



REGULAR MEETING AGENDA

December 6, 2018 at 2:00 p.m.

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

Telephonic Locations:

County of Solano
675 Texas Street, Fairfield, CA 94533

City of Sausalito
420 Litho Street, Sausalito, CA 94965

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

257 Electric Street
Auburn, CA 95603

County of Kern
1115 Truxtun Avenue, Bakersfield, CA 93301

County of Butte
7 County Drive, Oroville, CA 95965

A. OPENING AND PROCEDURAL ITEMS

1. Roll Call.

<input type="checkbox"/> Larry Combs, Chair	<input type="checkbox"/> Jordan Kaufman, Member
<input type="checkbox"/> Kevin O'Rourke, Vice Chair	<input type="checkbox"/> Dan Mierzwa, Member
<input type="checkbox"/> Tim Snellings, Secretary	<input type="checkbox"/> Marcia Raines, Member
<input type="checkbox"/> Brian Moura, Treasurer	<input type="checkbox"/> Michael Cooper, Alt. Member
2. Consideration of the Minutes of the November 15, 2018 Regular Meeting.
3. Consent Calendar.
4. Public Comment.

B. ITEMS FOR CONSIDERATION

5. Consideration of the issuance of revenue bonds or other obligations to finance or refinance the following projects, the execution and delivery of related documents, and other related actions:
 - a. NCCD – Hooper Street LLC (California College of the Arts Project), City and County of San Francisco; issue up to \$100,000,000 in revenue bonds.

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- b. Carondelet High School, City of Concord, County of Contra Costa; issue up to \$10,000,000 in nonprofit revenue obligations.
 - c. Cascade Sonrise, L.P. (Cascade Sonrise Apartments), City of Fontana, County of San Bernardino; issue up to \$13,000,000 in multi-family housing revenue bonds.
- 6. Conduct second reading of “Ordinance Levying a Special Tax for Fiscal Year 2018-2019 and Following Fiscal Years Solely Within and Relating to Improvement Area No. 1 of the California Statewide Communities Development Authority Community Facilities District No. 2018-02 (McSweeney), City of Hemet, County of Riverside, State of California”.
 - 7. Consideration of a resolution authorizing the novation of a commodity swap agreement relating to the CSCDA Gas Supply Variable Rate Revenue Bonds, Series 2010, approving a swap policy and authorizing other matters relating thereto.
 - 8. Consideration of Modification to Policy for Professional Services Contracts.
 - 9. Consideration of Amended and Restated Services Agreement with Bridge Strategic Partners.

C. STAFF ANNOUNCEMENTS, REPORTS ON ACTIVITIES OR REQUESTS

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

NEXT MEETING: Thursday, December 20, 2018 at 2:00 p.m.
California State Association of Counties
1100 K Street, 1st Floor, Sacramento, CA 95814

CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY

CONSENT CALENDAR

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

December 6, 2018



TABLE OF CONTENTS

December 6, 2018

Item 2	November 15, 2018 Regular Meeting Minutes	Page 5
Item 3	Consent Calendar	Page 9
Item 5a	NCCD Hooper Street	Page 20
Item 5b	Carondelet High School	Page 30
Item 5c	Cascade Sonrise Apartments	Page 39
Item 6	McSweeny CFD Second Reading	Page 49
Item 7	SMUD Commodity Swap Agreement	Page 54
Item 8	Professional Services Contract Policy	Page 64
Item 9	Amended and Restated Services Agreement	Page 66



MINUTES

REGULAR MEETING OF THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY

November 15, 2018 at 2:00 p.m.

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

Commission Chair Larry Combs called the meeting to order at 2:04 pm.

1. Roll Call.

Commission members present: Larry Combs and Marcia Raines.

Commission members participating via teleconference: Brian Moura, Jordan Kaufman, Dan Mierzwa (unable to vote because of location change), and Michael Cooper.

Others present: Cathy Bando, CSCDA Executive Director; Jon Penkower, Bridge Strategic Partners; Norman Coppinger, League of California Cities; Peter Pierce, Richards Watson & Gershon; and Sendy Young, CSAC Finance Corporation.

Others participating via teleconference: James Hamill, Bridge Strategic Partners; Tricia Ortiz, Richards Watson & Gershon; Patricia Eichar, Orrick, Herrington & Sutcliffe; Besorah Won, Orrick, Herrington & Sutcliffe

2. Consideration of the Minutes of the November 1, 2018 Regular Meeting.

The Commission approved the November 1, 2018 regular Meeting minutes.

Motion to approve by B. Moura. Second by J. Kaufman. Unanimously approved by roll-call vote. M. Raines was not present for the roll call and did not vote.

3. Consideration of the Consent Calendar.

The Commission approved the Consent Calendar.

1. Consideration of agreement with 30/360 for assessment administration services associated with Clean Fund C-PACE.

Motion to approve by J. Kaufman. Second by B. Moura. Unanimously approved with the by roll-call vote. M. Raines was not present for the roll call and did not vote.

4. Public Comment.

There was no public comment.

5. Statewide Community Infrastructure Program-SCIP 2018C

- a. Conduct proceedings with respect to the Statewide Community Infrastructure Program (SCIP) (hearing to be held at 2 p.m. or shortly thereafter):

1. Open Consolidated Assessment Districts Public Hearing.
2. Close Consolidated Assessment Districts Public Hearing.
3. Open assessment ballots and announce results.

Commission Chair Larry Combs opened the public hearing with respect to the Statewide Community Infrastructure Program (SCIP). There were no oral or written comments from the public. The hearing was closed. All ballots have been cast in favor of formation of the assessment district, and no ballots have been cast opposed. The assessment districts are being formed for the purpose of financing certain improvements and/or development impact fees.

Motion to close the public hearing by B. Moura. Second by J. Kaufman. Unanimously approved by roll-call vote. M. Raines was not present for the roll call and did not vote.

- b. Consideration of the following resolutions with respect to SCIP 2018C:

1. Resolution approving final engineer's reports, levying assessments, ordering the financing of specified development impact fees and capital improvements, and confirming unpaid assessment amounts.

Motion to approve by M. Cooper. Second by B. Moura. Unanimously approved by roll-call vote. M. Raines was not present for the roll call and did not vote.

2. Resolution providing for the issuance of separate series of SCIP limited obligation for improvement bonds each in one or more series and approving the form and substance of a trust agreement.

Motion to approve by B. Moura. Second by J. Kaufman. Unanimously approved by roll-call vote. M. Raines was not present for the roll call and did not vote.

3. Resolution authorizing the issuance, sale and delivery of not to exceed \$27,780,579.36 of SCIP Revenue Bonds, Series 2018C and approving the forms of a trust agreement, a bond purchase agreement, a continuing disclosure agreement, and a preliminary official statement.

Motion to approve by B. Moura. Second by M. Cooper. Unanimously approved by roll-call vote. M. Raines was not present for the roll call and did not vote.

4. Resolution abandoning proceedings for proposed Assessment District No. 18-01 (El Dorado Irrigation District, County of El Dorado, California).

Motion to approve by B. Moura. Second by M. Cooper. Unanimously approved by roll-call vote. M. Raines abstained from voting.

5. Resolution abandoning proceedings for proposed Assessment District No. 18-18 (City of Sacramento, County of Sacramento, California).

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

6. Consideration of the following resolutions to initiate proceeding to form Community Facilities District No. 2018-03 (Uptown Newport), City of Newport Beach, County of Orange
 - a. Resolution approving joint community facilities agreement and declaring intention to establish Community Facilities District No. 2018-03 (Uptown Newport), and to levy a special tax therein to finance the acquisition and construction of certain public capital improvements and certain utility undergrounding.

Motion to approve by M. Cooper. Second by B. Moura. Unanimously approved by roll-call vote.

- b. Resolution to incur bonded indebtedness to finance certain utility undergrounding for Community Facilities District No. 2018-03 (Uptown Newport), and calling for a public hearing.

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

7. Consideration of Greenworks Lending as commercial PACE administrator under Open PACE.

CSCDA's Executive Director recommends the approval of Greenworks Lending as a new commercial program administrator under Open PACE limited to San Bernardino County, Los Angeles County and C-PACE only jurisdictions. A contract for services will be brought back to the Commission for approval at a later date.

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

8. Consideration of the sale of delinquent assessments and repayment plans associated with PACE.

Informational item. CSCDA's staff, Executive Director and counsel are reviewing other approaches to delay or minimize the risk of foreclosure due to delinquent PACE payments while ensuring timely payment to bondholders. These other approaches will be modeled after more traditional hardship programs offered by consumer lenders and will come before the Commission for approval.

9. Consideration of a Notice of Intent to amend the CSCDA Conflict of Interest Code and initiation of a 45-day public comment period.

Every two years the Fair Political Practices Committee (FPPC) requires a review of CSCDA's Conflict of Interest Code (the "Code"). The proposed action for the Commission is to approve the Notice of Intent and direct that it be distributed to staff, and to commence the 45-day comment period. At the end of the comment period a resolution will be presented to the Commission to formally adopt the revised Code.

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

10. Closed Session: Conference with Legal Counsel-Initiation of Litigation, Government Code Section 54956.9(d)(4), One Case

The CSCDA Special Meeting reconvened at 2:49 pm.

11. Report, if any, from Closed Session.

Chair Larry Combs stated that staff has been given direction on the next steps.

12. Executive Director Update.

Executive Director Bando informed the Commission that she would be attending the CSAC Annual Meeting in San Diego at the end of the month.

13. Staff Update.

Jon Penkower announced that there are only two more CSCDA Regular meetings left for the year. He also announced that New Markets Tax Credit allocation should be announced in late January, or early February of 2019.

14. Adjourn.

The meeting was adjourned at 2:54 pm.

Submitted by: Sindy Young, CSAC Finance Corporation

NEXT MEETING: Thursday, December 6, 2018 at 2:00 p.m.
League of California Cities
1400 K Street, 3rd Floor, Sacramento, CA 95814



Agenda Item No. 3

Agenda Report

DATE: December 6, 2018
TO: CSCDA COMMISSIONERS
FROM: Cathy Bando, Executive Director
PURPOSE: Consent Calendar

SUMMARY:

4. Consideration of engagement letter with BLX Group to act as CSCDA's Qualified Independent Representative for the SMUD Natural Gas Swap Novation.

As part of Agenda Item #7 for the transfer of the swap provider from Credit Suisse Energy LLC to BP Energy, BLX Group is being appointed the independent representative. CSCDA General Counsel has reviewed the engagement letter.

RESOLUTION NO. 18H-__

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

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

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

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

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

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

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

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

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

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

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

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

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

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

PASSED AND ADOPTED by the California Statewide Communities Development Authority this December 6, 2018.

The undersigned, an Authorized Signatory of the California Statewide Communities Development Authority, DOES HEREBY CERTIFY that the foregoing resolution was duly adopted by the Commission of said Authority at a duly called meeting of the Commission of said Authority held in accordance with law on December 6, 2018.

By: _____
Authorized Signatory

EXHIBIT A

Project Name	Project Location	Project Description (units)	New Construction/ Acquisition and Rehabilitation	Legal Name of initial owner/operator	Bond Amount
Ethel Arnold Bradley Apartments	City of Los Angeles, County of Los Angeles	81	Acquisition and Rehabilitation	Ethel Arnold Preservation, L.P.	\$50,000,000
Robert Farrell Manor and Western Gardens Apartments	City of Los Angeles, County of Los Angeles	70	Acquisition and Rehabilitation	Robert Western Preservation, L.P.	\$50,000,000
Butterfield Village Apartments	City of Morgan Hill, County of Santa Clara	389	New Construction	Morgan Hill Apartments, LP	\$150,000,000

RESOLUTION NO. 18R-8

RESOLUTION OF THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY APPROVING AND RATIFYING THE ADDITION OF PROGRAM PARTICIPANTS TO THE AUTHORITY

WHEREAS, the California Statewide Communities Development Authority (the “Authority”) is a public entity of the State of California, duly organized and existing pursuant to the provisions relating to the joint exercise of powers found in Chapter 5 of Division 7 of Title 1 of the California Government Code, and the Amended and Restated Joint Exercise of Powers Agreement, dated as of June 1, 1988 (the “JPA Agreement”); and

WHEREAS, pursuant to Section 13 of the JPA Agreement, the Authority may add a qualifying public agency to become a Program Participant (as defined in the JPA Agreement) upon (i) receipt from such public agency of an executed counterpart of the JPA Agreement, together with a certified copy of the resolution of the governing body of such public agency approving the JPA Agreement and the execution and delivery thereof and (ii) the approval of the Commission of the Authority to add such public agency as a Program Participant; and

WHEREAS, this Commission of the Authority desires to approve and ratify the admission of the public entities listed in Schedule A attached hereto and incorporate herein by reference (the “Applicants”) as Program Participants of the Authority; and

WHEREAS, this Commission hereby finds and determines that the Applicants are qualified to be added as parties to the JPA Agreement and to become Program Participants of the Authority; and

WHEREAS, the Applicants have, respectively, filed with the Authority executed counterparts to the JPA Agreement, together with certified copies of the resolutions approving the JPA Agreement and the execution and delivery thereof;

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

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

Section 2. The addition of the Applicants as Program Participants is hereby approved, confirmed and ratified, and any actions heretofore taken on behalf of any such Applicants is hereby approved, confirmed and ratified.

