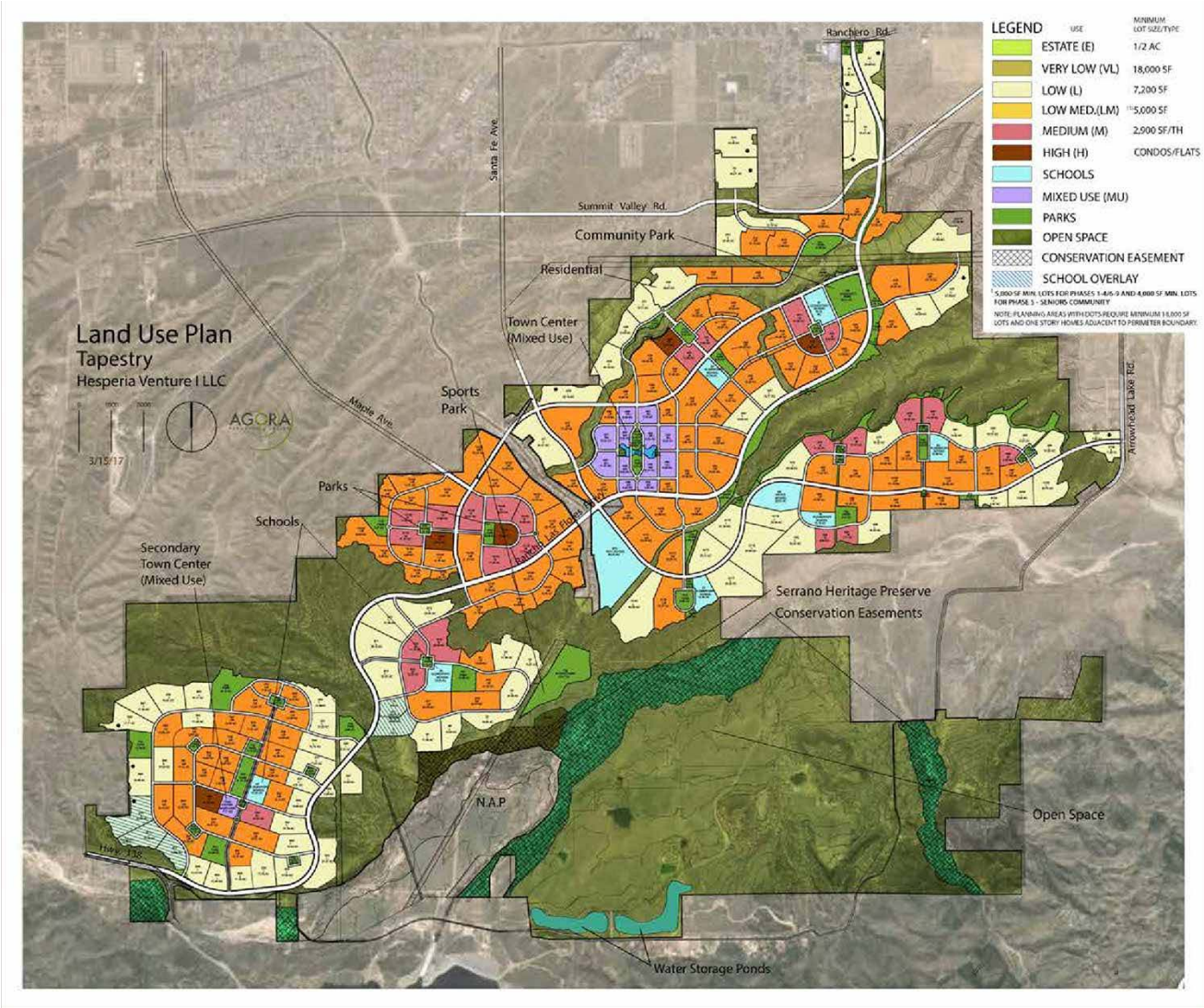
Documents:

[https://www.dropbox.com/sh/3fopphkfkkg7lgld/AAAUng\\_uK6nd\\_Buj1FOpUJQAa?dl=0](https://www.dropbox.com/sh/3fopphkfkkg7lgld/AAAUng_uK6nd_Buj1FOpUJQAa?dl=0)

**RECOMMENDED ACTION:**

CSCDA's Executive Director recommends approval of the resolutions as presented to the Commission and setting the public hearing for January 21, 2021 at 2:00 pm.

ATTACHMENT A



# Certificate of Appreciation

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

## Michael Cooper

*for his outstanding efforts in providing innovation, guidance and stewardship in serving local governments throughout California.  
His contributions over the last 2 years have exemplified his commitment to helping communities grow and prosper through economic development.  
It is with great appreciation and admiration that we wish Michael the best. His presence will be missed.*



**CSCDA**  
CALIFORNIA STATEWIDE COMMUNITIES  
DEVELOPMENT AUTHORITY

December 3, 2020

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Kevin O'Rourke, Chair

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Tim Snellings, Vice Chair



## Agenda Item No.8

### Agenda Report

**DATE:** December 3, 2020

**TO:** CSCDA COMMISSIONERS

**FROM:** Cathy Bando, Executive Director

**PURPOSE:** Consideration of CSCDA Audited Financial Statement for the Year Ended June 30, 2020

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#### BACKGROUND AND SUMMARY:

Attached for the consideration of the Commission are the CSCDA audited financial statements for the Year Ended June 30, 2020. 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, 2020, CSCDA issued \$1.7 billion in conduit bonds which were in the following categories:
  - **Private Activity Bonds** – CSCDA financed 38 projects for a total of \$1.4 billion in bonds
  - **Public Agency Bonds** – CSCDA issued 5 bond issues totaling \$107 million in bonds benefiting 5 public agencies.
  - **PACE** – CSCDA had 116 bond issuances totaling \$184 million in bonds.
  - **FY 2020 TOTAL** – CSCDA had 159 bond issuances totaling \$1.72 billion in bonds.
  - **AGGREGATE TOTAL** – CSCDA's aggregate outstanding bonds is equal to \$28.7 billion as of June 30, 2020.
2. **Bond Issuance Fees** – CSCDA collected \$5,322,556 in new bond issuance fees which is a 9% increase over 2019 Bond Issuance Fees of \$4.9 million.
3. **Bond Administrative Fees** – CSCDA collected \$9,409,428 in bond administration fees which is a 2% decrease over 2019 Bond Administrative Fees of \$9.6 million.
4. **Distributions** – CSCDA's primary disbursements were:
  - \$4,316,673 – HB Capital Bond Admin. Fees, down \$584,821 thousand compared to 2019.
  - \$2,741,454 – BSP Bond Issuance Fees, up \$367,215 thousand from 2019.
  - \$948,413 – BSP Bond Admin. Fees, up \$255,736 thousand from 2019.
  - \$2,757,974 – CSAC FC and LCC Issuance Fees, an increase of \$212 thousand over 2019.
  - \$3,470,820 – CSAC FC and LCC Admin. Fees, an increase of \$195 thousand over 2019.
  - \$394,880 – General Administrative Activities, which included compensation to the Executive Director and General Counsel.

5. **Cash and Investment** – As of June 30, 2020, CSCDA's had \$7,902,303 in cash and investments which primarily represent prepaid bond administration fees and deposits. The balance in the General Administrative Fund was \$403,666 as of June 30, 2020.
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, 2020.



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



Independent Auditor's Report  
Financial Statement  
and Supplementary Information

June 30, 2020

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**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, 2020**

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## 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, 2020, 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 presents fairly, in all material respects, the financial position of the California Statewide Communities Development Authority, as of June 30, 2020 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, Ursutia, Nelson CPAs*

Sacramento, California  
November 16, 2020

**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, 2020, the aggregate amount of CSCDA's conduit debt obligations outstanding issued on behalf of program participants totaled \$28.7 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, 2020, CSCDA served as issuer for \$1.7 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, 2020, CSCDA provided conduit financing for 38 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 \$1.4 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, 2020, CSCDA conducted 5 Public Agency Finance Program conduit issuances totaling approximately \$107 million and benefiting 5 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, 2020, there were 116 bond issuances totaling \$184 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 13 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, 2020, CSCDA collected approximately \$8.0 million for bond issuance services and CDLAC deposits. At June 30, 2020, the related accounts held approximately \$2.2 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, 2020, CSCDA collected approximately \$9.7 million in payments and prepayments for ongoing bond administration activities. At June 30, 2020, the related accounts held approximately \$3.7 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, 2020 these accounts funded \$394,880 in general administrative expenses of which \$62,543 was paid to the Executive Director and \$152,646 was paid to General Counsel. At June 30, 2020, the general administrative activities agency fund totaled \$403,666.

**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, 2020, CSAC and the League together received \$6,228,794, shared equally between them. Program administration services are performed under contract with CSCDA by Bridge Strategic Partners. For the year ended June 30, 2020, this company was paid \$4,150,872. Prior program administration fees are paid pursuant to an Agreement between CSCDA and HB Capital Resources, Ltd. For the year ended June 30, 2020 this company was paid \$4,316,673.

**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, 2020**

**ASSETS**

Cash and investments	\$ 7,902,303
Other assets	<u>4,523</u>
Total Assets	<u><u>\$ 7,906,826</u></u>

**LIABILITIES**

Accounts payable	\$ 1,543,824
Agency obligations	<u>6,363,002</u>
Total Liabilities	<u><u>\$ 7,906,826</u></u>

See accompanying notes to the financial statement



**CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENT**  
**JUNE 30, 2020**

**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 (the "Board" or "Commission") 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) oversees 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 \$5,959,336 at June 30, 2020.

**CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENT**  
**JUNE 30, 2020**

**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 totaled \$403,666 at June 30, 2020.

Recently Adopted Government Accounting Standards

Government Accounting Standards Board Statement No. 84

In January 2017, GASB issued Statement No. 84, *Fiduciary Activities*. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. Additionally, this Statement describes four fiduciary funds that should be reported, as well as provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources. Adoption of this standard as of June 30, 2020 had no effect on CSCDA's current year financial statements.

Future Government Accounting Standards Board Statements

This statement is not effective until July 1, 2021 and may be applicable for CSCDA. However, CSCDA has not determined the effects, if any, on the financial statements.

Government Accounting Standards Board Statement No. 91

In May 2019, GASB issued Statement No. 91, *Conduit Debt Obligations*. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The Statement clarifies the existing definition of a conduit debt obligation; establishes that a conduit debt obligation is not a liability of the issuer; establishes standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improves required note disclosures. The Authority has not determined what impact, if any, this pronouncement will have on the financial statements. Application of this statement is effective for the Authority's fiscal year ending June 30, 2022.

**NOTE 3 - CONDUIT FINANCE ACTIVITY**

CSCDA's conduit finance activity for the year ended June 30, 2020 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	7	7	\$ 204,550,362
Affordable Multifamily Housing	31	31	1,224,891,076
Total Private Activity	38	38	\$ 1,429,441,438

**CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENT**  
**JUNE 30, 2020**

**NOTE 3 - CONDUIT FINANCE ACTIVITY (Continued)**

<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)	2	2	\$ 52,570,000
Community Facilities Districts (CFDs)	2	2	19,625,000
Municipal	<u>1</u>	<u>1</u>	<u>35,000,000</u>
Total Public Agency	<u>5</u>	<u>5</u>	<u>\$ 107,195,000</u>

<u>Property Assessed Clean Energy (PACE) Finance Programs</u>	<u>No. of Bonds Issued</u>	<u>Debt Issued</u>
Open PACE Program	<u>116</u>	<u>\$ 184,063,842</u>
Total PACE	<u>116</u>	<u>\$ 184,063,842</u>
Total Debt Issued	<u>159</u>	<u>\$ 1,720,700,280</u>

At June 30, 2020 the aggregate amount of CSCDA's conduit debt obligations outstanding issued on behalf of program participants totaled \$28.7 billion.

The amount of conduit debt obligations authorized, but unsold as of June 30, 2020 was \$275,000,000.

**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 an ongoing 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, 2020, CSAC and the League of California Cities together received \$6,228,794 split equally between them, while Bridge Strategic Partners received \$4,150,872 and HB Capital Resources received \$4,316,673.

**CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENT**  
**JUNE 30, 2020**

**NOTE 5 - CASH AND INVESTMENTS**

Cash and investments at June 30, 2020 consisted of the following:

Investments	
Money Market Funds	\$ 5,157,152
U.S. Treasury Obligations	<u>2,745,151</u>
Total investments	<u>\$ 7,902,303</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.

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:

<u>Investment Type</u>	<u>Maturities</u>				<u>Total</u>
	<u>12 Months or Less</u>	<u>13 to 24 Months</u>	<u>25 to 60 Months</u>	<u>More Than 60 Months</u>	
Money Market Funds	\$ 5,157,152	\$ -	\$ -	\$ -	\$ 5,157,152
U.S Treasury Obligations	<u>201,769</u>	<u>201,423</u>	<u>573,805</u>	<u>1,768,154</u>	<u>2,745,151</u>
Total	<u>\$ 5,358,921</u>	<u>\$ 201,423</u>	<u>\$ 573,805</u>	<u>\$ 1,768,154</u>	<u>\$ 7,902,303</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, 2020, agency fund investments were held entirely in money market funds and U.S. Treasury obligations with Standards & Poor's ratings of AAA and AA+, respectively. However, under GASB 40, U.S. Treasury obligations are not considered to have credit risk.

**CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENT**  
**JUNE 30, 2020**

**NOTE 5 - CASH AND INVESTMENTS (Continued)**

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, 2020, 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, 2020, 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.

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, 2020:

Investment Type	Total	Fair Value Measurements Using:	
		Level 1	Level 2
Money Market Funds	\$ 5,157,152	\$ 5,157,152	\$ -
U.S. Treasury Obligations	<u>2,745,151</u>	<u>-</u>	<u>2,745,151</u>
Total	<u>\$ 7,902,303</u>	<u>\$ 5,157,152</u>	<u>\$ 2,745,151</u>

**NOTE 6 - COMMITMENTS AND CONTINGENCIES**

The World Health Organization declared the worldwide coronavirus (COVID-19) outbreak a public health emergency on January 30, 2020 and officially declared it as a pandemic as of March 11, 2020. Management has performed an evaluation of certain financial statement line items such as accounts payable and agency obligations to determine whether valuation or impairment adjustments should be made. Management has determined that the amounts reported on the financial statement are properly valued as of June 30, 2020. However, since the duration and full effects of the COVID-19 outbreak are yet unknown there could be future negative impacts to the financial condition of CSCDA..

## **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, 2020**

	Bond Issuance	Bond Administration	General Administrative Activities	Total
<b>Amounts Collected and Charged in Benefit of Conduit Finance Activities of CSCDA</b>				
Bond issuance fees	\$ 5,322,556	\$ -	\$ -	\$ 5,322,556
Bond administrative fees	-	9,409,428	-	9,409,428
Deposits	2,677,251	-	-	2,677,251
Investment income:				
Interest	36,138	17,958	-	54,096
Change in fair value of investments	-	282,859	-	282,859
	<u>-</u>	<u>282,859</u>	<u>-</u>	<u>282,859</u>
Total Amounts Collected and Charged in Benefit of Conduit Finance Activities of CSCDA	<u>8,035,945</u>	<u>9,710,245</u>	<u>-</u>	<u>17,746,190</u>
<b>Amounts Disbursed in Benefit of Conduit Finance Activities of CSCDA</b>				
Program Administration:				
Program Manager - Bridge Strategic Partners, LLC	2,741,454	948,413	-	3,689,867
Prior Program Manager - HB Capital Resources, Ltd.	-	4,316,673	-	4,316,673
Program Governance and Marketing:				
CSAC	1,378,987	1,735,410	-	3,114,397
League of California Cities	1,378,987	1,735,410	-	3,114,397
Compliance Monitoring:				
Urban Futures Bond Administration, Inc.	-	184,800	-	184,800
Bridge Strategic Partners, LLC	-	461,005	-	461,005
Executive Director & General Counsel Compensation	-	-	215,189	215,189
General Administrative:				
Others	-	-	179,691	179,691
Deposits returned and Other	<u>2,686,150</u>	<u>(2,500)</u>	<u>-</u>	<u>2,683,650</u>
Total Amounts Disbursed in Benefit of Conduit Finance Activities of CSCDA	<u>8,185,578</u>	<u>9,379,211</u>	<u>394,880</u>	<u>17,959,669</u>
Transfers	<u>-</u>	<u>(452,671)</u>	<u>452,671</u>	<u>-</u>
Change in Account Balances	(149,633)	(121,637)	57,791	(213,479)
Account Balances, July 1, 2019	<u>2,386,014</u>	<u>3,844,592</u>	<u>345,875</u>	<u>6,576,481</u>
Account Balances, June 30, 2020	<u>\$ 2,236,381</u>	<u>\$ 3,722,955</u>	<u>\$ 403,666</u>	<u>\$ 6,363,002</u>

See accompanying notes to the financial statement



## REGULAR MEETING AGENDA

December 3, 2020

2:00 p.m. or upon adjournment of the CSCDA Regular Meeting

*Pursuant to Governor Newsom's Executive Order, Board Members of the CSCDA Community Improvement Authority or staff may participate in this meeting via a teleconference. In the interest of maintaining appropriate social distancing, members of the public may participate in the meeting telephonically. Members of the public may observe and offer comment at this meeting telephonically by dialing 623-404-9000, Meeting ID 240 338 9861 Passcode 747188. If you are an individual with a disability and need a reasonable modification or accommodation pursuant to the Americans with Disabilities Act ("ADA") please contact [info@cscda.org](mailto:info@cscda.org) or 1-800-531-7476 prior to the meeting for assistance.*

### A. OPENING AND PROCEDURAL ITEMS

#### 1. Roll Call.

_____ Kevin O'Rourke, Chair	_____ Marcia Raines, Member
_____ Tim Snellings, Vice Chair	_____ Brian Stiger, Member
_____ Brian Moura, Secretary	_____ Niroop Srivatsa, Alt. Member
_____ Jordan Kaufman, Treasurer	
_____ Dan Mierzwa, Member	

#### 2. Consideration of the Minutes of the November 19, 2020 Regular Meeting.

#### 3. Consent Calendar.

#### 4. Public Comment.

### B. ITEMS FOR CONSIDERATION AND ACTION

#### 5. Consideration of a resolution authorizing the acquisition and ownership of a multifamily rental housing facility (Renaissance at City Center, City of Carson, County of Los Angeles), and issue an amount not to exceed \$90,000,000 in revenue bonds.