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

PASSED AND ADOPTED by the California Statewide Communities Development Authority on December 6, 2018.

* * * * *

I, the undersigned, a duly appointed, and qualified Authorized Signatory of the Commission of the California Statewide Communities Development Authority, DO 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 6, 2018.

By _____
Authorized Signatory

EXHIBIT A

CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY PROGRAM PARTICIPANTS

- 1. City of Yucaipa**
- 2. Sacramento County Water Agency**

RESOLUTION NO. 18R-8

RESOLUTION OF THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY APPROVING AND RATIFYING THE ADDITION OF PROGRAM PARTICIPANTS TO THE AUTHORITY

WHEREAS, the California Statewide Communities Development Authority (the “Authority”) is a public entity of the State of California, duly organized and existing pursuant to the provisions relating to the joint exercise of powers found in Chapter 5 of Division 7 of Title 1 of the California Government Code, and the Amended and Restated Joint Exercise of Powers Agreement, dated as of June 1, 1988 (the “JPA Agreement”); and

WHEREAS, pursuant to Section 13 of the JPA Agreement, the Authority may add a qualifying public agency to become a Program Participant (as defined in the JPA Agreement) upon (i) receipt from such public agency of an executed counterpart of the JPA Agreement, together with a certified copy of the resolution of the governing body of such public agency approving the JPA Agreement and the execution and delivery thereof and (ii) the approval of the Commission of the Authority to add such public agency as a Program Participant; and

WHEREAS, this Commission of the Authority desires to approve and ratify the admission of the public entities listed in Schedule A attached hereto and incorporate herein by reference (the “Applicants”) as Program Participants of the Authority; and

WHEREAS, this Commission hereby finds and determines that the Applicants are qualified to be added as parties to the JPA Agreement and to become Program Participants of the Authority; and

WHEREAS, the Applicants have, respectively, filed with the Authority executed counterparts to the JPA Agreement, together with certified copies of the resolutions approving the JPA Agreement and the execution and delivery thereof;

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

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

Section 2. The addition of the Applicants as Program Participants is hereby approved, confirmed and ratified, and any actions heretofore taken on behalf of any such Applicants is hereby approved, confirmed and ratified.

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

PASSED AND ADOPTED by the California Statewide Communities Development Authority on December 6, 2018.

* * * * *

I, the undersigned, a duly appointed, and qualified Authorized Signatory of the Commission of the California Statewide Communities Development Authority, DO 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 6, 2018.

By _____
Authorized Signatory

EXHIBIT A

CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY PROGRAM PARTICIPANTS

- 1. City of Yucaipa**
- 2. Sacramento County Water Agency**



Agenda Item No. 5a

Agenda Report

DATE: December 6, 2018

TO: CSCDA COMMISSIONERS

FROM: Cathy Bando, Executive Director

PROJECT: California College of the Arts Student Housing Project

PURPOSE: Authorize the Issuance of Bonds to Finance the Acquisition and Construction of Student Housing Facilities in the City and County of San Francisco

AMOUNT: Not to Exceed \$100,000,000

EXECUTIVE SUMMARY:

NCCD – Hooper Street LLC (“NCCD”) has requested that CSCDA issue nonprofit revenue bonds in an amount not to exceed \$100,000,000 (the “Bonds”) to finance the acquisition and construction of student housing facilities at California College of the Arts (“CCA”), located in the City and County of San Francisco.

PROJECT ANALYSIS:

About NCCD:

NCCD is a certified not-for-profit organization, located in Austin, Texas, dedicated to helping build stronger communities through tax-exempt financing solutions for facilities development. As a nonprofit, their ability to access tax-exempt financing translates into increased flexibility and meaningful cost savings for their partners. Their innovative approach gives partners greater control while reducing the risks and financial burden associated with facilities development.

About CCA:

Founded in 1907 by Frederick Meyer, a German cabinetmaker, whose vision was shaped by the Arts and Crafts movement, CCA is noted for the interdisciplinary and breadth of its programs. CCA educates students to shape culture and society through the practice and critical study of art, architecture, design, and writing. Benefitting from its San Francisco Bay Area location, the college prepares students for lifelong creative work by cultivating innovation, community engagement, and social and environmental responsibility.

About the Project:

NCCD is developing a 524-bed mixed-use student housing facility to be located on the San Francisco campus of California College of the Arts. The facility will have five stories of bedrooms with a full 8,000 sq. ft. dining facility on the first floor. The facility will consist of twelve different unit types, while consisting mainly of two bed doubles and single rooms. The top floor will house upperclassmen who will have their selection of various suite type rooms with kitchens.

Public Agency Approval:

TEFRA Hearing: City and County of San Francisco – TEFRA hearing was held on October 18, 2018 and is expected to be approved by the Board of Supervisors and signed by the Mayor in early December. CSCDA Commission approval shall be subject to final TEFRA approval by the City and County of San Francisco.

Public Benefit:

As an educational and cultural institution, CCA believes in fostering the artistic and academic excellence of its students and faculty. They cultivate intellectual curiosity and risk-taking, collaboration and innovation, compassion and integrity. As a global citizen and good neighbor, CCA believes in its role as a proponent of social justice and community engagement.

- CCA promotes diversity on its campus by improving access and opportunities for underrepresented groups.
- CCA values sustainability and believes that as a school of the arts they have a unique ability and an ethical responsibility to shape a culture that is more environmentally responsible.
- CCA understands the importance of creative economies and the role of artists, designers, architects, and writers in solving social, cultural, environmental, and economic problems.

Sources and Uses:

Sources of Funds:

Tax-Exempt Bonds:	\$ 88,000,000
Premium:	\$ 2,909,749
Equity Contribution:	<u>\$ 1,600,000</u>
Total Sources:	\$ 92,509,749

Uses of Funds:

Deposit to Project:	\$ 76,952,713
Capitalized Interest:	\$ 7,760,185
Debt Service Reserve:	\$ 5,774,750
Operating Contingency:	\$ 440,939
Underwriter's Discount:	\$ 818,187
Costs of Issuance:	\$ 743,700
Rounding:	<u>\$ 19,273</u>
Total Uses:	\$ 92,509,747

Finance Partners:

Bond Counsel:	Orrick, Herrington & Sutcliffe, LLP, San Francisco
Authority Counsel:	Orrick, Herrington & Sutcliffe, LLP, Sacramento
Underwriter:	George K. Baum, Denver

Finance Terms:

Anticipated Rating: BB+ anticipated
Term: 35 years at a fixed interest rate
Structure: Limited Offering to Qualified Institutional Buyers and Accredited Investors
Estimated Closing: January 31, 2019

CSCDA Policy Compliance:

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

DOCUMENTS: (as attachments)

1. CSCDA Resolution (Attachment A)

COMMISSION ACTION RECOMMENDED BY THE EXECUTIVE DIRECTOR:

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

ATTACHMENT A

RESOLUTION NO. __NP-__

**CALIFORNIA STATEWIDE COMMUNITIES
DEVELOPMENT AUTHORITY**

**A RESOLUTION AUTHORIZING THE ISSUANCE OF ONE OR MORE SERIES OF
REVENUE BONDS IN A PRINCIPAL AMOUNT NOT TO EXCEED \$100,000,000 TO FINANCE
THE ACQUISITION, CONSTRUCTION, IMPROVEMENT, RENOVATION AND EQUIPPING
OF A STUDENT HOUSING FACILITY, INCLUDING A DINING FACILITY FOR NCCD –
HOOPER STREET LLC AND OTHER MATTERS RELATING THERETO**

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

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

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

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

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

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

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

WHEREAS, the NCCD – Hooper Street LLC, , a California limited liability company (the “Borrower”), the sole member of which is National Campus and Community Development Corporation, a nonprofit public benefit corporation (the “Corporation”), wishes to finance the acquisition, construction, improvement, renovation and equipping of a student housing facility, including a dining facility located on the campus of California College of the Arts (the “College”) in San Francisco, California, to be owned and operated by the Corporation and used for the primary benefit of the students of the College (the “Project”) owned and operated by the Corporation and to be located in the City;

WHEREAS, the Corporation is requesting the assistance of the Authority in financing the Project;

WHEREAS, pursuant to one or more Indentures (collectively, the “Indenture”), between the Authority and Wilmington Trust, National Association (the “Trustee”), the Authority will issue the California Statewide Communities Development Authority College Housing Revenue Bonds (NCCD – Hooper Street LLC - California College of the Arts Project) Series 2019, in one or more series (the “Bonds”) for the purpose, among others, of financing the Project;

WHEREAS, pursuant to one or more Loan Agreements (collectively, the “Loan Agreement”), between the Authority and the Corporation, the Authority will loan the proceeds of the Bonds to the Corporation for the purpose, among others, of financing the Project;

WHEREAS, pursuant to one or more Bond Purchase Agreements, to be dated the date of sale of the Bonds (collectively, the “Purchase Contract”), among George K. Baum & Company, as underwriter (the “Underwriter”), the Authority and the Corporation, the Bonds will be sold to the Underwriter, and the proceeds of such sale will be used as set forth in the Indenture to finance the Project, to fund a debt service reserve account and to pay costs incurred in connection with the issuance of the Bonds;

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

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

- (1) A proposed form of the Indenture;
- (2) A proposed form of the Loan Agreement;
- (3) A proposed form of the Purchase Contract; and
- (4) A proposed form of one or more limited offering memorandums (collectively, the “Limited Offering Memorandum”) to be used by the Underwriter in connection with the offering and sale of the Bonds; and

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 Corporation and has disclosed such good faith estimates as set forth on Exhibit A attached hereto;

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

Section 1. Pursuant to the Act and the Indenture, the Authority is hereby authorized to issue its revenue bonds, designated as the “California Statewide Communities Development Authority College Housing Revenue Bonds (NCCD – Hooper Street LLC - California College of the Arts Project) Series 2019” in an aggregate principal amount not to exceed one hundred million dollars (\$100,000,000), from time to time, in one or more series, with such other name or names of the Bonds or series thereof as designated in the Indenture pursuant to which the Bonds will be issued. The Bonds shall be issued and secured in accordance with the terms of, and shall be in the form or forms set forth in, the Indenture. The Bonds shall be executed on behalf of the Authority by the manual or facsimile signature of the Chair of the Authority or the Vice Chair of the Authority or the manual signature of any member of the Commission of the Authority or their administrative delegates duly authorized pursuant to Resolution No. 18R-2 of the Authority, adopted on April 19, 2018, or any other resolution of the Authority (each, an “Authorized Signatory”), and attested by the manual or facsimile signature of the Secretary of the Authority or the Assistant to the Secretary of the Authority or the manual signature of any Authorized Signatory.

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

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

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

Section 5. The proposed preliminary form of Limited Offering Memorandum, as made available to the Commissioners, is hereby approved. The Underwriter is hereby authorized to distribute the Limited Offering Memorandum in preliminary form, to persons who may be interested in the purchase of the Bonds and to deliver the Limited Offering Memorandum in final form, in substantially the form of the preliminary Limited Offering Memorandum, to the purchasers of the Bonds.

Section 6. The Bonds, when executed as provided in Section 1, shall be delivered to the Trustee for authentication by the Trustee. The Trustee is hereby requested and directed to authenticate the Bonds by executing the Trustee’s Certificate of Authentication appearing thereon, and to deliver the Bonds, when duly executed and authenticated, to the purchaser or purchasers thereof in accordance with written

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

Section 7. The Chair, the Vice Chair, the Secretary, the Treasurer, any other members of the Commission of the Authority and other appropriate officers and agents of the Authority are hereby authorized and directed, jointly and severally, for and in the name and on behalf of the Authority, to execute and deliver any and all documents, including, without limitation, any and all documents and certificates to be executed in connection with securing credit support, if any, for the Bonds, and to do any and all things and take any and all actions which may be necessary or advisable, in their discretion, to effectuate the actions which the Authority has approved in this Resolution and to consummate by the Authority the transactions contemplated by the documents approved hereby, including any subsequent amendments, waivers or consents entered into or given in accordance with such documents.

Section 8. All actions heretofore taken by the Chair, the Vice Chair, the Secretary, the Treasurer, any other members of the Commission of the Authority and other appropriate officers and agents of the Authority with respect to the issuance of the Bonds are hereby ratified, confirmed and approved.

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

Section 10. This Resolution shall take effect from and after its adoption.

PASSED AND ADOPTED by the California Statewide Communities Development Authority this ____ day of _____, 2018.

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

By: _____
Authorized Signatory
California Statewide Communities
Development Authority

EXHIBIT A

GOOD FAITH ESTIMATES

The good faith estimates set forth herein are provided with respect to the Bonds in compliance with Section 5852.1 of the California Government Code. Such good faith estimates have been provided to the Authority by George K. Baum & Company, as Underwriter (the “Underwriter”).

Principal Amount. The Underwriter has informed the Authority that, based on the Authority’s financing plan and current market conditions, its good faith estimate of the aggregate principal amount of the Bonds to be sold is \$87,800,000 (the “Estimated Principal Amount”).

True Interest Cost of the Bonds. The Underwriter has informed the Authority that, assuming that the Estimated Principal Amount of the Bonds is sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the true interest cost of the Bonds, which means the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for the Bonds, is 5.05%.

Finance Charge of the Bonds. The Underwriter has informed the Authority that, assuming that the Estimated Principal Amount of the Bonds is sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the finance charge for the Bonds, which means the sum of all fees and charges paid to third parties (or costs associated with the Bonds), is \$1,584,893.40 (Underwriter’s Discount of \$816,323.40 and Costs of Issuance of \$768,570.00).

Amount of Proceeds to be Received. The Underwriter has informed the Authority that, assuming that the Estimated Principal Amount of the Bonds is sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the amount of proceeds expected to be received by the Authority for sale of the Bonds, less the finance charge of the Bonds, as estimated above, and any reserves or capitalized interest paid or funded with proceeds of the Bonds, is \$77,210,843.57.

Total Payment Amount. The Underwriter has informed the Authority that, assuming that the Estimated Principal Amount of the Bonds is sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the total payment amount, which means the sum total of all payments the Authority will make to pay debt service on the Bonds, plus the finance charge for the Bonds, as described above, not paid with the proceeds of the Bonds, calculated to the final maturity of the Bonds, is \$194,443,125.00.

The foregoing estimates constitute good faith estimates only. The actual principal amount of the Bonds 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) the actual date of the sale of the Bonds being different than the date assumed for purposes of such estimates, (b) the actual principal amount of Bonds sold being different from the Estimated Principal Amount, (c) the actual amortization of the Bonds being different than the amortization assumed for purposes of such estimates, (d) the actual market interest rates at the time of sale of the Bonds being different than those estimated for purposes of such estimates, (e) other market conditions, or (f) alterations in the Authority’s financing plan, or a combination of such factors. The actual date of sale of the Bonds and the actual principal amount of Bonds sold will be determined by the Authority based on the need for project

funds and other factors. The actual interest rates borne by the Bonds will depend on market interest rates at the time of sale thereof. The actual amortization of the Bonds will also depend, in part, 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 Authority. The Board of Directors of the Authority has approved the issuance of the Bonds with a maximum true interest cost of 7.00%



Agenda Item No. 5b

Agenda Report

DATE: December 6, 2018

TO: CSCDA COMMISSIONERS

FROM: Cathy Bando, Executive Director

PROJECT: Carondelet High School

PURPOSE: Authorize the Issuance of Tax-Exempt Obligations to Finance School Facilities in the City of Concord, County of Contra Costa

AMOUNT: Not to Exceed \$10,000,000

EXECUTIVE SUMMARY:

Carondelet High School (“Carondelet” or the “School”), has requested that CSCDA issue tax-exempt nonprofit revenue obligations in an amount not to exceed \$10,000,000 (the “Obligations”) to finance certain educational facilities located on its main campus in the City of Concord.

PROJECT ANALYSIS:

About Carondelet:

Carondelet is a four-year college-preparatory Catholic high school that offers young women a transformative educational experience in an encouraging and caring environment. Since its founding in 1965, Carondelet has combined academic excellence and a recognition of the unique gifts of each of its students. The School’s focus is a woman-centered, comprehensive educational program designed to help young women build confidence and prepare for leadership and service in the 21st century. At the junior and senior grade levels, the school offers combined course options with De La Salle, an adjacent Catholic boys’ high school, to provide additional opportunities for those who seek a co-educational experience. Co-curricular offerings include more than 50 student-led clubs as well as: Spiritual Life Council, Drama, Honor Societies, Community Service, Photography, Student Government, Yearbook, Concert Choir, Band, Special Interest Clubs, and Inter-scholastic & Intramural Sports. Virtually 100% of its graduates are accepted to college, many on athletic and academic scholarships.

Carondelet’s student body of approximately 800 young women is ethnically diverse and reflects the racial makeup of the boarder community. In the School’s 2016-2017 Ethnicity Report approximately 43% of the students are identified as being from underserved communities or represent minorities. This is Carondelet’s second financing with CSCDA.

About the Project:

Carondelet seeks to use the bond proceeds to construct a new 20,000 sq. ft. educational building on its existing campus in the City of Concord. The building will host Carondelet's new STEM Innovation Center where young women can stretch their minds and build their ingenuity and creativity.

Public Agency Approval:

TEFRA Hearing: November 13, 2018 – City of Concord – unanimous approval

Public Benefit:

- **Scholarships/Financial Aid** – Carondelet is committed to providing quality education to young women and believes that qualified students should be given the opportunity to attend the School. Through the generosity of its benefactors and the success of its fundraising efforts, approximately 26% of Carondelet students receive tuition assistance that totals over \$1 million annually. Tuition assistance is awarded to students based strictly on financial need.
- **Community Access** – Members of not-for-profit local community organizations have access to Carondelet's facilities for various activities, including tennis, swimming and field sports through pre-established arrangements with the school.

Sources and Uses:

Sources of Funds:

Tax-Exempt Loan:	\$ 10,000,000
Philanthropic Pledges:	\$ 4,000,000
School Equity:	<u>\$ 5,500,000</u>
Total Sources:	\$ 19,750,000

Uses of Funds:

Property Fund:	\$ 19,035,000
Costs of Issuance:	<u>\$ 465,000</u>
Total Uses:	\$ 19,750,000

Finance Partners:

Bond Counsel:	Kutak Rock, Los Angeles
Authority Counsel:	Orrick, Herrington & Sutcliffe, LLP, Sacramento
Private Placement Purchaser:	First Republic Bank, Los Angeles

Finance Terms:

Anticipated Rating: Unrated
Term: 30 years at a fixed interest rate
Structure: Private Placement
Estimated Closing: December 15, 2018

CSCDA Policy Compliance:

The financing complies with CSCDA's general, issuance and K-12 private school policies.

DOCUMENTS: (as attachments)

1. CSCDA Resolution (Attachment A)

COMMISSION ACTION RECOMMENDED BY THE EXECUTIVE DIRECTOR:

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

ATTACHMENT A

RESOLUTION NO. __NP-__

**CALIFORNIA STATEWIDE COMMUNITIES
DEVELOPMENT AUTHORITY**

**A RESOLUTION AUTHORIZING THE ISSUANCE OF A REVENUE OBLIGATION
IN A PRINCIPAL AMOUNT NOT TO EXCEED \$10,000,000 TO FINANCE THE
ACQUISITION, CONSTRUCTION, DEVELOPMENT, INSTALLATION, IMPROVEMENT,
EQUIPPING AND FURNISHING OF EDUCATIONAL
FACILITIES FOR CARONDELET HIGH SCHOOL AND
OTHER MATTERS RELATING THERETO**

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

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

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

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

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

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

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

WHEREAS, Carondelet High School, a California nonprofit public benefit corporation (the “Corporation”), wishes to finance the acquisition, construction, development, installation, improvement, equipping and furnishing of an approximately 20,000 square foot educational building and related ancillary educational facilities at 1133 Winton Drive, Concord California 94518 (the “Project”) to be owned and operated by the Corporation and located in the City of Concord;

WHEREAS, the Corporation is requesting the assistance of the Authority in financing the Project;

WHEREAS, pursuant to a Loan Agreement (the “Loan Agreement”), by and among the Authority, the Corporation and First Republic Bank (the “Lender”), the Authority will issue its tax-exempt issuer loan obligation (the “Issuer Loan Obligation”), for the purposes of financing the Project;

WHEREAS, pursuant to a Loan Agreement, the Authority will loan the proceeds of the Issuer Loan Obligation to the Corporation for the purposes of financing the Project;

WHEREAS, pursuant to the policies of the Authority, the Issuer Loan Obligation may only be assigned to Qualified Institutional Buyers (as defined in the Loan Agreement) and the Lender will sign an investor letter confirming that it is a Qualified Institutional Buyer and certain other related matters;

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 Corporation and has disclosed such good faith estimates as set forth on Exhibit A attached hereto; and

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

- (1) A proposed form of the Loan Agreement; and
- (2) A proposed form of the Assignment Agreement, between the Authority and the Lender;

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

Section 1. Pursuant to the Act and the Loan Agreement, the Authority is hereby authorized to issue its Issuer Loan Obligation in an aggregate principal amount not to exceed Ten Million Dollars (\$10,000,000). The Issuer Loan Obligation shall be issued and secured in accordance with the terms of the Loan Agreement.

Section 2. The proposed form of Loan Agreement, as made available to the Commissioners, is hereby approved. Any member of the Commission of the Authority or their administrative delegates duly authorized pursuant to Resolution No. 18R-2 of the Authority, adopted on April 19, 2018, or any other resolution of the Authority (each, an “Authorized Signatory”) is hereby authorized and directed, for and on behalf of the Authority, to execute and deliver the Loan Agreement in substantially said form, with such changes and insertions therein as any member of the Commission, with the advice of counsel to the Authority, may approve, such approval to be conclusively evidenced by the execution and delivery thereof. The Lender, dated date, maturity date or dates, interest rate or rates, interest

payment dates, manner of execution, place or places of payment, terms of repayment and other terms of the Issuer Loan Obligation shall be as provided in the Loan Agreement, as finally executed.

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

Section 4. The Chair, the Vice Chair, the Secretary, the Treasurer, any other members of the Commission of the Authority and other appropriate officers and agents of the Authority are hereby authorized and directed, jointly and severally, for and in the name and on behalf of the Authority, to execute and deliver any and all documents, including, without limitation, any and all documents and certificates to be executed in connection with securing credit support, if any, for the Issuer Loan Obligation, and to do any and all things and take any and all actions which may be necessary or advisable, in their discretion, to effectuate the actions which the Authority has approved in this Resolution and to consummate by the Authority the transactions contemplated by the documents approved hereby, including any subsequent amendments, waivers or consents entered into or given in accordance with such documents.

Section 5. All actions heretofore taken by the Chair, the Vice Chair, the Secretary, the Treasurer, any other members of the Commission of the Authority and other appropriate officers and agents of the Authority with respect to the issuance of the Issuer Loan Obligation are hereby ratified, confirmed and approved.

Section 6. This Resolution shall take effect from and after its adoption.

Section 7. Notwithstanding anything to the contrary in this Resolution, no documents referenced in this Resolution may be executed and delivered until the City has held the hearing pursuant to Section 147(f) of the Internal Revenue Code of 1986, if required by said Section, and has approved the issuance of the Issuer Loan Obligation as may be required thereby and in accordance with Section 9 of the Agreement to provide financing and/or refinancing for the Project.

PASSED AND ADOPTED by the California Statewide Communities Development Authority this 6th day of December, 2018.

I, the undersigned, an Authorized Signatory of the California Statewide Communities Development Authority, DO HEREBY CERTIFY that the foregoing resolution was duly adopted by the Commission of the Authority at a duly called meeting of the Commission of the Authority held in accordance with law on December 6, 2018.

By: _____
Authorized Signatory
California Statewide Communities
Development Authority

EXHIBIT A

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: Carondelet High School.
2. Authority Meeting Date: December 6, 2018.
3. Name of Obligations: Loan Agreement, by and among the Authority, the Borrower and First Republic Bank.
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): 3.62390%.
 - (B) The finance charge of the Obligations, which means the sum of all fees and charges paid to third parties: \$120,000.
 - (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: \$9,965,000.
 - (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): \$16,254,561.40.
5. The good faith estimates provided above were __ presented to the governing board of the Borrower, or X presented to the official or officials or committee designated by the governing board of the Borrower to obligate the Borrower in connection with the Obligations or, in the absence of a governing board, __ presented to the official or officials of the Borrower having authority to obligate the Borrower in connection with the Obligations (mark one).

The foregoing estimates constitute good faith estimates only. The actual principal amount of the Obligations issued and sold, the true interest cost thereof, the finance charges thereof, the amount of proceeds received therefrom and total payment amount with respect thereto may differ from such good faith estimates due to a variety of factors. The actual interest rates borne by the Obligations and the actual

amortization of the Obligations will depend on market interest rates at the time of sale thereof. Market interest rates are affected by economic and other factors beyond the control of the Borrower.

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

Dated: December 6, 2018



Agenda Item No. 5c

Agenda Report

DATE: December 6, 2018

TO: CSCDA COMMISSIONERS

FROM: Cathy Bando, Executive Director

PROJECT: Cascade Sonrise Apartments

PURPOSE: Approve the Financing of Rental Affordable Housing Project Located in the City of Fontana, County of San Bernardino

AMOUNT: Not to Exceed \$13,000,000

EXECUTIVE SUMMARY:

Cascade Sonrise Apartments (the “Project”) is an acquisition and rehabilitation of an 80-unit rental affordable housing project located in the City of Fontana. 100% of the units will remain rent restricted for low-income senior residents.

PROJECT DESCRIPTION:

- Acquisition and rehabilitation of 80 units of affordable rental housing located at 7222 Sierra Avenue in the City of Fontana.
- Three-story wood frame residential building.
- Consists of 79 one-bedroom apartments and one manager unit.

PROJECT ANALYSIS:

Background on Applicant:

Kingdom Development, Inc., is a 501(c)(3) charitable organization founded by William Leach to enrich the lives of disadvantaged youths through the strengthening of families and the development of housing. Kingdom Development carries out its exempt purpose, to improve the welfare of people by developing affordable housing, in three capacities: directly as an owner/developer, cooperatively as a consultant to developers, and indirectly as an adviser to the industry. The Project is Kingdom Development’s first financing with CSCDA.