This \_\_\_ page agenda was posted at 1100 K Street, Sacramento, California on \_\_\_\_, 20\_\_ at \_\_: \_\_ m, Signed \_\_\_\_\_. Please email signed page to [info@cscda.org](mailto:info@cscda.org)



6. Consideration of a resolution authorizing the acquisition and ownership of a multifamily rental housing facility (CTR City Anaheim, City of Anaheim, County of Orange), and issue an amount not to exceed \$140,000,000 in revenue bonds.

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

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

**CSCDA COMMUNITY IMPROVEMENT AUTHORITY**  
**CONSENT CALENDAR**

1. Consideration of a resolution approving and ratifying additional members to the Authority.



## MINUTES

### REGULAR MEETING AGENDA OF THE CSCDA COMMUNITY IMPROVEMENT AUTHORITY

**November 19, 2020**

**2:00 p.m. or upon adjournment of the CSCDA Regular Meeting**

Commission Chair Kevin O'Rourke called the meeting to order at 2:13 pm.

1. Roll Call.

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

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

2. Consideration of the Minutes of the October 15, 2020 Special Meeting.

The Commission approved the October 15, 2020 Special Meeting minutes.

***Motion to approve by D. Mierzwa. Second by J. Kaufman. Unanimously approved by roll-call vote.***

3. Consent Calendar.

The Commission approved the Consent Calendar.

1. Ratify a revised Program Consultant Agreement with BLX Group, LLC.

2. Consideration of an agreement with Woodruff Sawyer for insurance consulting services.

***Motion to approve by B. Stiger. Second by B. Moura. Unanimously approved by roll-call vote.***

4. Public Comment.

There was no public comment.

5. Executive Director Update.

Executive Director Bando had no update.

6. Staff Update.

Staff reported that the first two transactions will be on the agenda for consideration at the next regular meeting.

Staff also announced that the Workforce Housing Program has been covered by multiple media outlets.

7. Adjourn.

The meeting was adjourned at 2:21 p.m.

Submitted by: Sendy Young, CSAC Finance Corporation

**RESOLUTION NO. \_\_\_\_**

**RESOLUTION OF THE CSCDA COMMUNITY IMPROVEMENT AUTHORITY  
APPROVING AND RATIFYING THE ADDITION OF ADDITIONAL MEMBERS TO  
THE AUTHORITY**

---

WHEREAS, pursuant to the provisions of the Joint Exercise of Powers Act, comprising Articles 1, 2, 3 and 4 of Chapter 5 of Division 7 of Title 1 (commencing with Section 6500) of the Government Code of the State of California (the "Act"), Yolo County and the City of Woodland entered into a joint exercise of powers agreement (the "Agreement") pursuant to which the CSCDA Community Improvement Authority (the "Authority") was organized;

WHEREAS, pursuant to Section 12 of the Agreement, the Authority may add a qualifying public agency to become a Non-Charter Member (an "Additional Member") upon the filing by such public agency with the Authority of a resolution of the governing body of such public agency requesting to be added as an Additional Member of the Authority and adoption of a resolution of the Board approving the addition of such public agency as an Additional Member;

WHEREAS, the City of Anaheim has by resolution requested to join the Authority and the Authority has authorized the City of Anaheim to become an Additional Member pursuant to the provisions of the Agreement;

WHEREAS, the City of Carson (together with the City of Anaheim, the "Cities" and each individually, a "City") has by resolution requested to join the Authority and the Authority has authorized each City to become an Additional Member pursuant to the provisions of the Agreement;

WHEREAS, the Board hereby finds and determines that each City is qualified to be added as an Additional Member to the Authority;

NOW, THEREFORE, BE IT RESOLVED by the Board of the CSCDA Community Improvement Authority, as follows:

Section 1. This Board hereby finds and determines that the foregoing recitals are true and correct.

Section 2. The addition of each City as an Additional Member of the Authority is hereby approved, confirmed and ratified, and any actions heretofore taken on behalf of each City is hereby approved, confirmed and ratified.

Section 3. This resolution shall take effect immediately upon its passage.

PASSED AND ADOPTED by the CSCDA Community Improvement Authority  
this \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

I, the undersigned, an Authorized Signatory of the CSCDA Community Improvement Authority, DO HEREBY CERTIFY that the foregoing resolution was duly adopted by the Board of Directors of the Authority at a duly called meeting of the Board of Directors of the Authority held in accordance with law on \_\_\_\_\_, 20\_\_.

By: \_\_\_\_\_  
Authorized Signatory  
CSCDA Community Improvement Authority

## **Agenda Report**

**DATE:** December 3, 2020

**TO:** CSCDA CIA BOARD OF DIRECTORS

**FROM:** Jon Penkower, Managing Director

**PROJECT:** The Renaissance at City Center Apartments

**PURPOSE:** Approve the Acquisition, Ownership and Financing of Rental Housing Project Located in the City of Carson, County of Los Angeles

**AMOUNT:** Not to Exceed \$90,000,000

---

### **EXECUTIVE SUMMARY:**

The Renaissance at City Center Apartments (the “Project”) is the acquisition and financing of a 150-unit rental housing project located in the City of Carson. 100% of the units will be restricted to middle-income tenants.

### **PROJECT DESCRIPTION:**

- Acquisition of 150-unit rental housing project located at 21800 South Avalon Boulevard in the City of Carson.
- Class A property built in 2013.
- One, two and three-bedroom apartments.
- Facilities include a pool, spa, fireside lounge, fitness center, movie screening theater, billiards lounge, business center, conference room, a BBQ grilling area, and outdoor recreation areas.

### **PROJECT ANALYSIS:**

#### **Background on Project Sponsor & Administrator:**

Standard Communities is a multifamily housing investor and developer. Standard has been actively engaged in institutional multifamily investment, acquisition, development financing and asset management since 2008 across more than \$2 billion of transactions. Standard’s current multifamily investments include residential rental facilities throughout the United States, totaling more than 15,000 units market rate and affordable units. Standard creates a sense of community at its properties, providing residents a home they can be proud of and a support system that allows them to achieve their goals. Its work, often in coordination with public agencies, has created impactful investments in affordable housing.

**Public Agency Approval:**

**Host Jurisdiction Approval:** November 4, 2020 – City of Carson

**Public Benefits:**

- 100% of the units will be rent restricted for 30 years.
  - 1/3 of units restricted to 80% or less of area median income households.
  - 1/3 of units restricted to 100% or less of area median income households.
  - 1/3 of units restricted to 120% or less of area median income households.
- The Project is in close proximity to recreational facilities, grocery stores, other retail establishments, and public K-12 schools.
- Annual rent increases are limited to the lesser of 4% and increase in area median income.
- All surplus revenue upon the sale or recapitalization of the Property is provided to the City and other taxing agencies.

**Sources and Uses:****Sources of Funds:**

Tax-Exempt Bonds:	\$ 70,000,000
Subordinate Bonds:	\$ 3,000,000
Premium:	<u>\$ 7,563,500</u>
Total Sources:	\$ 80,563,500

**Uses of Funds:**

Acquisition:	\$ 66,000,000
Capitalized Interest:	\$ 1,020,500
Operating Reserve:	\$ 303,000
Coverage Reserve:	\$ 790,000
Capital Reserve:	\$ 750,000
Debt Service Reserve:	\$ 3,500,000
Operating Account:	\$ 202,000
Extraordinary Expense Reserve:	\$ 500,000
Insurance Escrow:	\$ 99,350
Project Sponsor Fee:	\$ 1,500,000
Deferred Payment Subordinate Bonds Purchaser:	\$ 3,000,000
Costs of Issuance:	<u>\$ 2,898,650</u>
Total Uses:	\$ 80,563,500

**Finance Partners:**

Bond Counsel:	Orrick, Herrington & Sutcliffe, LLP
Authority Counsel:	Orrick, Herrington & Sutcliffe, LLP
Underwriter:	Stifel
Trustee:	Wilmington Trust
Authority Financial Advisor:	BLX Group, LLC



Authority Insurance Consultant: Woodruff Sawyer & Co.  
Designated Agent for Authority: Bridge Strategic Partners, LLC

**Finance Terms:**

**Rating:** Unrated  
**Term:** 30 years  
**Method of Sale:** Limited Public Offering  
**Estimated Closing:** December 23, 2020

**CSCDA CIA Policy Compliance:**

The acquisition and financing of the Project complies with CSCDA CIA's issuance and project ownership policies. The Project has been reviewed and approved by CSCDA CIA's Financial Advisor and Insurance Consultant.