Public Agency Approval:

TEFRA Hearing: August 28, 2018 – City of Fontana – unanimous approval

CDLAC Approval: October 17, 2018

Public Benefits:

- 100% of the units will be rent restricted for 55 years.
 - 82% (65 units) restricted to 60% or less of area median income households.
 - 18% (14 units) restricted to 50% or less of area median income households.
- The Project is in close proximity to recreational facilities and public K-12 schools.

Sources and Uses:

Sources of Funds:

Tax-Exempt Bonds:	\$ 10,229,110
Seller Carry-Back Loan:	\$ 6,300,000
Operating Income:	\$ 216,726
Reserves:	\$ 386,273
Deferred Developer Fee:	\$ 2,526,611
Tax Credits:	\$ 1,394,755
Total Sources:	\$ 21,053,475

Uses of Funds:

Acquisition:	\$ 9,754,100
Construction Costs:	\$ 5,217,799
Permits & Fees:	\$ 642,162
Construction Contingency:	\$ 721,780
Developer Fee:	\$ 2,373,056
Loan Fees/Costs of Issuance:	\$ 1,011,805
Reserves:	\$ 386,273
Soft Costs:	\$ 946,500
Total Uses:	\$ 21,053,475

Finance Partners:

Bond Counsel: Jones Hall, San Francisco

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

Private Placement Purchaser: Citibank, N.A.

Finance Terms:

Rating: Unrated
Term: 35 years
Structure: Private Placement
Closing: December 31, 2018

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:

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. 18H-__

A RESOLUTION OF THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY AUTHORIZING THE ISSUANCE AND DELIVERY OF MULTIFAMILY HOUSING REVENUE NOTES IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$13,000,000 FOR THE FINANCING OF THE MULTIFAMILY RENTAL HOUSING DEVELOPMENT KNOWN AS CASCADE SONRISE APARTMENTS IN THE CITY OF FONTANA; DETERMINING AND PRESCRIBING CERTAIN MATTERS AND APPROVING AND AUTHORIZING THE EXECUTION OF AND DELIVERY OF VARIOUS DOCUMENTS RELATED THERETO; RATIFYING ANY ACTION HERETOFORE TAKEN; AND APPROVING RELATED MATTERS IN CONNECTION WITH THE NOTES.

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, development and rehabilitation 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, Cascade Sonrise, L.P., a California limited partnership (the “Borrower”), has requested that the Authority issue, sell, and deliver its California Statewide Communities Development Authority Multifamily Housing Revenue Construction/Permanent Note (Cascade Sonrise Apartments) 2018 Series A-1 (the “Series A-1 Note”) and its California Statewide Communities Development Authority Multifamily Housing Revenue Construction Note (Cascade Sonrise Apartments Project) 2018 Series A-2 (together with the Series A-1 Note, the “Notes”) to assist in the financing of the acquisition and rehabilitation of a multifamily rental housing project for seniors consisting of 80 units (including a manager’s unit) located at 7222 Sierra Avenue, located in the City of Fontana, County of San Bernardino, California, and to be known as Cascade Sonrise Apartments (the “Project”);

WHEREAS, on October 17, 2018, the Authority received an allocation from the California Debt Limit Allocation Committee in connection with the Project in the amount of \$10,500,000 (together with any supplemental allocation granted by the California Debt Limit Allocation Committee, the “Allocation Amount”);

WHEREAS, the City of Fontana is a Program Participant (as defined in the Agreement) of the Authority and has authorized the issuance of the Notes after a duly noticed public hearing;

WHEREAS, the Authority is willing to issue the Notes in an aggregate principal amount not to exceed \$13,000,000, and 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 Notes will be privately placed with Citibank, N.A. (the “Funding Lender”), as the initial Funding Lender of the Notes, in accordance with the Authority’s private placement policy;

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

- (1) Funding Loan Agreement (the “Funding Loan Agreement”) to be entered into between the Authority and the Funding Lender;
- (2) Borrower Loan Agreement (the “Borrower 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 between the Authority and the Borrower;
- (4) Assignment of Deed of Trust (the “Assignment”) to be entered into between the Authority and Funding Lender; and
- (5) Contingency Draw-Down Agreement (the “Draw-Down Agreement”) to be entered into between the Funding Lender and the Borrower.

NOW, THEREFORE, BE IT RESOLVED by the California Statewide Communities Development Authority, 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 Funding Loan Agreement, and in accordance with the Housing Law, the Authority is hereby authorized to issue the Notes and, if and to the

extent necessary, one or more additional series or sub-series, with appropriate modifications and series and sub-series designations as necessary, in an aggregate principal amount not to exceed \$13,000,000; provided that the aggregate principal amount of any tax-exempt Notes issued shall not exceed the Allocation Amount. The Notes shall be designated as “California Statewide Communities Development Authority Multifamily Housing Revenue Construction/Permanent Lender Note (Cascade Sonrise Apartments) 2018 Series A-1” and “California Statewide Communities Development Authority Multifamily Housing Revenue Construction Note (Cascade Sonrise Apartments) 2018 Series A-2.” The Notes shall be issued in the form set forth in and otherwise in accordance with the Funding Loan Agreement and shall be executed on behalf of the Authority by the manual or facsimile signature of any Authorized Signatory (as defined below). The Notes shall be issued and secured in accordance with the terms of the Funding Loan Agreement presented to this meeting, as hereinafter approved. Payment of the principal and purchase price of, and redemption premium, if any, and interest on, the Notes shall be made solely from amounts pledged thereto under the Funding Loan Agreement, and the Notes shall not be deemed to constitute a debt or liability of the Authority or any Program Participant or Member of the Commission of the Authority (each, a “Member”).

Section 3. The Funding Loan Agreement in the form presented at this meeting is hereby approved. Any Member, or any other person as may be designated and authorized to sign for the Authority pursuant to a resolution adopted thereby (including, without limitation, the administrative delegates duly authorized pursuant to Resolution No. 18R-2 of the Authority, adopted on April 19, 2018) (together with the Members, each such person is referred to herein individually as an “Authorized Signatory”), acting alone, is authorized to execute by manual signature and deliver the Funding Loan Agreement, with such changes and insertions therein as may be necessary to cause the same to carry out the intent of this Resolution and as are approved by counsel to the Authority, such approval to be conclusively evidenced by the delivery thereof. The date, maturity date or dates (which shall comply with the provisions of the Housing Law), 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 Notes shall be as provided in the Funding Loan Agreement, as finally executed.

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

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

Section 6. The Assignment in the form presented at this meeting is hereby approved. Any Authorized Signatory, acting alone, is authorized to execute by manual signature and deliver the Assignment, with such changes and insertions therein as may be necessary to cause the same to

carry out the intent of this Resolution and as are approved by counsel to the Authority, such approval to be conclusively evidenced by the delivery thereof.

Section 7. The Draw-Down Agreement in the form presented at this meeting is hereby approved, and the Authority consents to 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 sell the Notes to the Funding Lender pursuant to the terms and conditions of the Funding Loan Agreement.

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 Notes 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 or certificate as to arbitrage, loan-related documents, subordination agreements, such documents as are described in the Funding Loan Agreement, or the Borrower Loan Agreement, and the other documents herein approved, that they, or any of them, may deem necessary or advisable in order to consummate the lawful issuance and delivery of the Notes 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 of the Notes, 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 Notes or any redemption of the Notes, 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 Borrower Loan Agreement and other documents approved herein.

Section 11. This resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED by the California Statewide Communities Development Authority this 6th day of December 2018.

The undersigned 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 6, 2018.

CALIFORNIA STATEWIDE
COMMUNITIES
DEVELOPMENT AUTHORITY

By: _____
Authorized Signature

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:
Cascade Sonrise, L.P.
2. Authority Meeting Date:
December 6, 2018
3. Name of Obligations:
**California Statewide Communities Development Authority
Multifamily Housing Revenue Construction/Permanent Note
(Cascade Sonrise Apartments) 2018 Series A-1**

And

**California Statewide Communities Development Authority
Multifamily Housing Revenue Construction Note
(Cascade Sonrise Apartments) 2018 Series 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): **5.09%**.
 - [(B)] The finance charge of the Obligations, which means the sum of all fees and charges paid to third parties: **\$276,375.00**.
 - [(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: **\$10,138,125.00**.
 - [(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): **\$16,163,788.11.]**

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, ____ presented to the official or officials of the Borrower having authority to obligate the Borrower in connection with the Obligations (mark one).

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

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

Dated: 12/6/18

Agenda Item No. 6

Agenda Report

DATE: December 6, 2018

TO: CSCDA COMMISSIONERS

FROM: Cathy Bando, Executive Director

PROJECT: McSweeney (City of Hemet) – Community Facilities District

PURPOSE: Community Facilities District No. 2018-02 (McSweeney)

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

EXECUTIVE SUMMARY:

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

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

- Public Facilities
- State Street Improvements
- McSweeney Parkway Improvements
- Newport Road Improvements
- North Village Loop Improvements
- Master Plan Landscaping & Park Improvements (Park Areas 36 & 37)
- Drainage Improvements
 - Avery Canyon Wash
 - Lorenz Canyon Wash

BACKGROUND:

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

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

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

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

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

COMMISSION ACTION RECOMMENDED BY THE EXECUTIVE DIRECTOR:

CSCDA's Executive Director recommends the following actions:

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

ATTACHMENT A

ORDINANCE NO. 18ORD-2

**CALIFORNIA STATEWIDE COMMUNITIES
DEVELOPMENT AUTHORITY**

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

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

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

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

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

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

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

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

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

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

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

* * *

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

AYES:

NOES:

ABSENT:

ABSTAIN:

By: _____
Authorized Signatory
California Statewide Communities
Development Authority

Agenda Item No. 7

Agenda Report

DATE: December 6, 2018

TO: CSCDA COMMISSIONERS

FROM: Cathy Bando, Executive Director

PURPOSE: Consideration of a resolution authorizing the novation of a commodity swap agreement relating to the CSCDA Gas Supply Variable Rate Revenue Bonds, Series 2010, approving a swap policy and authorizing other matters relating thereto

EXECUTIVE SUMMARY:

- In 2010, SMUD issued \$778,765,000 in Gas Supply Variable Rate Revenue Bonds (the “Bonds”) through CSCDA.
- CSCDA entered into an International Swaps and Derivatives Association (ISDA) Master Agreement with Credit Suisse Energy LLC for the swap derivative.
- An ISDA agreement is an internationally agreed upon document which is used to provide certain legal and credit protection for parties such as SMUD who enter into derivatives.

DISCUSSION:

Credit Suisse Energy LLC has requested, and SMUD has agreed, to have the ISDA Master Agreement be transferred to BP Energy as the new swap provider. As part of the transfer, new swap regulations have been established since the 2010 bond issuance that require CSCDA to approve the following:

1. *Swap Policy* – The policy was drafted and reviewed by Orrick, Herrington & Sutcliffe. (Attachment B)
2. *Appoint an Independent Representative for the Swap Transfer* – SMUD and BP have agreed to appoint BLX Group as such independent representative for CSCDA.

Orrick, Herrington & Sutcliffe as bond counsel and issuer counsel have reviewed the transfer documents on behalf of CSCDA.

RECOMMENDED ACTION:

CSCDA's Executive Director recommends the approval of a resolution (Attachment A) authorizing:

- (1) The novation of a commodity swap agreement relating to the CSCDA Gas Supply Variable Rate Revenue Bonds, Series 2010 from Credit Suisse Energy LLC to BP Energy; and
- (2) Approving a swap policy and authorizing other matters relating thereto.