**DOCUMENTS:** (as attachments)

1. CSCDA CIA Resolution (Attachment A)
2. Project Photographs

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

It is recommended that the Board of Directors adopt the resolution, which:

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

## ATTACHMENT A

### RESOLUTION NO. 20-\_\_\_\_\_

#### CSCDA COMMUNITY IMPROVEMENT AUTHORITY

#### **A RESOLUTION AUTHORIZING A PROJECT CONSISTING OF THE ACQUISITION AND OWNERSHIP BY THE AUTHORITY OF A MULTIFAMILY RENTAL HOUSING FACILITY LOCATED IN THE CITY OF CARSON, CALIFORNIA AND THE ISSUANCE OF REVENUE BONDS IN THE AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$90,000,000 TO FINANCE THE COSTS OF THE PROJECT AND CERTAIN RELATED COSTS AND OTHER MATTERS RELATING THERETO**

WHEREAS, pursuant to the provisions of Articles 1, 2, 3 and 4 of Chapter 5 of Division 7 of Title 1 (commencing with Section 6500) of the Government Code of the State of California, commonly known as the “Joint Exercise of Powers Act” (the “Act”), a California city and a California county (together with any other political subdivision that have been or may from time to time be designated as an “Additional Member” of the Authority pursuant to the Joint Exercise Agreement, collectively, the “Members”) entered into a joint exercise of powers agreement (the “Agreement”) pursuant to which the CSCDA Community Improvement Authority (the “Authority”) was organized; and

WHEREAS, the Authority is authorized and empowered under the Act and by the Agreement to, among other things, issue bonds or other evidences of indebtedness, to finance or assist in the financing of various types of projects and programs whenever there are significant public benefits for taking that action, including providing (i) demonstrable savings in effective interest rate, bond preparation, bond underwriter, or bond issuance costs, (ii) significant reductions in effective user charges levied by a local agency, (iii) employment benefits from undertaking a project in a timely fashion, or (iv) more efficient delivery of local agency services to residential and commercial development; and

WHEREAS, the Authority wishes to acquire and provide for the continued operation of a multifamily rental housing facility (the “Project”) located in the City of Carson, State of California (the “Project Jurisdiction”); and

WHEREAS, pursuant to a Trust Indenture (the “Indenture”) between the Authority and Wilmington Trust, National Association (the “Trustee”), the Authority will issue its CSCDA Community Improvement Authority Essential Housing Revenue Bonds, (Renaissance at City Center) Series 2020A (the “Series 2020A Bonds”) and its CSCDA Community Improvement Authority Subordinate Essential Housing Revenue Bonds, (Renaissance at City Center) Series 2020B (the “Series 2020B Bonds” and, together with the Series 2020A Bonds, the “Bonds”) for the purpose of, among others things, acquiring the Project; and

WHEREAS, Standard Faring Workforce LLC (“Standard Faring”), as assignee of Standard Property Company, Inc. (“Standard”) will assign and the Authority will assume the rights and (with certain exceptions) responsibilities of that certain Agreement for Purchase and Sale and Joint Escrow Instructions, dated as of October 29, 2020, between the Standard, as buyer, and Avalon Carson LLC, a Delaware limited liability company, as seller (the “Seller”), pursuant to an Assignment and Assumption of Purchase and Sale Agreement (the “Assignment and Assumption Agreement”), by and between the Standard Faring and the Authority, for an acquisition price (subject to adjustment for, among other things, valuations and prorations,

the “Purchase Price”) consisting of: (i) a cash payment to the Seller of not-to-exceed \$75,000,000 from a portion of the proceeds of the Series 2020A Bonds; and (ii) an upfront payment to Standard Faring and the issuance and delivery to, or as directed by, Standard Faring of the Series 2020B Bonds, as assignor under the Assignment and Assumption Agreement; and

WHEREAS, the Bonds will be secured by a Deed of Trust, Assignment of Leases and Rents, Security Agreement, and Fixture Filing (the “Deed of Trust”) from the Authority to the Trustee granting a lien on the Authority’s interest in the Project in favor of the Trustee for the benefit of the owners from time to time of the Bonds; and

WHEREAS, the Authority will agree, pursuant to a Regulatory Agreement and Declaration of Restrictive Covenants (the “Regulatory Agreement”), between the Authority and the Trustee, to maintain certain occupancy and rent restrictions on the Project, which shall be in effect with respect to the Project until the payment or defeasance in full of the Bonds; and

WHEREAS, following the Authority’s purchase thereof, the Project will be operated by AMC-CA, Inc., dba Apartment Management Consultants, and/or any other property manager to be named (the “Property Manager”) pursuant to a Property Management Agreement (the “Management Agreement”) between the Authority and the Property Manager; and

WHEREAS, Standard Renaissance Administrator LLC (the “Project Administrator”) is knowledgeable and experienced in managing affordable housing projects, and the Authority wishes to engage the Project Administrator to provide the management oversight and administration services specified in and pursuant to a Project Administration Agreement (the “Project Administration Agreement”) between the Authority and the Project Administrator; and

WHEREAS, pursuant to a Bond Purchase Agreement (the “Bond Purchase Agreement”), between the Authority and Stifel, Nicolaus & Company, Incorporated (the “Underwriter”), the Underwriter will agree to purchase the Series 2020A Bonds, and pursuant to the distribution of a Preliminary Limited Offering Memorandum and a Limited Offering Memorandum (collectively, the “Limited Offering Memorandum”), the Series 2020A Bonds will be offered and sold in accordance with the Authority’s issuance policies exclusively to Qualified Institutional Buyers (as defined in Rule 144A under the Securities Act of 1933, as amended, the “Securities Act”) or Accredited Investors as described in Rule 501 of Regulation D under the Securities Act, and the proceeds of such sale will be used as set forth in the Indenture to finance, among other things, the Authority’s acquisition of the Project; and

WHEREAS, pursuant to the Indenture, the Series 2020B Bonds will be issued and delivered to, or as directed by, Standard Faring as part of the purchase of the Project; and

WHEREAS, the Authority will enter into a Public Benefit Agreement (the “Public Benefit Agreement”) with the Project Jurisdiction pursuant to which the Authority will grant to the Project Jurisdiction the right to cause the Authority to sell all of the Authority’s right, title and interest (which includes fee simple title) to the Project while the Bonds are Outstanding, and, if not sold as aforesaid, will require the Authority to sell the Project when no Bonds remain outstanding; and

WHEREAS, the Project Jurisdiction has, by resolution and execution of the Agreement, become an Additional Member (as defined in the Agreement) of the Authority, and has approved the issuance of bonds for projects within the Project Jurisdiction and authorized the Public Benefit Agreement with the Authority in recognition of the significant public benefits; and

WHEREAS, in connection with the issuance of the Bonds, the Authority will deliver a tax certificate setting forth certain representations, expectations and covenants of the Authority pertaining to the tax status of the Bonds (the “Tax Certificate”); and

WHEREAS, in order to provide ongoing information to the purchasers of the Bonds, the Authority proposes to enter into a Continuing Disclosure Agreement to be dated the date of issuance of the Bonds (the “Continuing Disclosure Agreement”), between the Authority and the dissemination agent named therein; and

WHEREAS, the Board of Directors of the Authority (the “Board”), based on representations of the Project Administrator, but without independent investigation, has found and determined that the issuance of the Bonds and financing of the acquisition of the Project will promote significant public benefits for the Project Jurisdiction, including employment benefits from undertaking the Project in a timely fashion, more efficient delivery of local agency services to residential and commercial development and demonstrable savings in effective interest rate, bond preparation, bond underwriting, or bond issuance costs;

WHEREAS, there have been made available to the Board prior to this meeting proposed forms of:

- (a) the Indenture (including a Master Glossary of Terms and the proposed forms of the Bonds);
- (b) the Assignment and Assumption Agreement;
- (c) the Deed of Trust;
- (d) the Regulatory Agreement;
- (e) the Management Agreement;
- (f) the Project Administration Agreement;
- (g) the Guaranty Agreement;
- (h) the Bond Purchase Agreement;
- (i) the Continuing Disclosure Agreement;
- (j) the Public Benefit Agreement; and
- (k) the Limited Offering Memorandum; and

WHEREAS, pursuant to Government Code Section 5852.1, certain information relating to the Series 2020A Bonds is set forth in Exhibit A attached to this Resolution, and such information is hereby disclosed and made public.

NOW THEREFORE, BE IT RESOLVED by the Board of Directors of the CSCDA Community Improvement Authority, as follows:

Section 1. The Board hereby finds and declares that the Authority’s acquisition and continued operation of the Project and the financing thereof through the issuance of the Bonds as hereinabove recited are in furtherance of the public purposes of the Act, the Joint Exercise Agreement and the foregoing recitals and is within the powers conferred upon the Authority by the Act and the Joint Exercise Agreement.

Section 2. Pursuant to the Act, the Joint Exercise Agreement and the Indenture, the Authority is hereby authorized to issue its revenue bonds designated as the “CSCDA Community Improvement Authority Essential Housing Revenue Bonds, (Renaissance at City Center) Series 2020A” and the “CSCDA Community Improvement Authority Subordinate Essential Housing Revenue Bonds, (Renaissance at City Center) Series 2020B” including, if and to the extent necessary, one or more sub-series, taxable or tax-exempt, with appropriate modifications and series and sub-series designations as necessary, in an aggregate principal amount not to exceed \$90,000,000. The Bonds shall be issued and secured in accordance with the terms of the Indenture and shall be in substantially the forms contained in the Indenture and presented at this meeting. The final maturity of the Series 2020A Bonds shall not exceed 45 years from the date of their issuance, and the maximum interest rate to be borne by the Series 2020A Bonds (inclusive of any “taxable,” “penalty,” or “default” rate) shall not exceed 12% per annum. The final maturity of the Series 2020B Bonds shall not exceed 45 years from the date of their issuance, and the maximum interest rate with respect to the Series 2020B Bonds (inclusive of any “taxable,” “penalty,” or “default” rate) shall not exceed 12% per annum. The principal of and interest on the Bonds shall be payable in lawful money of the United States of America at the principal corporate trust office of the Trustee, as paying agent and registrar, or at the office of any successor or additional paying agent and registrar in accordance with the Indenture. The Bonds shall be subject to mandatory and optional redemption prior to maturity as provided in the Indenture.