ATTACHMENT A

RESOLUTION NO. ____

**CALIFORNIA STATEWIDE COMMUNITIES
DEVELOPMENT AUTHORITY**

**A RESOLUTION AUTHORIZING THE NOVATION OF A COMMODITY
SWAP AGREEMENT RELATING TO THE CALIFORNIA STATEWIDE
COMMUNITIES DEVELOPMENT AUTHORITY GAS SUPPLY VARIABLE
RATE REVENUE BONDS, SERIES 2010, APPROVING A SWAP POLICY AND
AUTHORIZING OTHER MATTERS RELATING THERETO**

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

WHEREAS, the Authority is authorized by its Agreement to issue bonds, notes or other evidences of indebtedness in order to acquire a supply of natural gas and to purchase, take title to and sell by installment sale or otherwise natural gas; and

WHEREAS, the Sacramento Municipal Utility District, a political subdivision of the State of California (“SMUD”), previously determined that it was desirable to acquire a long-term supply of natural gas and to finance such acquisition (the “Program”); and

WHEREAS, SMUD previously requested the assistance of the Authority in financing the Program; and

WHEREAS, to finance the Program, the Authority issued its Gas Supply Variable Rate Revenue Bonds, Series 2010 (the “Bonds”) under that certain Trust Indenture, dated as of October 1, 2010, as amended and restated as of October 1, 2015 (as so amended and restated, the “Indenture”), between the Authority and Wells Fargo Bank, National Association, as trustee (the “Trustee”); and

WHEREAS, in connection with the issuance of the Bonds, the Authority also entered into the ISDA Master Agreement, dated as of October 1, 2010 (the “ISDA Master Agreement”), between the Authority and Credit Suisse Energy LLC (the “Swap Transferor”), including the Schedule thereto, dated as of October 1, 2010 (the “Original Schedule”) and the Credit Support Annex thereto, dated as of October 1, 2010 (the “Original Annex”), and the Confirmation of Natural Gas Transaction Ref. #3267949, dated November 1, 2010 (the “Original Confirmation”), each between the Authority and the Swap Transferor (the ISDA Master Agreement, the Original Schedule, the Original Annex,

and the Original Confirmation collectively referred to herein as the “Original Commodity Swap Agreement”); and

WHEREAS, the Swap Transferor has requested to transfer by novation to BP Energy Company (the “Swap Transferee”) all the rights, liabilities, duties and obligations of the Swap Transferor under, and in respect of, the Original Commodity Swap Agreement, pursuant to the terms of and as set forth in a Novation Agreement (the “Novation Agreement”) among the Authority, the Swap Transferor and the Swap Transferee; and

WHEREAS, in connection with the Novation Agreement, the Original Schedule and Original Annex will be amended and restated by an Amended and Restated Schedule to the Master Agreement (the “Amended and Restated Schedule”) and Annex thereto (the “Amended Annex”) and the Original Confirmation will be amended and replaced by a new Confirmation of Natural Gas Transaction (the “Amended Confirmation”), each between the Authority and the Swap Transferee (the “ISDA Master Agreement, Amended and Restated Schedule, Amended Annex and Amended Confirmation collectively referred to herein as the “Amended Commodity Swap Agreement”); and

WHEREAS, in connection with the Novation Agreement, the Authority desires to adopt a swap policy (the “Swap Policy”); and

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

1. A proposed form of the Novation Agreement;
2. A proposed form of the Amended and Restated Schedule;
3. A proposed form of the Amended Annex;
4. A proposed form of the Amended Confirmation; and
5. A proposed form of the Swap Policy.

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

Section 1. The proposed form of the Novation Agreement, as made available to the Commissioners, is hereby approved. The Chair of the Authority, any member of the Commission of the Authority or their administrative delegates duly authorized pursuant to Resolution No. 18R-2 of the Authority, adopted on April 19, 2018, or any other resolution of the Authority (each, an “Authorized Signatory”), each acting alone, are hereby authorized and directed, for and on behalf of the Authority, to execute and deliver the Novation Agreement in substantially said form, with such changes and insertions therein as any member of the Commission, with the advice of counsel to the

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

Section 2. The proposed forms of the Amended and Restated Schedule, Amended Annex and Amended Confirmation, as made available to the Commissioners, are hereby approved. Any Authorized Signatory is hereby authorized and directed, for and on behalf of the Authority, to execute and deliver the Amended and Restated Schedule, Amended Annex and Amended Confirmation in substantially said forms, with such changes and insertions therein as any member of the Commission, with the advice of counsel to the Authority, may approve, such approval to be conclusively evidenced by the execution and delivery thereof. The Commission of the Authority hereby finds and determines, pursuant to Section 5922 of the California Government Code, that due consideration has been given for the creditworthiness of the Swap Transferee, including the guarantee of the obligations of the Swap Transferree under the Amended Commodity Swap Agreement by BP Corporation North America Inc., and that the Amended Commodity Swap Agreement, like the Original Commodity Swap Agreement, is designed to reduce the amount or duration of rate, spread or similar risk and result in a lower cost of borrowing when used in combination with the issuance of the Bonds, including the financing of the Program, and, in particular, to reduce the rate, spread or similar risk between the variable payments to be made by the SMUD for the purchase of natural gas under the Program (which are pledged under the Indenture to secure the Bonds) and fixed payments used to make payments on the interest rate swaps relating to the Bonds.

Section 3. The Swap Policy, in the form made available to the Commissioners, is hereby approved.

Section 4. The Chair, the Vice Chair, the Secretary, the Treasurer, any other members of the Commission of the Authority and other appropriate officers and agents of the Authority are hereby authorized and directed, jointly and severally, for and in the name and on behalf of the Authority, to execute and deliver any and all documents, including, without limitation, any and all documents and certificates to be executed in connection with the Novation Agreement and the Amended Commodity Swap Agreement, and to do any and all things and take any and all actions which may be necessary or advisable, in their discretion, to effectuate the actions which the Authority has approved in this Resolution and to consummate by the Authority the transactions contemplated by the documents approved hereby, including any subsequent amendments, waivers or consents entered into or given in accordance with such documents.

Section 5. All actions heretofore taken by the Chair, the Vice Chair, the Secretary, the Treasurer, any other members of the Commission of the Authority and other appropriate officers and agents of the Authority with respect to the actions which the Authority has approved in this Resolution and with respect to the transactions contemplated by the documents approved hereby are hereby ratified, confirmed and approved.

Section 4. This Resolution shall take effect from and after its adoption.

PASSED AND ADOPTED by the California Statewide Communities Development Authority this 6th day of December, 2018.

I, the undersigned, an Authorized Signatory of the California Statewide Communities Development Authority, DO HEREBY CERTIFY that the foregoing resolution was duly adopted by the Commission of the Authority at a duly called meeting of the Commission of the Authority held in accordance with law on December 6, 2018.

By: _____

Authorized Signatory
California Statewide Communities
Development Authority

ATTACHMENT B

CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY

SWAP POLICY

December 6, 2018

Purpose and Objectives

The purpose of this Swap Policy (this “Policy”) of the California Statewide Communities Development Authority (the “Authority”) is to establish guidelines for the use and management of swap transactions.

Scope

This Policy shall govern Authority’s use and management of all swaps. The Commission shall approve this Policy and any amendments it may deem appropriate. Authority recognizes that changes in the capital markets and other unforeseen circumstances may from time to time produce situations that are not covered by this Policy and will require modifications or exceptions to achieve policy goals. In such cases, management flexibility is appropriate provided specific authorization from the Commission is obtained or contained in an existing Commission resolution or in a document relating to an existing swap.

Definitions

For purposes of this Policy, the following terms shall have the following meanings:

“Authorized Person” means the Executive Director of the Authority or such other person as may be designated by resolution of the Commission or by the Executive Director of the Authority to act as the Authorized Person under this Policy.

“Commission” means the Commission of the Authority.

“CFTC” means the U.S. Commodity Futures Trading Commission.

“Dodd-Frank” means the Wall Street Transparency and Accountability Act of 2010, including any regulations promulgated thereunder or in connection therewith.

“swap”, “swap data repository” and “recommendation” have the meanings set forth in Dodd-Frank.

“Representative Regulation” means Commodity Futures Trading Commission Regulation 23.450(b)(1) or any successor regulation thereto.

“Required Ratings” means long-term, unsecured debt or counterparty credit ratings of at least “A3” or “A-” by at least one of Moody’s Investors Services, Inc., Standard and Poor’s Rating Services or Fitch Ratings.

“Swap Agreement” means, collectively, an agreement governing swaps in the form of an International Swaps and Derivatives Association, Inc. master agreement, including the Schedules thereto and confirmations thereunder, as approved by the Authorized Person.

“Qualified Swap Counterparty” means a major financial institution or leading dealer in the relevant trading market (i) domiciled either (x) in the United States or (y) in the United Kingdom or a state of the European Union with branches or offices in the United States and (ii) meeting (or having a guarantor that meets) the Required Ratings as of the date a swap is entered into.

Authority

The Authority shall be authorized to enter into swaps (or novations, amendments or terminations of swaps) only with Qualified Swap Counterparties. The Authorized Person is the designated administrator of this Policy. The Authorized Person shall have the day-to-day responsibility and authority for structuring, implementing and managing swaps as well as executing the required legal documentation, including but not limited to the Swap Agreement and any necessary tax certifications. The Authorized Person shall have the authority to select swap counterparties, so long as the criteria set forth in this Policy are met. The Authority may not enter into swaps that are speculative in nature or create extraordinary leverage or risk.

Legal Entity Identifier

The Authority shall obtain a “legal entity identifier” (currently, a “Global Markets Entity Identifier”) from a firm designated by the CFTC to provide such identifiers and maintain its legal entity identifier “current” at all times.

Clearing

In connection with the use of the “end-user exception” to clearing relating to swaps that are subject to a mandatory clearing determination by the CFTC, the Authority shall either (i) report, or cause the Qualified Swap Counterparty to report, on a swap-by-swap basis, how the Authority generally meets its financial obligations associated with entering into uncleared swaps or (ii) complete and maintain, as required by the CFTC, an annual filing regarding how the Authority generally meets its financial obligations associated with entering into uncleared swaps.

Reporting

With respect to each swap entered into, the Authority shall ensure that the Swap Counterparty is a “swap dealer” registered with the CFTC or otherwise agrees to be the “reporting party” (as defined in 17 C.F.R. § 43.2) pursuant to 17 C.F.R. § 43.3(a) and the “reporting counterparty” (as defined in 17 C.F.R. §§ 45.1 and 46.1) pursuant to 17 C.F.R. §§ 45.8(e) and 46.5(a)(4) and perform all reporting required under 17 C.F.R. Parts 43, 45 and 46, either directly or through an agency arrangement.

Recordkeeping

The Authority shall maintain comprehensive records, either in paper or electronic form, of any swap (including the related Swap Agreement and any documentation relating to any amendment, novation or termination of any swap) entered into by the Authority for at least five (5) years following the termination of such swap. Such records shall be retrievable within five (5) business days and shall be open to inspection by the CFTC.

Qualified Independent Representative

It is the intent of the Authority to conform this policy to the requirements relating to legislation and regulations for over-the-counter derivatives transactions under Dodd-Frank. Pursuant to such intent, the Authority shall select and retain a consultant to provide guidance with respect to swaps. It is the policy of the Authority that: (i) each swap advisor engaged or to be engaged by the Authority will function as the designated qualified independent representative of the Authority, referred to in Dodd-Frank as the “Designated QIR”; (ii) each swap advisor agrees to meet and meets

the requirements specified in the Representative Regulation; (iii) each swap advisor provide a written certification to the Authority to the effect that such swap advisor agrees to meet and meets the requirements specified in the Representative Regulation; (iv) Authority staff monitor the performance of each swap advisor consistent with the requirements specified in the Representative Regulation; (v) Authority staff exercise independent judgment in consultation with the Authority's swap advisor in evaluating all recommendations, if any, presented by any counterparty with respect to transactions authorized pursuant to this policy; and (vi) Authority staff rely on the advice of the Authority's swap advisor with respect to transactions authorized pursuant to this Policy and do not rely on recommendations, if any, presented by any swap counterparty (or prospective swap counterparty) with respect to transactions authorized pursuant to this Policy.

Review

The Authorized Person shall review this Policy at least annually and submit any updates to the Commission for approval.

Effectiveness

This Policy is effective as of the date specified above and supersedes any policy existing as of such date addressing the same subject matter.

Agenda Item No. 8

Agenda Report

DATE: December 6, 2018

TO: CSCDA COMMISSIONERS

FROM: Cathy Bando, Executive Director

PURPOSE: Consideration of Modification to Policy for Professional Services Contracts

EXECUTIVE SUMMARY:

- In 2012, CSCDA adopted a three-year policy limitation for Professional Services Contracts with unlimited two-year contract renewals.
- Certain CSCDA service agreements contracts require highly specialized services that require considerable infrastructure investments.
- CSCDA needs the flexibility to grant longer term contracts, following an initial three-year term.

DISCUSSION:

On January 19, 2012 CSCDA adopted the following Professional Services Contract Policy:

1. No initial contract for services shall exceed three years.
2. Contracts for professional services can be renewed for up to two years without any limitations on extensions.
3. Annual review of all professional services contracts.

The Program Administration Ad Hoc Committee reviewed the professional services contracting policy and determined that CSCDA should have the ability to enter into longer Professional Services Contracts following an initial three-year term. Certain professional service contractors, such as PACE administrators and CSCDA's overall Program Administrator, provide highly specialized services which require substantial investment in infrastructure in order to provide such services. The Committee also recommends changing the language about renewals to delete the language that reads "without any limitations on extensions." The Committee recommends the following Professional Services Contract Policy.

1. No initial contract for services shall exceed three years.
2. Contracts for professional services can be renewed for up to two years.
3. Annual review of all professional services contracts is required.

4. Following an initial three year term, contracts for professional services can be renegotiated for a term longer than three years.

RECOMMENDED ACTION:

CSCDA's Executive Director recommends approval of the new policy.

Agenda Item No. 9

Agenda Report

DATE: December 6, 2018

TO: CSCDA COMMISSIONERS

FROM: Cathy Bando, Executive Director

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

EXECUTIVE SUMMARY:

- In 2014, CSCDA conducted an extensive RFP process for Program Management services
- On December 4, 2014, CSCDA approved a contract with Bridge Strategic Partners (BSP) for services that commenced on July 1, 2015 through December 31, 2018
- BSP has provided exceptional services to CSCDA
- The Program Administration Ad Hoc Committee (the “Committee”) recommends entering into a four year Amended and Restated Agreement with BSP

DISCUSSION:

CSCDA conducted an extensive RFP process in 2014 for Program Management services which resulted in the appointment of BSP as CSCDA’s Program Manager. BSP has managed CSCDA’s bond issues with the highest level of professionalism and the market has responded positively to BSP with an increase in new issuance fees by 193% compared to the 2014-15 fiscal year. The Committee determined that another RFP process at this time would create confusion and uncertainty for CSCDA’s programs, and would not be in the best interest of CSCDA’s constituent cities, counties, and special districts. Instead of conducting another RFP, the Committee entered into contract negotiations with BSP.