Section 3. The Bonds shall be executed on behalf of the Authority by the manual or facsimile signature of the Chair of the Authority or the manual signature of any Director of the Authority, including the Vice-Chair and Treasurer of the Authority, or any other person as may be designated and authorized to sign for the Authority pursuant to Resolution No. 2020-02 of the Authority, adopted on October 15, 2020 (each, an “Authorized Signatory”), and attested by the manual or facsimile signature of the Secretary of the Authority or the manual signature of any Authorized Signatory. The facsimile, electronic or digital signature of any Authorized Signatory shall be deemed to be the legal equivalent of a manual signature on the Bonds and other documents and valid and binding for all purposes. If any Authorized Signatory whose signature, countersignature or attestation appears on a Bond or Bond-related document ceases to be an officer or director before delivery of the Bonds, his or her signature, countersignature or attestation appearing on the Bonds and any Bond-related document (regardless of whether any such Bond-related document is specifically identified in this Resolution) is valid and sufficient for all purposes to the same extent as if he or she had remained in office until delivery of the Bonds.

Section 4. The proposed form of Indenture, including the proposed forms of Bonds, as presented to this meeting, is hereby approved. The Authority is hereby authorized to perform its obligations under the Indenture and an Authorized Signatory is hereby authorized and directed, for and on behalf of the Authority, to execute and deliver the Indenture in substantially said form, with such changes and insertions therein as such Authorized Signatory, with the advice of counsel to the Authority, may approve, such approval to be conclusively evidenced by the execution and delivery thereof. The dated dates, maturity date or dates, interest rate or rates, the amounts and timing and application of deposits to the funds or accounts, interest and principal payment periods and date or dates, principal amounts, denominations, forms, registration privileges, manner of execution, place or places of payment, terms of redemption, conditions for issuance of additional bonds, covenants, whether such Bonds are tax-exempt or taxable and other terms of the Bonds shall be as provided in the Indenture as finally executed. The appointment of Bridge Strategic Partners LLC to serve as Designated Agent, as provided in the Indenture, with the authority, duties and limitations set forth therein, is hereby approved and confirmed.

Section 5. The purchase of the Project and related assets by the Authority, on the terms set forth in the Assignment and Assumption Agreement, is hereby approved. The proposed form of Assignment and Assumption Agreement, as presented to this meeting, is hereby approved. The Authority is hereby authorized to perform its obligations under the Assignment and Assumption Agreement. An

Authorized Signatory is hereby authorized and directed, for and on behalf of the Authority, to execute and deliver the Assignment and Assumption Agreement in substantially said form, with such changes and insertions therein as such Authorized Signatory, with the advice of counsel to the Authority, may approve, such approval to be conclusively evidenced by the execution and delivery thereof. The purchase price of the Project (subject to adjustment for, among other things, valuations and prorations) shall consist of (i) a cash payment to the Seller of not-to-exceed \$75,000,000 from a portion of the proceeds of the Series 2020A Bonds, and (ii) an upfront payment to Standard Faring and the issuance and delivery to, or as directed by, Standard Faring of the Series 2020B Bonds, as assignor under and in accordance with the Assignment and Assumption Agreement.

Section 6. The grant by the Authority to the Trustee of a lien on and security interest in the Project, pursuant to and on the terms set forth in the Deed of Trust, is hereby approved. The proposed form of Deed of Trust, as presented to this meeting, is hereby approved and the Authority is hereby authorized to perform its obligations thereunder. An Authorized Signatory is hereby authorized and directed, for and on behalf of the Authority, to execute and deliver the Deed of Trust in substantially said form, with such changes and insertions therein as such Authorized Signatory, with the advice of counsel to the Authority, may approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 7. The rent and occupancy restrictions placed on the Project pursuant to and on the terms set forth in the Regulatory Agreement are hereby approved. The proposed form of Regulatory Agreement, as presented to this meeting, is hereby approved and the Authority is hereby authorized to perform its obligations thereunder. An Authorized Signatory is hereby authorized and directed, for and on behalf of the Authority, to execute and deliver the Regulatory Agreement in substantially said form, with such changes and insertions therein as such Authorized Signatory, with the advice of counsel to the Authority, may approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 8. The engagement of the Property Manager to manage and operate the Project on the Authority's behalf, and the delegation to the Property Manager of certain powers to act in its discretion on behalf of the Authority in connection therewith, in accordance with the terms and provisions of the Management Agreement, are hereby approved. The proposed form of Management Agreement, as presented to this meeting, is hereby approved and the Authority is hereby authorized to perform its obligations thereunder. An Authorized Signatory is hereby authorized and directed, for and on behalf of the Authority, to execute and deliver the Management Agreement in substantially said form, with such changes and insertions therein as such Authorized Signatory, with the advice of counsel to the Authority, may approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 9. The engagement of the Project Administrator to provide management oversight and administration services for the Project on the Authority's behalf, and the delegation to the Project Administrator of certain powers to act in its discretion on behalf of the Authority in connection therewith, in accordance with the terms and provisions of the Project Administration Agreement, are hereby approved. The proposed form of Project Administration Agreement, as presented to this meeting, is hereby approved and the Authority is hereby authorized to perform its obligations thereunder. An Authorized Signatory is hereby authorized and directed, for and on behalf of the Authority, to execute and deliver the Project Administration Agreement in substantially said form, with such changes and insertions therein as such Authorized Signatory, with the advice of counsel to the Authority, may approve, such approval to be conclusively evidenced by the execution and delivery thereof. The proposed form of Guaranty Agreement, as presented to this meeting, is hereby approved, and an Authorized Signatory is hereby authorized and directed, from and on behalf of the Authority, to execute and deliver the Guaranty Agreement in substantially said form, with such changes and insertions therein as such Authorized Signatory, with the

advice of counsel to the Authority, may approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 10. The proposed form of Limited Offering Memorandum relating to the Series 2020A Bonds is hereby approved. An Authorized Signatory is hereby authorized and directed, for and on behalf of the Authority, to execute and deliver a Limited Offering Memorandum in substantially said form, with such changes therein as such officer executing the same may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 11. The Authority consents to the distribution by the Underwriter of the preliminary form of Limited Offering Memorandum to persons who may be interested in the purchase of the Series 2020A Bonds and its delivery of the Limited Offering Memorandum in final form to the purchasers of the Series 2020A Bonds, in each case with such changes as may be approved as aforesaid.

Section 12. The proposed form of the Bond Purchase Agreement, as presented to this meeting, is hereby approved. The Authority is hereby authorized to perform its obligations under the Bond Purchase Agreement. An Authorized Signatory is hereby authorized and directed, for and on behalf of the Authority, to execute and deliver the Bond Purchase Agreement, in substantially said form, with such changes and insertions therein as such Authorized Signatory, with the advice of counsel to the Authority, may approve, provided that any fee or discount to the Underwriter not exceed \$1,300,000.

Section 13. The proposed form of Continuing Disclosure Agreement, as presented to this meeting, is hereby approved. The Authority is hereby authorized to perform its obligations under the Continuing Disclosure Agreement. An Authorized Signatory is hereby authorized and directed, for and on behalf of the Authority, to execute and deliver the Continuing Disclosure Agreement in substantially said form, with such changes and insertions therein as such Authorized Signatory, with the advice of counsel to the Authority, may approve.

Section 14. The proposed form of the Public Benefit Agreement, as presented to this meeting, is hereby approved. The Authority is hereby authorized to perform its obligations under the Public Benefit Agreement. An Authorized Signatory is hereby authorized and directed, for and on behalf of the Authority, to execute and deliver the Public Benefit Agreement, in substantially said form, with such changes and insertions therein as such Authorized Signatory, with the advice of counsel to the Authority, may approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 15. An Authorized Signatory is hereby authorized and directed, for and on behalf of the Authority, to execute and deliver a Tax Certificate, in such form as such Authorized Signatory, with the advice of Bond Counsel, may approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 16. The Bonds, when executed as provided in Section 3 and as provided in the Indenture, shall be delivered to the Trustee for authentication by the Trustee. The Trustee is hereby requested and directed to authenticate the Bonds by executing the Trustee's Certificate of Authentication appearing thereon, and to deliver the Bonds, when duly executed and authenticated, in accordance with written instructions executed on behalf of the Authority by an Authorized Signatory. Such instructions shall provide for the delivery of the Bonds upon payment of the purchase price thereof.

Section 17. The Chair, the Vice-Chair, the Secretary and other appropriate officers and agents of the Authority, including each Authorized Signatory, are hereby authorized and directed, jointly and severally, for and in the name and on behalf of the Authority, to execute and deliver any and all documents, including, without limitation, any and all documents and certificates to be executed in connection with

acquiring, equipping, owning and operating the Project, securing insurance related to the Project, investing proceeds of the Bonds or revenues of the Project, or credit support, if any, for the Bonds, and to do any and all things and take any and all actions which may be necessary or advisable, in their discretion, to effectuate the actions which the Authority has approved in this Resolution and to consummate by the Authority the transactions contemplated by the documents approved hereby, including entering into security agreements, pledge agreements, collateral assignments, direct agreements and/or consents to assignment with respect to documents entered into by the Authority, the Project Administrator or the Property Manager in connection with the Project and assisting in the preparation of the Limited Offering Memorandum, and any other or subsequent agreements, supplements, instruments, amendments, approvals, authorizations, directions, certifications, waivers or consents entered into or given in accordance with such documents including any letter agreements with the Project Jurisdiction. It is not necessary that the Bonds and various documents authorized hereby or otherwise relating to the Bonds all be signed by the same Authorized Signatory.