The proposed new Agreement represents the culmination of negotiations with BSP. The Agreement is “Amended and Restated” based on the original Agreement with BSP. A summary of the substantive changes is provided below:

- **Portfolio Management Services** - “Compliance Monitoring Fees” have been renamed “Portfolio Management Fees.” There is no change in compensation to BSP with the name change. Housing compliance monitoring requirements were reduced by CDLAC in 2016. CSCDA has agreed to pay BSP the same amount previously paid for housing compliance monitoring in exchange for receiving administrative services from BSP on CSCDA

bonds that were issued prior the BSP management contract, dated July 1, 2015. The renaming of this fee more-appropriately identifies the purpose of the compensation.

- **Term** – The term of the agreement is four years, with one optional two-year renewal, by mutual consent.
- **Reserve Fund Management** – BSP is not tasked with managing the Reserve Fund because accounting functions are now managed by the League of California Cities for CSCDA
- **Re-categorization of SCIP Program** – CSCDA’s SCIP program has been re-categorized from Public Agency Programs to Private Activity Bond Programs. The re-categorization acknowledges the nature of the SCIP program. SCIP bonds are generated by private real estate developers rather than public agencies. Compensation to BSP is higher for Private Activity Bonds than Public Agency Bonds. Private activity bonds require a higher level of administrative work by BSP, so the higher compensation is commensurate with the required additional work.

The proposed agreement has been reviewed by CSCDA’s General Counsel and is provided as Attachment A to this Agenda Report.

RECOMMENDED ACTION:

CSCDA’s Program Management Ad Hoc Committee and Executive Director recommend approval of the Amended and Restated Professional Services Agreement with BSP.

AMENDED AND RESTATED SERVICES AGREEMENT

This **AMENDED AND RESTATED SERVICES AGREEMENT** ("**Agreement**"), dated as of December 6, 2018, is made and entered into by and between **BRIDGE STRATEGIC PARTNERS LLC**, a California limited liability company ("**BSP**") and **CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY**, a California joint powers authority organized pursuant to Section 6500 et. seq. of the California Government Code ("**Authority**") (collectively the "**Parties**" and each individually a "**Party**").

RECITALS

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, a number of California cities, counties and special districts entered into a joint exercise of powers agreement pursuant to which the Authority was organized;

WHEREAS, the purpose of the Authority is to serve as a public conduit issuer for public benefit and municipal financings, to manage a community development entity through its affiliate, the California Statewide Communities Development Corporation ("**CSCDC**"), and to promote the economic and social well-being of local government agencies and citizens through the development of innovative new programs;

WHEREAS, BSP, a registered municipal advisor, provides consulting, strategic advisory, and program management services to both the public and private sector;

WHEREAS, on December 4, 2014, BSP and the Authority entered into an agreement for comprehensive program management services following a competitive Request for Proposal process conducted by the Authority and such agreement was subsequently amended on August 5, 2015 and November 5, 2015 (as amended, the "**Original Agreement**");

WHEREAS, the Parties mutually desire to amend and restate the Original Agreement in its entirety as set forth in this Agreement.

NOW, THEREFORE, in consideration of the foregoing and of the covenants, conditions, representations, and warranties contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree to amend and restate the Original Agreement in its entirety as follows:

AGREEMENT

1. **RECITALS**. Each of the foregoing Recitals is true and correct and incorporated by reference as if fully set forth herein.

2. **DEFINITIONS**. For purposes of this Agreement, in addition to the bold capitalized terms defined elsewhere in this Agreement, the following terms shall have the meanings given to them below:

2.1 "**Affiliate**" means, with respect to a party, any person or entity, directly or indirectly through one or more intermediaries, controlling, controlled by, or under common control with, such party. For purposes of this definition, "control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of an entity, whether through the ownership of voting securities, common governing bodies, by contract or otherwise.

2.2 "**Annual Administrative Fees**" means those certain annual administrative fees payable to the Authority or its Affiliate by a Borrower in connection with any Authority Programs pursuant to the Authority's then current Annual Administrative Fee schedule.

2.3 "**Authority Programs**" means the financing and economic development programs administered by the Authority and its Affiliates, including, but not limited to its current public agency programs, PACE finance programs, private activity bond programs, new markets tax credit programs, housing bond post-issuance compliance, and public-private partnerships.

2.4 "**Borrower**" means the public agency, private entity or individual responsible for repayment of any bonds, loans or other transactions in connection with any Authority Programs.

2.5 "**BSP Fees**" means, collectively, the Municipal Advisory Fees, Program Management Fees and Portfolio Management Fees.

2.6 "**Effective Date**" means July 1, 2015.

2.7 "**Issuance Fees**" means those certain fees payable to the Authority or its Affiliate by a Borrower at the closing of any financing transaction in connection with any Authority Programs pursuant to the Authority's then current Issuance Fee schedule.

2.8 "**Municipal Advisory Fees**" means those certain fees paid to BSP in exchange for BSP's performance of the Municipal Advisory Services as set forth in Exhibit B to this Agreement.

2.9 "**Municipal Advisory Services**" has the meaning given in Section 5.1.

2.10 "**Portfolio Management Fees**" means those certain fees paid to BSP in exchange for BSP's performance of Portfolio Management Services as set forth in Exhibit B to this Agreement.

2.11 "**Portfolio Management Services**" means those certain Program Management Services provided in connection with affordable housing bonds issued after the Effective Date and administrative services provided in connection with all transactions closed prior to the Effective Date, as set forth in Exhibit A to this Agreement.

2.12 "**Program Management Fees**" means those certain fees paid to BSP in exchange for BSP's performance of the Program Management Services as set forth in Exhibit B to this Agreement.

2.13 "**Program Management Services**" has the meaning given in Section 5.1.

2.14 "**Reserve Fund**" means a custody account maintained for the benefit of the Authority with a financial institution acceptable to the Authority for payment of marketing, legal, legislative representation, accounting, public relations, consulting, professional and any other expenses incurred by the Authority.

2.15 "**Services**" has the meaning given in Section 5.1.

2.16 "**Sponsorship Services Providers**" means the entities that perform certain sponsorship services in connection with the Authority Programs. As of the Effective Date, the Sponsorship Services Providers are the League of California Cities ("**LCC**"), the California State Association of Counties ("**CSAC**") and the CSAC Finance Corporation.

2.17 **"Term"** has the meaning given in Section 4.

3. **APPOINTMENT**. The Authority hereby appoints BSP on an exclusive basis during the Term (as more particularly described in Section 10.1) to perform the Program Management Services, Municipal Advisory Services, and Portfolio Management Services pursuant to this Agreement, and BSP hereby accepts such appointment.

4. **TERM**. This Agreement shall commence on the Effective Date and shall continue thereafter until December 31, 2022, unless earlier terminated in accordance with the terms of this Agreement (the "**Initial Term**"). The Parties may mutually agree to renew the Agreement for an additional two (2) year term (the "**Renewal Term**") and together with the Initial Term, the "**Term**") by exercising such Renewal Term in writing prior to the expiration of the then current Term.

5. **OBLIGATIONS OF BSP.**

5.1 **Services**. BSP agrees to perform for the Authority, during the Term of this Agreement, program origination, program development and management services (collectively, the "**Program Management Services**"), Portfolio Management Services, and municipal advisory services (the "**Municipal Advisory Services**") and together with the Program Management Services and Portfolio Management Services, the "**Services**") described in Exhibit A. BSP shall perform the Services (a) in a professional manner; (b) in accordance with all applicable laws, rules, and regulations; and (c) according to the terms of this Agreement. Nothing in this Agreement shall require BSP to perform or cause to be performed any of the Services in any manner that would constitute a violation of applicable laws, rules, or regulations. BSP shall not be required to perform or cause to be performed any of the Services for the benefit of any parties other than the Authority and its Affiliates.

5.2 **Other Service Providers**. BSP may engage certain third parties to assist BSP in connection with BSP's provision of the Services required under this Agreement. In the event that BSP engages any third parties to assist BSP with the provision of Services, BSP shall remain solely responsible to the Authority for the performance of all Services at no additional cost to the Authority, except for the costs of third-party consultants and professionals providing services to the New Markets Tax Credit program.

6. **OBLIGATIONS OF AUTHORITY.**

6.1 **Access**. The Authority shall provide BSP, and its Affiliates, agents, representatives, employees and contractors, with reasonable access to staff, documents, information, materials, facilities, and offices of the Authority as reasonably necessary or appropriate for BSP to perform the Services (including, but not limited to, documents or information in the custody of Authority's predecessor program manager to the extent available).

6.2 **Reserve Fund Contributions**. The Authority shall require that contributions to the Reserve Fund shall continue to be made from Annual Administrative Fees received in connection with all of the Authority's outstanding financing transactions closed prior to the Effective Date.

6.3 **Marketing Events**. The Authority shall use its best efforts to provide admission and booth space to BSP at no cost to BSP or the Authority at all LCC, CSAC and CSAC Finance Corporation sponsored conferences and events for the purpose of marketing the Authority Programs.

7. **FEES; RESERVE FUND.**

7.1 **Municipal Advisory Fees.** In consideration of the Municipal Advisory Services described in Exhibit A, BSP shall receive the Municipal Advisory Fees as set forth in Exhibit B.

7.2 **Program Management Fees.** In consideration of the Program Management Services described in Exhibit A, BSP shall receive the Program Management Fees as set forth in Exhibit B.

7.3 **Portfolio Management Fees.** As a part of the Program Management Services, BSP shall perform certain compliance services for affordable housing projects financed since the Effective Date and also perform certain administrative services for transactions closed prior to the Effective Date. In consideration of the performance of the Portfolio Management Services, BSP shall receive the Portfolio Management Fees set forth in Exhibit B.

7.4 **Reserve Fund.** The Reserve Fund shall be utilized for marketing, legal, legislative representation, accounting, public relations, consulting, professional and other expenses incurred in connection with the Authority or Authority Programs. The Reserve Fund shall be funded with five percent (5%) of the gross Annual Administrative Fees collected from Borrowers until it reaches a total of five hundred thousand dollars (\$500,000). Such contributions to the Reserve Fund shall be made from all outstanding Authority Program transactions except for New Markets Tax Credit transactions facilitated by CSCDC. At such time as the balance in the Reserve Fund falls below five hundred thousand dollars (\$500,000), Annual Administrative Fees shall again be allocated to and deposited in the Reserve Fund.

8. **DEFAULTS.**

8.1 **BSP Defaults.** The occurrence of any of the following events (each a "**BSP Default**") shall constitute a default of BSP under this Agreement:

8.1.1 BSP fails to perform any covenants, Services, agreements, or obligations under this Agreement and (i) such failure is not consented to in writing or waived in writing by the Authority, (ii) such failure is not excused by any event of Force Majeure as defined herein; and, (iii) such failure has a material adverse effect on the Authority or the Authority Programs; and (iv) such failure has not been cured within sixty (60) calendar days after BSP receives a reasonably detailed written notice of such failure from the Authority, or within such longer cure period (not to exceed one hundred eighty (180) calendar days) as is reasonably necessary therefore so long as BSP is diligently proceeding to cure such failure.

8.1.2 BSP (i) ceases operations of its business in the ordinary course, (ii) is adjudicated bankrupt or becomes insolvent, (iii) winds up or liquidates its business voluntarily or otherwise, (iv) applies for, consents to, or suffers the appointment of, or the taking of possession of by, a receiver, custodian, assignee, trustee, liquidator, or similar fiduciary of itself or of all or any substantial portion of its assets, (v) makes a general assignment for the benefit of creditors, or (vi) commences a voluntary case under any state or federal bankruptcy laws.

8.2 **Authority Defaults.** The occurrence of any of the following events (each an "**Authority Default**") shall constitute a default of the Authority under this Agreement:

8.2.1 The Authority fails to perform any covenants, agreements, or obligations under this Agreement if (i) such failure is not consented to or waived in writing by BSP, (ii) such failure is not excused by any event of Force Majeure, (iii) such failure has a material adverse effect on BSP or the BSP Fees to be received by BSP hereunder; and (iv) such failure has not been cured within sixty (60) calendar days after the Authority receives a reasonably detailed written notice of such failure, or within

such longer cure period (not to exceed one hundred eighty (180) calendar days) as is reasonably necessary therefore so long as the Authority is diligently proceeding to cure such failure.

9. **TERMINATION.**

9.1 **Termination for BSP Default.** Upon the occurrence of a BSP Default, the Authority shall have the right to terminate this Agreement immediately upon written notice to BSP, whereupon the Term shall end.

9.2 **Termination for Authority Default.** Upon the occurrence of an Authority Default, BSP shall have the right to terminate this Agreement immediately upon written notice to the Authority, whereupon the Term shall end.

9.3 **Mutual Agreement to Termination.** The Parties may terminate this Agreement by mutual express consent in writing duly signed by authorized representatives of both Parties.

9.4 **Nonrenewal.** This Agreement shall terminate at the end of the Initial Term or a Renewal Term, as applicable, if the parties do not mutually agree to renew this Agreement in accordance with Section 4.

9.5 **Rights of Parties after Expiration or Termination.**

9.5.1 The terms and provisions of this Agreement that, by their sense and context, are intended to survive the completion or termination of this Agreement shall so survive the completion of performance and termination of this Agreement including, without limitation, Sections 1, 2, 7, 11, 12, 13, 14 and 15.

9.5.2 Upon termination or expiration of this Agreement, BSP shall receive the portion of all accrued, unpaid BSP Fees to which it is entitled as of the effective date of such termination or expiration.

9.5.3 Upon termination or expiration of this Agreement, BSP shall receive Annual Administrative Fees and Portfolio Management Fees for a period not to exceed six (6) months beyond the effective date of the Agreement's termination or expiration in connection with Authority Program transactions closed during the Term of this Agreement for which Services were provided by BSP during the Term.

10. **EXCLUSIVITY.**

10.1 **Exclusive Appointment.** During the Term of this Agreement, BSP shall be the sole and exclusive provider of the Services for all current and future Authority Programs. The Authority shall not participate with a third party in any business arrangement that would conflict or interfere with the right of BSP to perform the Services and receive BSP Fees as set forth in this Agreement. BSP acknowledges that the contract with the prior program manager provides for the payment of on-going annual administrative fees to the prior program manager for projects financed during the term of such contract.

10.2 **Exclusive Dealings.** During the Term of this Agreement, BSP shall not establish or otherwise participate in programs that directly compete with the Authority Programs without the prior written consent of the Authority. Notwithstanding the foregoing, in the event that either Party provides notice to the other Party of its intent not to enter into a Renewal Term, or in the event that the last remaining

Renewal Term under the Agreement has been exercised, BSP shall be permitted to enter into or solicit any contract, agreement, or other arrangement for services that may compete with one or more Authority Programs, so long as the effective date for performance under such contract, agreement, or other arrangement is after the Term of the Agreement has ended.

11. **REPRESENTATIONS AND WARRANTIES.**

11.1 **General Representations and Warranties.** Each Party represents and warrants to the other that (a) it has full authority to enter into this Agreement, and to fully perform its obligations hereunder; (b) it possesses the necessary rights in order to make the grant of rights, licenses, and permissions, if any, that such party has made herein; (c) it shall not act in any manner which conflicts or interferes with any existing commitment or obligation of such party, and that no agreement previously entered into by such party will interfere with such party's performance of its obligations under this Agreement; and (d) it shall perform its obligations hereunder in compliance with any applicable laws, rules, and regulations of any governmental authority.

11.2 **Mutual Disclaimer.** NO PARTY HERETO MAKES ANY REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, EXCEPT FOR THE EXPRESS REPRESENTATIONS AND WARRANTIES MADE BY THE PARTIES IN THIS AGREEMENT AND EACH PARTY EXPRESSLY DISCLAIMS ANY AND ALL OTHER REPRESENTATIONS AND WARRANTIES, EXPRESS OR IMPLIED.

12. **RELIANCE ON INFORMATION.** The Authority acknowledges that in the performance of its Services hereunder, BSP may from time to time obtain information from a Borrower (or from other sources deemed reliable) about the Borrower or the project being financed or any other matter with respect to a financing transaction in connection with any Authority Programs, and may use such information in performing its Services or transmit such information to the Authority or its representatives or to any underwriter, trustee or bond counsel involved in such transaction. The Authority agrees that BSP may rely upon such information without independent inquiry or verification and shall not be responsible or liable to the Authority or any person or entity for, or be deemed to make any representations or warranties to the Authority or any other person or entity as to, the truth, accuracy or completeness of such information unless BSP has actual knowledge that such information is untrue, inaccurate or incomplete.

13. **LIMITATION OF LIABILITIES; INDEMNIFICATION; INSURANCE.**

13.1 **Limitation of Liabilities.** IN NO EVENT SHALL THE AUTHORITY OR ITS OFFICERS, DIRECTORS, EMPLOYEES, REPRESENTATIVES, AGENTS, AND MEMBERS ON THE ONE HAND, OR BSP OR ITS AFFILIATES OR THEIR RESPECTIVE OFFICERS, DIRECTORS, EMPLOYEES, REPRESENTATIVES, AGENTS, AND MEMBERS ON THE OTHER HAND, BE LIABLE TO THE OTHER PARTY, IN CONTRACT OR IN TORT, OR UNDER ANY OTHER LEGAL THEORY (INCLUDING STRICT LIABILITY), FOR (I) ANY PUNITIVE, EXEMPLARY, INDIRECT, SPECIAL, INCIDENTAL, CONSEQUENTIAL, OR SIMILAR DAMAGES ARISING FROM OR RELATING TO THIS AGREEMENT, EVEN IF SUCH PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH CLAIM, OR (II) ANY DIRECT DAMAGES ARISING OUT OF OR RELATING TO THIS AGREEMENT TO THE EXTENT THAT THE AGGREGATE AMOUNT OF SUCH DAMAGES EXCEEDS THE AGGREGATE AMOUNT OF BSP FEES PAID BY THE AUTHORITY TO BSP UNDER THIS AGREEMENT DURING THE SIX (6) MONTHS PRIOR TO THE DATE SUCH CLAIM AROSE. THE FOREGOING LIMITATIONS SHALL NOT APPLY TO ANY CLAIM THAT ARISES OUT OF GROSS NEGLIGENCE, WILLFUL MISCONDUCT, OR FRAUD.

13.2 **Indemnification, Hold Harmless and Duty to Defend.** BSP shall defend, indemnify, and hold the Authority, its officials, officers, employees, volunteers and agents serving as independent contractors in the role of Authority officials free and harmless from any and all claims, demands, causes of action, costs, expenses, liability, loss, damage or injury, in law or equity, to property or persons, including wrongful death, in any manner arising out of the gross negligence, willful misconduct or fraud of BSP, its employees, or its agents in connection with the performance of this Agreement, including without limitation the payment of all punitive, exemplary, special, incidental or consequential damages and attorneys' fees and other related costs and expenses. BSP shall reimburse the Authority and its directors, officials, officers, employees, or its agents for any and all legal expenses and costs incurred by each of them in connection therewith or in enforcing the indemnity herein provided. BSP's obligation to indemnify shall not be restricted to insurance proceeds, if any, received by BSP, the Authority, its directors, officials, officers, employees, or its agents. All duties of BSP under this Section shall survive termination of this Agreement.

13.3 **Insurance.** BSP shall not commence work under this Agreement until it has provided evidence reasonably satisfactory to the Authority that BSP has secured all insurance required under this Section. BSP shall furnish the Authority with original certificates of insurance and endorsements effecting coverage required by this Agreement on forms reasonably satisfactory to the Authority. The certificates and endorsements for each insurance policy shall be signed by a person authorized by that insurer to bind coverage on its behalf. All certificates and endorsements shall be received and approved by the Authority before work commences. The Authority reserves the right to require complete, certified copies of all required insurance policies, at any time.

13.3.1 BSP shall, at its expense, procure and maintain for the duration of the Agreement, insurance against claims for injuries to persons or damages to property that may arise from or in connection with the performance of this Agreement. Insurance is to be placed with insurers with a current A.M. Best's rating no less than A:VIII and licensed to do business in California. Coverage shall be at least as broad as the latest version of the following: (1) General Liability: Insurance Services Office Commercial General Liability coverage (occurrence form CG 0001); and (2) Employer Non-Owned Automobile Liability (ENOL). BSP shall maintain limits no less than: (1) General Liability: \$1,000,000 per occurrence and \$2,000,000 in the aggregate for bodily injury, personal injury and property damage; and (2) Employer Non-Owned Automobile Liability (ENOL): \$500,000 per accident for bodily injury and property damage.

13.3.2 The insurance policies shall contain the following provisions, or BSP shall provide endorsements on forms supplied or approved by the Authority to state: (1) coverage shall not be suspended, voided, reduced or canceled except after 30 days prior written notice by certified mail, return receipt requested, has been given to the Authority; (2) any failure to comply with reporting or other provisions of the policies, including breaches of warranties, shall not affect coverage provided to the Authority, its directors, officials, officers, (3) coverage shall be primary insurance as respects the Authority, its directors, officials, officers, employees or its agents, or if excess, shall stand in an unbroken chain of coverage excess of the BSP's scheduled underlying coverage and that any insurance or self-insurance maintained by the Authority, its directors, officials, officers, employees, agents and volunteers shall be excess of the BSP's insurance and shall not be called upon to contribute with it; (4) for general liability insurance, that the Authority, its directors, officials, officers, employees and agents shall be covered as additional insureds with respect to the services or operations performed by or on behalf of BSP, including materials, parts or equipment furnished in connection with such work; and (5) for employer non-owned automobile liability, that the Authority, its directors, officials, officers, employees, and agents shall be covered as additional insureds with respect to the ownership, operation, maintenance, use, loading or unloading of any automobile owned or leased by an employee of BSP and used on behalf of BSP.

13.3.3 All insurance required by this Section shall contain standard separation of insureds provisions and shall not contain any special limitations on the scope of protection afforded to the Authority, its directors, officials, officers, employees, agents, and volunteers.

13.3.4 Any deductibles or self-insured retentions shall be declared to and approved by the Authority.

14. **NOTICES.** All notices between the Parties shall be in writing and shall be deemed to have been given if personally delivered or sent by overnight courier to the other Party's address set forth below or such other address as is provided by notice as set forth herein. Notices shall be deemed effective upon receipt if personally delivered, or one (1) business day after it was sent if by overnight courier.

BSP

Bridge Strategic Partners LLC
1700 North Broadway, Suite 405
Walnut Creek, CA 94596

AUTHORITY

California Statewide Communities
Development Authority
c/o CSAC
1100 K Street
Sacramento, CA 95814

15. **MISCELLANEOUS.**

15.1 **Necessary Acts, Further Assurances.** Upon reasonable request by a Party, the other Party shall execute and deliver such further documents and instruments and shall take such other actions as may be reasonably necessary or appropriate to evidence or carry out the intent and purposes of this Agreement or to show the ability to carry out the intent and purposes of this Agreement.

15.2 **Independent Contractors.** BSP is an independent contractor in all its operations and activities hereunder. BSP and the Authority agree that BSP will render Services according to BSP's own means and methods and is subject to the Authority's control only with regard to the BSP's final product or result. The Authority shall not exercise direct control or supervision over the means that BSP uses to accomplish BSP's work. The Parties understand and agree that BSP is not an employee of the Authority and nothing contained herein shall be deemed to create a joint venture, partnership, or any other relationship, other than that of an independent contractor.

15.3 **Force Majeure.** Neither Party shall be responsible or liable for delays or failures in performance resulting from acts of God, strikes, lockouts, riots, acts of war and terrorism, embargoes, unanticipated changes in governmental regulations, epidemics, fire, communication line failures, power failures, earthquakes, other disasters, or any other reason where failure to perform is beyond the control of, and not caused by, the non-performing party or its vendors, service providers, or suppliers (each, an event of "**Force Majeure**"). If a claim by a party for release of its obligations under this Section 15.3 exceeds ninety (90) calendar days, then the other party shall have the right to terminate this Agreement, whereupon the Term shall end. Neither Party is entitled to relief under this Section 15.3 to the extent that any event otherwise constituting an event of Force Majeure results from the gross negligence or willful misconduct of the applicable party or its vendors, service providers, or suppliers.

15.4 **Governing Law.** This Agreement and any disputes hereunder shall be governed by and construed in accordance with the internal laws of the State of California without giving effect to any choice or conflict of laws provision or rule (whether of the State of California or any other jurisdiction) that would cause the application of laws of any jurisdiction other than those of the State of California.

15.5 **Dispute Resolution.** In the event of any dispute concerning the validity, interpretation, enforcement or breach of this Agreement, the parties unconditionally and irrevocably agree that the dispute will be resolved by arbitration (and accordingly they hereby consent to personal jurisdiction over them) in Sacramento, California, in accordance with the Commercial Arbitration Rules of the American Arbitration Association ("**AAA**"). The arbitration will be heard and determined by a single arbitrator. The arbitrator shall be bound to apply the applicable governing law set forth herein to each dispute. The arbitrator shall decide in accordance with the express terms of this Agreement, and is not empowered to alter, amend, modify or change any of the terms of this Agreement. The dispute resolution proceedings and discovery shall be conducted as expeditiously as reasonably possible. Unless appealed as provided herein, the arbitrator's decision in any such arbitration will be final and binding upon the Parties and may be enforced in any court of competent jurisdiction. The prevailing Party (as determined by the arbitrator) will be entitled to recover its attorneys' fees and arbitration costs from the other Party. Either Party may appeal the arbitrator's award to three (3) neutral arbitrators ("**Appellate Arbitrators**") by filing with the AAA within twenty (20) calendar days after transmittal of the award, a written brief stating the reasons why the arbitrator's decision should be reversed or modified. The opposing party shall file with the AAA and serve on the appealing party, within twenty (20) calendar days after receiving the appeal brief, an opposition brief. The Appellate Arbitrators shall be selected in accordance with the AAA Commercial Arbitration Rules and shall all be retired judges of a court of record in California. Either Party may request oral argument, which must be conducted within fourteen (14) calendar days following the submission of the final brief. The Appellate Arbitrators shall have full authority to review the arbitrator's opinion and award, both as to questions of law and fact, to the same extent as would a state court of appeal in the state in which the arbitration was held. The Appellate Arbitrators shall render a written decision affirming, reversing, modifying, or remanding the arbitrator's decision within twenty (20) calendar days after receiving the final appellate submissions. The Appellate Arbitrators may reverse, modify, or remand the matter for further proceedings by the arbitrator. The Appellate Arbitrators decision shall be final and binding (unless remanded to the arbitrator) as to all matters of substance and procedure. The Parties agree that except as may otherwise be required by applicable laws, rules or regulations, the arbitration and any appellate arbitration will be kept confidential and the existence of the proceeding and any element of it (including, without limitation, any pleadings, briefs or other documents submitted or exchanged and any testimony or other oral submissions and awards) will not be disclosed to any person or entity other than the arbitrator, the Appellate Arbitrators, and the Parties and their respective employees, agents and representatives who have a need to know such information. Notwithstanding the foregoing, the binding arbitration provisions of this Section shall not apply to any breach of Section 10.2 of this Agreement or any other conduct involving the gross negligence, willful misconduct or fraud of a Party. The nonbreaching or harmed Party in such circumstances may pursue any legal or equitable remedy available to it.