Section 18. All actions heretofore taken by the Chair, the Vice-Chair, the Treasurer, the Secretary or any Assistant Secretary and other appropriate officers and agents of the Authority with respect to the issuance of the Bonds are hereby ratified, confirmed and approved.

Section 19. This Resolution shall take effect from and after its adoption; provided, that no Bond authorized hereby shall be issued unless and until the Authority has been furnished with satisfactory evidence of the approvals by the Project Jurisdiction as hereinabove recited.

Section 20. PASSED AND ADOPTED on the [\_\_\_] day of December, 2020

Section 21. I, the undersigned, an Authorized Signatory of the CSCDA Community Improvement Authority, DO HEREBY CERTIFY that the foregoing resolution was duly adopted by the Board of Directors of the Authority at a duly called meeting of the Board of Directors of the Authority held in accordance with law on December \_\_, 2020.

**CSCDA COMMUNITY IMPROVEMENT  
AUTHORITY**

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Name: \_\_\_\_\_  
Title: Authorized Signatory



## **EXHIBIT A**

### **REQUIRED DISCLOSURES PURSUANT TO CALIFORNIA GOVERNMENT CODE SECTION 5852.1**

1. True Interest Cost of the Series 2020A Bonds (Estimated): 4.22%
  2. Finance charge of the Series 2020A Bonds, being the sum of all fees and charges paid to third parties (Estimated): \$4,450,911
  3. Proceeds of the Series 2020A Bonds expected to be received by the Authority, net of proceeds for Costs of Issuance in (2) above, and reserves (if any) to be paid from the principal amount of the Series 2020A Bonds (Estimated): \$69,797,748
  4. Total Payment Amount for the Series 2020A Bonds, being the sum of all debt service to be paid on the Series 2020A Bonds to final maturity (Estimated): \$147,321,847
- \* All amounts and percentages are estimates, and are made in good faith by the Authority based on information available as of the date of adoption of this Resolution. Estimates include certain assumptions regarding tax-exempt rates available in the bond market at the time of pricing the Series 2020A Bonds.
- \* The information set forth in this Exhibit A relates solely to the Series 2020A Bonds. Such categories of information are not applicable to the Series 2020B Bonds.

**ATTACHMENT B**  
**(Project Photographs)**



## **Agenda Report**

**DATE:** December 3, 2020

**TO:** CSCDA CIA BOARD OF DIRECTORS

**FROM:** Cathy Bando, Executive Director

**PROJECT:** Alexan CTR Apartments

**PURPOSE:** Approve the Acquisition, Ownership and Financing of Rental Housing Project Located in the City of Anaheim, County of Orange

**AMOUNT:** Not to Exceed \$140,000,000

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### **EXECUTIVE SUMMARY:**

Alexan CTR Apartments (the “Project”) is the acquisition and financing of a 231-unit rental housing project located in the City of Anaheim. 100% of the units will be restricted to middle-income tenants.

### **PROJECT DESCRIPTION:**

- Acquisition of 231-unit rental housing project located at 255 North Anaheim Boulevard in the City of Anaheim.
- Class A property built in 2019.
- Studio, one-bedroom and two-bedroom apartments.
- Community co-working areas, pool and spa, pool lounge area, fitness center, secure parcel delivery room, work/study areas on each residential floor.

### **PROJECT ANALYSIS:**

#### **Background on Project Sponsor & Administrator:**

Manatt Housing Solutions LLC (MHS) is a subsidiary of Manatt, Phelps & Philip, LLP and draws on its deep bench of highly respected real estate, land use and governmental affairs professionals and brings to bear the concomitant expertise in its role as Project Administrator. The MHS team has decades of California multi-family housing experience with hundreds of transactions and billions of dollars, negotiating, executing and structuring sophisticated, acquisitions and financings. The MHS team also includes experts – at the highest level – in government finance, with deep relationships and the respect of, staff and elected officials through-out California. MHS’ team of seasoned professionals has decades-old business relationships with leading national and regional multifamily real estate investment firms and developers.

**Public Agency Approval:**

**Host Jurisdiction Approval:** November 10, 2020 – City of Anaheim

**Public Benefits:**

- 100% of the units will be rent restricted for 30 years.
  - 40% of units restricted to 80% or less of area median income households.
  - 20% of units restricted to 100% or less of area median income households.
  - 40% of units restricted to 120% or less of area median income households.
- The Project is in close proximity to recreational facilities, grocery stores, other retail establishments, and public K-12 schools.
- Annual rent increases are limited to the lesser of 4% and increase in area median income.
- All surplus revenue upon the sale or recapitalization of the Property is provided to the City and other taxing agencies.

**Sources and Uses:****Sources of Funds:**

Tax-Exempt Bonds:	\$ 115,795,000
Subordinate Bonds:	\$ 4,250,000
Premium:	<u>\$ 11,982,467</u>
Total Sources:	\$ 132,027,467

**Uses of Funds:**

Acquisition:	\$ 110,000,000
Capitalized Interest:	\$ 2,894,875
Operating Reserve:	\$ 363,203
Coverage Reserve:	\$ 1,157,950
Capital Reserve:	\$ 738,782
Debt Service Reserve:	\$ 5,789,750
Operating Account:	\$ 242,135
Extraordinary Expense Reserve:	\$ 500,000
Project Sponsor Fee:	\$ 2,000,000
Deferred Payment Subordinate Bond Purchaser:	\$ 4,250,000
Costs of Issuance:	<u>\$ 4,090,772</u>
Total Uses:	\$ 132,027,467

**Finance Partners:**

Bond Counsel:	Orrick, Herrington & Sutcliffe, LLP
Authority Counsel:	Orrick, Herrington & Sutcliffe, LLP
Underwriter:	RBC Capital Markets
Trustee:	Wilmington Trust
Authority Financial Advisor:	BLX Group, LLC

Authority Insurance Consultant: Woodruff Sawyer & Co.  
Designated Agent for Authority: Bridge Strategic Partners LLC

**Finance Terms:**

**Rating:** Unrated  
**Term:** 30 years  
**Method of Sale:** Limited Public Offering  
**Estimated Closing:** December 29, 2020

**CSCDA CIA Policy Compliance:**

The acquisition and financing of the Project complies with CSCDA CIA's issuance and project ownership policies. The Project has been reviewed and approved by CSCDA CIA's Financial Advisor and Insurance Consultant.

**DOCUMENTS:** (as attachments)

1. CSCDA CIA Resolution (Attachment A)
2. Project Photographs

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

CSCDA CIA's Executive Director recommends that the Board of Directors adopt the resolution, which:

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

## ATTACHMENT A

### RESOLUTION NO. 20-\_\_

#### CSCDA COMMUNITY IMPROVEMENT AUTHORITY

#### **A RESOLUTION AUTHORIZING A PROJECT CONSISTING OF THE ACQUISITION AND OWNERSHIP BY THE AUTHORITY OF A MULTIFAMILY RENTAL HOUSING FACILITY LOCATED IN THE CITY OF ANAHEIM, CALIFORNIA AND THE ISSUANCE OF REVENUE BONDS IN THE AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$140,000,000 TO FINANCE THE COSTS OF THE PROJECT AND CERTAIN RELATED COSTS AND OTHER MATTERS RELATING THERETO**

WHEREAS, pursuant to the provisions of Articles 1, 2, 3 and 4 of Chapter 5 of Division 7 of Title 1 (commencing with Section 6500) of the Government Code of the State of California, commonly known as the “Joint Exercise of Powers Act” (the “Act”), a California city and a California county (together with any other political subdivision that have been or may from time to time be designated as an “Additional Member” of the Authority pursuant to the Joint Exercise Agreement, collectively, the “Members”) entered into a joint exercise of powers agreement (the “Agreement”) pursuant to which the CSCDA Community Improvement Authority (the “Authority”) was organized; and

WHEREAS, the Authority is authorized and empowered under the Act and by the Agreement to, among other things, issue bonds or other evidences of indebtedness, to finance or assist in the financing of various types of projects and programs whenever there are significant public benefits for taking that action, including providing (i) demonstrable savings in effective interest rate, bond preparation, bond underwriter, or bond issuance costs, (ii) significant reductions in effective user charges levied by a local agency, (iii) employment benefits from undertaking a project in a timely fashion, or (iv) more efficient delivery of local agency services to residential and commercial development; and

WHEREAS, the Authority wishes to acquire and provide for the continued operation of a multifamily rental housing facility (the “Project”) located in the City of Anaheim, State of California (the “Project Jurisdiction”); and

WHEREAS, pursuant to a Trust Indenture (the “Indenture”) between the Authority and Wilmington Trust, National Association (the “Trustee”), the Authority will issue its CSCDA Community Improvement Authority Essential Housing Revenue Bonds, Series 2020A (CTR City Anaheim) (the “Series 2020A Bonds”) and its CSCDA Community Improvement Authority Subordinate Essential Housing Revenue Bonds, Series 2020B (CTR City Anaheim) (the “Series 2020B Bonds”) and, together with the Series 2020A Bonds, the “Bonds”) for the purpose of, among others things, acquiring the Project; and

WHEREAS, Manatt Housing Solutions LLC (the “Project Administrator”) will assign and the Authority will assume the rights and (with certain exceptions) responsibilities of that certain Purchase Agreement, between the Project Administrator, as buyer, and Uptown Anaheim Apartments, LLC, a Delaware limited liability company, as seller (the “Seller”), pursuant to an Assignment and Assumption of Purchase Agreement (the “Assignment and Assumption Agreement”), by and between the Project Administrator and the Authority, for an acquisition price (subject to adjustment for, among other things, valuations and prorations, the “Purchase Price”) consisting of (i) a cash payment to the Seller of not-to-exceed \$125,000,000 from a portion of the proceeds of the Series 2020A Bonds, and (ii) an upfront payment to Manatt Housing Solutions LLC and the issuance and delivery to, or as directed by, Manatt Housing

Solutions LLC of the Series 2020B Bonds, as assignor under the Assignment and Assumption Agreement; and

WHEREAS, the Bonds will be secured by a Deed of Trust, Assignment of Leases and Rents, Security Agreement, and Fixture Filing (the “Deed of Trust”) from the Authority to the Trustee granting a lien on the Authority’s interest in the Project in favor of the Trustee for the benefit of the owners from time to time of the Bonds; and

WHEREAS, the Authority will agree, pursuant to a Regulatory Agreement and Declaration of Restrictive Covenants (the “Regulatory Agreement”), between the Authority and the Trustee, to maintain certain occupancy and rent restrictions on the Project, which shall be in effect with respect to the Project until the payment or defeasance in full of the Bonds; and

WHEREAS, following the Authority’s purchase thereof, the Project will be operated by Greystar California, Inc., and/or any other property manager to be named (the “Property Manager”) pursuant to a Property Management Agreement (the “Management Agreement”) between the Authority and the Property Manager; and

WHEREAS, the Project Administrator is knowledgeable and experienced in managing affordable housing projects, and the Authority wishes to engage the Project Administrator to provide the management oversight and administration services specified in and pursuant to a Project Administration Agreement (the “Project Administration Agreement”) between the Authority and the Project Administrator; and

WHEREAS, pursuant to Government Code Section 5852.1, certain information relating to the Series 2020A Bonds is set forth in Exhibit A attached to this Resolution, and such information is hereby disclosed and made public;

WHEREAS, pursuant to a Bond Purchase Agreement (the “Bond Purchase Agreement”), between the Authority and RBC Capital Markets, LLC (the “Underwriter”), the Underwriter will agree to purchase the Series 2020A Bonds, and pursuant to the distribution of a Preliminary Limited Offering Memorandum and a Limited Offering Memorandum (collectively, the “Limited Offering Memorandum”), the Series 2020A Bonds will be offered and sold in accordance with the Authority’s issuance policies exclusively to Qualified Institutional Buyers (as defined in Rule 144A under the Securities Act of 1933, as amended, the “Securities Act”) or Accredited Investors as described in Rule 501 of Regulation D under the Securities Act, and the proceeds of such sale will be used as set forth in the Indenture to finance, among other things, the Authority’s acquisition of the Project; and

WHEREAS, pursuant to the Indenture, the Series 2020B Bonds will be issued and delivered to, or as directed by, Manatt Housing Solutions LLC as part of the purchase of the Project; and

WHEREAS, the Authority will enter into a Public Benefit Agreement (the “Public Benefit Agreement”) with the Project Jurisdiction pursuant to which the Authority will grant to the Project Jurisdiction the right to cause the Authority to sell all of the Authority’s right, title and interest (which includes fee simple title) to the Project while the Bonds are Outstanding, and, if not sold as aforesaid, will require the Authority to sell the Project when no Bonds remain outstanding; and

WHEREAS, the Project Jurisdiction has, by resolution and execution of the Agreement, become an Additional Member (as defined in the Agreement) of the Authority, and has approved the issuance of bonds for projects within the Project Jurisdiction and authorized the Public Benefit Agreement with the Authority in recognition of the significant public benefits; and

WHEREAS, in connection with the issuance of the Bonds, the Authority will deliver a tax certificate setting forth certain representations, expectations and covenants of the Authority pertaining to the tax status of the Bonds (the “Tax Certificate”); and

WHEREAS, in order to provide ongoing information to the purchasers of the Bonds, the Authority proposes to enter into a Continuing Disclosure Agreement to be dated the date of issuance of the Bonds (the “Continuing Disclosure Agreement”), between the Authority and the dissemination agent named therein; and

WHEREAS, the Board of Directors of the Authority (the “Board”), based on representations of the Project Administrator, but without independent investigation, has found and determined that the issuance of the Bonds and financing of the acquisition of the Project will promote significant public benefits for the Project Jurisdiction, including employment benefits from undertaking the Project in a timely fashion, more efficient delivery of local agency services to residential and commercial development and demonstrable savings in effective interest rate, bond preparation, bond underwriting, or bond issuance costs; and

WHEREAS, there have been made available to the Board prior to this meeting proposed forms of:

- (a) the Indenture (including a Master Glossary of Terms and the proposed forms of the Bonds);
- (b) the Assignment and Assumption Agreement;
- (c) the Deed of Trust;
- (d) the Regulatory Agreement;
- (e) the Management Agreement;
- (f) the Project Administration Agreement;
- (g) the Bond Purchase Agreement;
- (h) the Continuing Disclosure Agreement;
- (i) the Public Benefit Agreement; and
- (j) the Limited Offering Memorandum.

NOW THEREFORE, BE IT RESOLVED by the Board of Directors of the CSCDA Community Improvement Authority, as follows:

Section 1. The Board hereby finds and declares that the Authority’s acquisition and continued operation of the Project and the financing thereof through the issuance of the Bonds as hereinabove recited are in furtherance of the public purposes of the Act, the Joint Exercise Agreement and the foregoing recitals and is within the powers conferred upon the Authority by the Act and the Joint Exercise Agreement.

Section 2. Pursuant to the Act, the Joint Exercise Agreement and the Indenture, the Authority is hereby authorized to issue its revenue bonds designated as the “CSCDA Community Improvement Authority Essential Housing Revenue Bonds, Series 2020A (CTR City Anaheim)” and the “CSCDA Community Improvement Authority Subordinate Essential Housing Revenue Bonds, Series 2020B (CTR City Anaheim)” including, if and to the extent necessary, one or more sub-series, taxable or tax-exempt,



with appropriate modifications and series and sub-series designations as necessary, in an aggregate principal amount not to exceed \$140,000,000. The Bonds shall be issued and secured in accordance with the terms of the Indenture and shall be in substantially the forms contained in the Indenture and presented at this meeting. The final maturity of the Series 2020A Bonds shall not exceed 45 years from the date of their issuance, and the maximum interest rate to be borne by the Series 2020A Bonds (inclusive of any “taxable,” “penalty,” or “default” rate) shall not exceed 12% per annum. The final maturity of the Series 2020B Bonds shall not exceed 45 years from the date of their issuance, and the maximum interest rate with respect to the Series 2020B Bonds (inclusive of any “taxable,” “penalty,” or “default” rate) shall not exceed 12% per annum. The principal of and interest on the Bonds shall be payable in lawful money of the United States of America at the principal corporate trust office of the Trustee, as paying agent and registrar, or at the office of any successor or additional paying agent and registrar in accordance with the Indenture. The Bonds shall be subject to mandatory and optional redemption prior to maturity as provided in the Indenture.

Section 3. The Bonds shall be executed on behalf of the Authority by the manual or facsimile signature of the Chair of the Authority or the manual signature of any Director of the Authority, including the Vice-Chair and Treasurer of the Authority, or any other person as may be designated and authorized to sign for the Authority pursuant to Resolution No. 2020-02 of the Authority, adopted on October 15, 2020 (each, an “Authorized Signatory”), and attested by the manual or facsimile signature of the Secretary of the Authority or the manual signature of any Authorized Signatory. The facsimile, electronic or digital signature of any Authorized Signatory shall be deemed to be the legal equivalent of a manual signature on the Bonds and other documents and valid and binding for all purposes. If any Authorized Signatory whose signature, countersignature or attestation appears on a Bond or Bond-related document ceases to be an officer or director before delivery of the Bonds, his or her signature, countersignature or attestation appearing on the Bonds and any Bond-related document (regardless of whether any such Bond-related document is specifically identified in this Resolution) is valid and sufficient for all purposes to the same extent as if he or she had remained in office until delivery of the Bonds.

Section 4. The proposed form of Indenture, including the proposed forms of Bonds, as presented to this meeting, is hereby approved. The Authority is hereby authorized to perform its obligations under the Indenture and an Authorized Signatory is hereby authorized and directed, for and on behalf of the Authority, to execute and deliver the Indenture in substantially said form, with such changes and insertions therein as such Authorized Signatory, with the advice of counsel to the Authority, may approve, such approval to be conclusively evidenced by the execution and delivery thereof. The dated dates, maturity date or dates, interest rate or rates, the amounts and timing and application of deposits to the funds or accounts, interest and principal payment periods and date or dates, principal amounts, denominations, forms, registration privileges, manner of execution, place or places of payment, terms of redemption, conditions for issuance of additional bonds, covenants, whether such Bonds are tax-exempt or taxable and other terms of the Bonds shall be as provided in the Indenture as finally executed. The appointment of Bridge Strategic Partners LLC to serve as Designated Agent, as provided in the Indenture, with the authority, duties and limitations set forth therein, is hereby approved and confirmed.