15.6 **Assignment.** Without limiting the provisions of Section 5.2, BSP shall not assign any of its rights or obligations hereunder, whether by operation of law or otherwise, without the prior written consent of the Authority; provided, however, that BSP shall have the right to assign this Agreement to any of its Affiliates that agrees in writing to assume all of BSP's obligations hereunder. The Authority may not assign any of its rights or obligations hereunder, whether by operation of law or otherwise, without the prior written consent of BSP; provided, however, that the Authority shall have the right to assign this Agreement to any of its Affiliates or statutory successor that agrees in writing to assume all of the Authority's obligations hereunder. Any prohibited assignment by a party without such consent shall be null and void. This Agreement will be binding upon and will inure to the benefit of a Party's permitted successors and assigns.

15.7 **Trademark License.** Subject to the terms of this Agreement, the Authority hereby grants to BSP and its Affiliates during the Term a limited, non-exclusive, worldwide, fully paid, royalty free, license and right to use the current and future names, trademarks, logos, and other brand elements associated with the Authority for the sole purpose of performing the Services hereunder.

15.8 **Conflict Laws.** BSP and all persons employed by BSP shall comply with all applicable conflict of interest laws and regulations applicable to the Services provided under this Agreement.

15.9 **Severability.** If any provision of this Agreement is held unlawful or invalid by court or administrative decision, it shall be deemed severable and such unlawfulness or invalidity shall not in any way affect any other provision of this Agreement which can be given effect without the unlawful or invalid provision.

15.10 **Waiver.** Any failure of a party to enforce, for any period of time, any of the provisions under this Agreement shall not be construed as a waiver of such provisions or of the right of said party thereafter to enforce each and every provision under this Agreement.

15.11 **Construction.** The language in and provisions of this Agreement shall in all cases be simply construed according to their fair meaning and not strictly construed for or against BSP or the Authority.

15.12 **Counterparts.** This Agreement may be executed in two or more counterparts, each of which, when so executed, shall be deemed an original, but all of which counterparts together shall constitute one and the same document.

15.13 **Entire Agreement; Amendments.** This Agreement constitutes the entire understanding and agreement of the parties respecting the subject matter of this Agreement and no modification, change, or amendment of this Agreement shall be binding upon the parties, except by mutual express consent in writing of subsequent date duly signed by the authorized representatives of each of the parties. The Exhibits to this Agreement are a part of this Agreement and are incorporated herein by this reference.

[Remainder of Page Left Intentionally Blank – Signatures Follow]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the Effective Date by their duly authorized representatives as set forth below.

**CALIFORNIA STATEWIDE COMMUNITIES
DEVELOPMENT AUTHORITY**

By _____

Name: _____

Title: _____

BRIDGE STRATEGIC PARTNERS LLC

By _____

Name: _____

Title: _____

Acknowledged and Agreed to:

**CALIFORNIA STATEWIDE COMMUNITIES
DEVELOPMENT CORPORATION**

By _____

Name: _____

Title: _____

EXHIBIT A

(Services)

1. **PROGRAM MANAGEMENT SERVICES.** During the Term, BSP shall provide the following Program Management Services:

- Program origination, program development and management services for all existing Authority Programs, including, but not limited to the Authority's Public Agency Programs, PACE Finance Programs, Private Activity Bond Programs, New Markets Tax Credits, Housing Bond Post-Issuance Compliance and Other Programs.
- Research, development and implementation of new Authority Programs consistent with the Authority's powers and purpose of providing public benefits to cities, counties and residents of California.
- Create all marketing materials and serve as primary marketing agent for all Authority Programs to finance professionals and eligible borrowers throughout California.
- Communicate with and provide information to local agencies statewide, in coordination with the Authority's Executive Director, LCC, CSAC and CSAC Finance Corporation as necessary, and provide additional administrative support necessary to assist the Authority's Executive Director in the success of the Authority Programs.
- With respect to each Authority Program, create and maintain the Authority's website to (1) facilitate receipt of online financing requests, (2) provide backend database capabilities to record public benefit information, transaction history, and project fees and deposit tracking, (3) comply with requirements of California SB 99 (Chapter 557, Statutes of 2009), and (4) serve as a general marketing and educational tool for all Authority Programs and policies.
- Provide management and oversight of each Authority Program project financing request, including:
 - Review each borrower application for compliance with the Authority's policies and procedures.
 - Assist borrowers to apply and complete necessary issuer documents to receive an award of private activity bond volume cap (if applicable).
 - Coordinate all activities of the finance team members of a particular financing, including bond counsel, underwriter, trustee, issuer counsel, and credit enhancement provider. The sizing, structuring, underwriting, negotiation and documentation of all transactions shall be handled by such finance team members and not BSP.
 - Coordinate local TEFRA hearings and approval documents (if applicable).
 - Represent the Authority at TEFRA hearings and state allocation meetings as necessary (if applicable).
 - Advise the Authority's Executive Director on whether project financing requests comply with the Authority's established policies.
 - Facilitate post-issuance finance restructuring, workouts, or other necessary Authority approvals in accordance with financing documents.
 - Collect and maintain all relevant project finance documents, including bond transcripts, trustee statements, and volume cap applications.

- Provide management and oversight of all post-issuance compliance matters relative to each Authority Program project financing, including:
 - Respond to requests from the Internal Revenue Service and any other local, state, or federal regulatory agency.
 - Educate borrowers on all post-issuance requirements and filing deadlines.
- Coordinate meetings of the Authority and CSCDC and perform the following:
 - Confirmation of Authority/Board meeting attendance and quorums.
 - Prepare Authority/Board meeting agendas in accordance with Brown Act requirements.
 - Confirmation of necessary Authority/Board meeting notice postings.
 - Create and maintain online bond document repository for Authority/Board member review.
 - Post all Authority/Board meeting agendas, minutes, and staff reports to the Authority’s website.
 - Respond to public records requests in coordination with the Authority’s General Counsel and its Executive Director.
 - Engage outside legal counsel, financial advisors, or consultants at the direction of the Authority and its Executive Director, as necessary.
 - Manage collections of all Authority and CSCDC issuance and annual administrative fees, including working with all trustees and private borrowers to ensure timely collection of amounts due and follow up on amounts delinquent.
 - Manage trustee’s disbursement of fees and provide an accounting of all fees collected on behalf of the Authority.
 - Manage the Authority’s insurance and bonding requirements.
 - Communicate and coordinate management responsibilities with the Authority’s Executive Director.
 - Coordinate closely with LCC, CSAC and CSAC Finance Corporation in the provision of their sponsorship and administrative responsibilities, including legislative advocacy on behalf of the Authority.
 - Administer the collection and dissemination of all reports required to be filed with the State of California Fair Political Practices Commission on behalf of the Authority’s staff, Authority Commissioners and BSP’s staff.
- For New Markets Tax Credits (“**NMTC**”):
 - Manage the financing process from project intake through closing.
 - Serve as liaison with the U.S. Treasury Department in connection with CSCDC's status and tax credit allocations.
 - Coordinate with CSCDC's Advisory Board and the Authority’s Executive Director.
 - Manage project underwriting consultants.
- Provide management and oversight of all post-issuance compliance matters relative to the CSCDC NMTC Program, including:
 - Select, retain, manage, and evaluate on behalf of CSCDC all outside consultants, attorneys, accountants and other professionals providing services to CSCDC.
 - Continue to liaise with the U.S. Treasury Department in connection with CSCDC’s status and future tax credit allocations.
 - Coordinate all tax, audit, compliance, and asset management procedures with internal staff and outside consultants.
 - Provide ongoing marketing activities including engagement with banks, tax credit investors, consultants and advisors.

- Lead and manage a team of attorneys, consultants and lenders to pursue subsequent year NMTC applications.
- Ensure that asset management, loan servicing, reporting and compliance are provided for all projects.

2. **PORTFOLIO MANAGEMENT SERVICES.** During the Term, BSP shall provide the following Portfolio Management Services:

- For affordable housing bonds issued by the Authority after the Effective Date:
 - Ensure compliance with federal, state, and local income and rent limits relative to affordable housing project financings, including current California Debt Limit Allocation Committee (CDLAC) regulations.
 - Collect and submit the CDLAC Certificate of Compliance for each of the projects annually.
- For all Authority transactions closed prior to the Effective Date:
 - Respond to all inquiries related to transactions.
 - Facilitate post-issuance finance restructuring, workouts, or other necessary Authority approvals in accordance with financing documents.
 - Manage audits and requisitions.
 - Manage CSCDA’s housing compliance service provider.

3. **MUNICIPAL ADVISORY SERVICES.** During the Term, BSP shall provide the following Municipal Advisory Services:

- Upon request by a finance transaction’s underwriter, serve as the Authority’s independent registered municipal advisor for that particular transaction.

EXHIBIT B

(BSP Fees)

1. **MUNICIPAL ADVISORY FEES.** As consideration for the Municipal Advisory Services, the Authority shall pay to BSP a monthly fee of Two Thousand Dollars (\$2,000) (the "**Municipal Advisory Fees**") during the Term of the Agreement. The Municipal Advisory Fees shall be due and payable to BSP on the first business day of each calendar month during the Term of the Agreement.

2. **PROGRAM MANAGEMENT FEES.** As consideration for the Program Management Services, the Authority shall pay to BSP the percentage of Issuance Fees and Annual Administrative Fees (net of contributions to the Reserve Fund, if applicable) received by the Authority during the Term of the Agreement for each Authority Program as detailed below:

- **Public Agency Programs** (including CaLease, Delinquent Property Tax Program, TRAN, TRIP, and stand-alone municipal financings) – Thirty-three and one-third percent (**33.3%**) of Issuance Fees and Annual Administrative Fees.
- **PACE Programs** (Residential PACE and Commercial PACE) – Forty percent (**40%**) of Issuance Fees and Forty percent (**40%**) of Annual Administrative Fees if an Annual Administrative Fee is charged for a particular program.
- **Private Activity Bond Programs** (including 501c3 Nonprofit Bonds, Multi-family Housing Bonds, Industrial Development Bonds, Infrastructure Finance Programs (including SCIP and CFDs), Exempt Facility/Solid Waste Bonds, Taxable Bonds and Other Private Activity Projects) – Sixty percent (**60%**) of Issuance Fees and forty percent (**40%**) of Annual Administrative Fees. Multi-family Housing Bond Annual Administrative Fees are net of the Portfolio Management Fees paid to BSP as set forth below.
- **New Markets Tax Credits (CSCDC)** – Sixty percent (**60%**) of Issuance Fees (net of fee distributions to third party consultants and professionals) and forty percent (**40%**) of Annual Administrative Fees (net of fee distributions to third party consultants and professionals).
- **Other Financing Programs** (including GO Savers, Public Private Partnership Financings, Commodity Financings, Other Pooled Financings, and all other new program financings) – sixty percent (**60%**) of Issuance Fees and forty percent (**40%**) of Annual Administrative Fees.

Program Management Fees shall be due and payable to BSP within thirty (30) days of receipt of the corresponding Issuance Fees and Annual Administrative Fees by the Authority.

3. **PORTFOLIO MANAGEMENT FEES.** As consideration for the Portfolio Management Services, the Authority shall pay to BSP Portfolio Management Fees. The Portfolio Management Fee with regard to a particular Affordable Housing Project will be paid to BSP from the first dollars received as Annual Administrative Fees from the applicable Affordable Housing Project Borrower prior to any distributions of Annual Administrative Fees pursuant to the Program Management Fees set forth above in this Exhibit B. Portfolio Management Fees are collected from all Affordable Housing Project financings closed after the Effective Date.

As of the Effective Date, the Portfolio Management Fees are as follows:

<u>Project Size:</u>	<u>Portfolio Management Fee:</u>
Less than 75 units	\$2,500
Between 76 and 100 units	\$3,500
101 or more units	\$4,000

Portfolio Management Fees shall be due and payable to BSP within thirty (30) days of receipt of the corresponding Annual Administrative Fees for Affordable Housing Projects closed after the Effective Date.