Section 5. The purchase of the Project and related assets by the Authority, on the terms set forth in the Assignment and Assumption Agreement, is hereby approved. The proposed form of Assignment and Assumption Agreement, as presented to this meeting, is hereby approved. The Authority is hereby authorized to perform its obligations under the Assignment and Assumption Agreement. An Authorized Signatory is hereby authorized and directed, for and on behalf of the Authority, to execute and deliver the Assignment and Assumption Agreement in substantially said form, with such changes and insertions therein as such Authorized Signatory, with the advice of counsel to the Authority, may approve, such approval to be conclusively evidenced by the execution and delivery thereof. The purchase price of the Project (subject to adjustment for, among other things, valuations and prorations) shall consist of (i) a

cash payment to the Seller of not-to-exceed \$125,000,000 from a portion of the proceeds of the Series 2020A Bonds, and (ii) an upfront payment to Manatt Housing Solutions LLC and the issuance and delivery to, or as directed by, Manatt Housing Solutions LLC of the Series 2020B Bonds, as assignor under and in accordance with the Assignment and Assumption Agreement.

Section 6. The grant by the Authority to the Trustee of a lien on and security interest in the Project, pursuant to and on the terms set forth in the Deed of Trust, is hereby approved. The proposed form of Deed of Trust, as presented to this meeting, is hereby approved and the Authority is hereby authorized to perform its obligations thereunder. An Authorized Signatory is hereby authorized and directed, for and on behalf of the Authority, to execute and deliver the Deed of Trust in substantially said form, with such changes and insertions therein as such Authorized Signatory, with the advice of counsel to the Authority, may approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 7. The rent and occupancy restrictions placed on the Project pursuant to and on the terms set forth in the Regulatory Agreement are hereby approved. The proposed form of Regulatory Agreement, as presented to this meeting, is hereby approved and the Authority is hereby authorized to perform its obligations thereunder. An Authorized Signatory is hereby authorized and directed, for and on behalf of the Authority, to execute and deliver the Regulatory Agreement in substantially said form, with such changes and insertions therein as such Authorized Signatory, with the advice of counsel to the Authority, may approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 8. The engagement of the Property Manager to manage and operate the Project on the Authority's behalf, and the delegation to the Property Manager of certain powers to act in its discretion on behalf of the Authority in connection therewith, in accordance with the terms and provisions of the Management Agreement, are hereby approved. The proposed form of Management Agreement, as presented to this meeting, is hereby approved and the Authority is hereby authorized to perform its obligations thereunder. An Authorized Signatory is hereby authorized and directed, for and on behalf of the Authority, to execute and deliver the Management Agreement in substantially said form, with such changes and insertions therein as such Authorized Signatory, with the advice of counsel to the Authority, may approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 9. The engagement of the Project Administrator to provide management oversight and administration services for the Project on the Authority's behalf, and the delegation to the Project Administrator of certain powers to act in its discretion on behalf of the Authority in connection therewith, in accordance with the terms and provisions of the Project Administration Agreement, are hereby approved. The proposed form of Project Administration Agreement, as presented to this meeting, is hereby approved and the Authority is hereby authorized to perform its obligations thereunder. An Authorized Signatory is hereby authorized and directed, for and on behalf of the Authority, to execute and deliver the Project Administration Agreement in substantially said form, with such changes and insertions therein as such Authorized Signatory, with the advice of counsel to the Authority, may approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 10. The proposed form of Limited Offering Memorandum relating to the Series 2020A Bonds is hereby approved. An Authorized Signatory is hereby authorized and directed, for and on behalf of the Authority, to execute and deliver a Limited Offering Memorandum in substantially said form, with such changes therein as such officer executing the same may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 11. The Authority consents to the distribution by the Underwriter of the preliminary form of Limited Offering Memorandum to persons who may be interested in the purchase of the Series

2020A Bonds and its delivery of the Limited Offering Memorandum in final form to the purchasers of the Series 2020A Bonds, in each case with such changes as may be approved as aforesaid.

Section 12. The proposed form of the Bond Purchase Agreement, as presented to this meeting, is hereby approved. The Authority is hereby authorized to perform its obligations under the Bond Purchase Agreement. An Authorized Signatory is hereby authorized and directed, for and on behalf of the Authority, to execute and deliver the Bond Purchase Agreement, in substantially said form, with such changes and insertions therein as such Authorized Signatory, with the advice of counsel to the Authority, may approve, provided that any fee or discount to the Underwriter not exceed \$2,350,000.

Section 13. The proposed form of Continuing Disclosure Agreement, as presented to this meeting, is hereby approved. The Authority is hereby authorized to perform its obligations under the Continuing Disclosure Agreement. An Authorized Signatory is hereby authorized and directed, for and on behalf of the Authority, to execute and deliver the Continuing Disclosure Agreement in substantially said form, with such changes and insertions therein as such Authorized Signatory, with the advice of counsel to the Authority, may approve.

Section 14. The proposed form of the Public Benefit Agreement, as presented to this meeting, is hereby approved. The Authority is hereby authorized to perform its obligations under the Public Benefit Agreement. An Authorized Signatory is hereby authorized and directed, for and on behalf of the Authority, to execute and deliver the Public Benefit Agreement, in substantially said form, with such changes and insertions therein as such Authorized Signatory, with the advice of counsel to the Authority, may approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 15. An Authorized Signatory is hereby authorized and directed, for and on behalf of the Authority, to execute and deliver a Tax Certificate, in such form as such Authorized Signatory, with the advice of Bond Counsel, may approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 16. The Bonds, when executed as provided in Section 3 and as provided in the Indenture, shall be delivered to the Trustee for authentication by the Trustee. The Trustee is hereby requested and directed to authenticate the Bonds by executing the Trustee's Certificate of Authentication appearing thereon, and to deliver the Bonds, when duly executed and authenticated, in accordance with written instructions executed on behalf of the Authority by an Authorized Signatory. Such instructions shall provide for the delivery of the Bonds upon payment of the purchase price thereof.

Section 17. The Chair, the Vice-Chair, the Secretary and other appropriate officers and agents of the Authority, including each Authorized Signatory, are hereby authorized and directed, jointly and severally, for and in the name and on behalf of the Authority, to execute and deliver any and all documents, including, without limitation, any and all documents and certificates to be executed in connection with acquiring, equipping, owning and operating the Project, securing insurance related to the Project, investing proceeds of the Bonds or revenues of the Project, or credit support, if any, for the Bonds, and to do any and all things and take any and all actions which may be necessary or advisable, in their discretion, to effectuate the actions which the Authority has approved in this Resolution and to consummate by the Authority the transactions contemplated by the documents approved hereby, including entering into security agreements, pledge agreements, collateral assignments, direct agreements and/or consents to assignment with respect to documents entered into by the Authority, the Project Administrator or the Property Manager in connection with the Project and assisting in the preparation of the Limited Offering Memorandum, and any other or subsequent agreements, supplements, instruments, amendments, approvals, authorizations, directions, certifications, waivers or consents entered into or given in accordance with such documents including any

letter agreements with the Project Jurisdiction. It is not necessary that the Bonds and various documents authorized hereby or otherwise relating to the Bonds all be signed by the same Authorized Signatory.

Section 18. All actions heretofore taken by the Chair, the Vice-Chair, the Treasurer, the Secretary or any Assistant Secretary and other appropriate officers and agents of the Authority with respect to the issuance of the Bonds are hereby ratified, confirmed and approved.

Section 19. This Resolution shall take effect from and after its adoption; provided, that no Bond authorized hereby shall be issued unless and until the Authority has been furnished with satisfactory evidence of the approvals by the Project Jurisdiction as hereinabove recited.

Section 20. PASSED AND ADOPTED on the [\_\_] day of December, 2020

Section 21. I, the undersigned, an Authorized Signatory of the CSCDA Community Improvement Authority, DO HEREBY CERTIFY that the foregoing resolution was duly adopted by the Board of Directors of the Authority at a duly called meeting of the Board of Directors of the Authority held in accordance with law on December \_\_, 2020.

**CSCDA COMMUNITY IMPROVEMENT  
AUTHORITY**

\_\_\_\_\_  
Name: \_\_\_\_\_  
Title: Authorized Signatory

## Exhibit A

### Required Disclosures Pursuant to California Government Code Section 5852.1

1. True Interest Cost of the Series 2020A Bonds (Estimated): 4.5081%
2. Finance charge of the Series 2020A Bonds, being the sum of all fees and charges paid to third parties (Estimated): \$5,112,186.87
3. Proceeds of the Series 2020A Bonds expected to be received by the Authority, net of proceeds for Costs of Issuance in (2) above, and reserves (if any) to be paid from the principal amount of the Series 2020A Bonds (Estimated): \$111,702,650.00
4. Total Payment Amount for the Series 2020A Bonds, being the sum of all debt service to be paid on the Series 2020A Bonds to final maturity (Estimated): \$197,257,726.39

\*All amounts and percentages are estimates, and are made in good faith by the Authority based on information available as of the date of adoption of this Resolution. Estimates include certain assumptions regarding tax-exempt rates available in the bond market at the time of pricing the Series 2020A Bonds.

**ATTACHMENT B**  
**(Project Photographs)**

