



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

February 20, 2014

10:00 a.m.

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

- I. Call the Roll (alternates designate which member they are representing).
- II. Election of Officers.
- III. Consideration of the Minutes of the February 6, 2014 Regular Meeting.
- IV. Staff Updates.
- V. Consideration of the Consent Calendar.
- VI. Consideration of the financing; all necessary actions; the execution and delivery of all necessary documents and authorize any member to sign all necessary financing documents for the following:
 - a. Rocky Hill Partners, L.P. (Rocky Hill Apartments), City of Vacaville, County of Solano; up to \$8 million in multi-family housing revenue bonds. (Staff: Scott Carper)
- VII. Conduct proceedings with respect to the Statewide Community Infrastructure Program (SCIP), Assessment District 14-01 Placer, Santa Clara, San Diego & San Joaquin (Hearing to be held at 10am or shortly thereafter): (Staff: Scott Carper)

This ___ page agenda was posted at 1100 K Street, Sacramento, California on _____, 2014 at __: __ m,
Signed _____. Please fax signed page to (925) 933-8457.

- a. Continue Assessment District Public Hearing Opened on January 16, 2014 for Placer and on February 6, 2014 for Santa Clara, San Diego & San Joaquin
- b. Close the Public Hearing for Placer & San Joaquin
- c. Continue Assessment District Public Hearing for Santa Clara & San Diego to March 20, 2014 to be held at California State Associations of Counties – 1100 K Street, Sacramento, CA.

VIII. Consideration of the following resolutions related to the upcoming Statewide Community Infrastructure Program (SCIP) Project: (Staff: Scott Carper)

- a. A resolution approving final engineer's reports, levying assessments, ordering the financing of specified development impact fees and capital improvements, and confirming unpaid assessment amounts.
- b. A resolution providing for the issuance of two series of SCIP limited obligation improvement bonds and approving a trust agreement.

IX. Public Comment

X. Adjourn



**CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY
CONSENT CALENDAR**

1. Consideration of the following invoice for payment:
 - a. Wells Fargo Corporate Trust Services Invoice #1026344

Thursday, February 20, 2014

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

Item III

Consideration of the Minutes of the February 6, 2014 Regular Meeting.

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

League of California Cities
1400 K Street, Sacramento, California

February 6, 2014

MINUTES

Commissioner Dwight Stenbakken called the meeting to order at 10:01 a.m.

I. Roll Call

Commission members present: Dwight Stenbakken. Commission members participating by conference telephone: Irwin Bornstein, Dan Mierzwa, Tim Snellings and Alternate Commissioner Ron Holly representing Commissioner Terry Schutten.

CSCDA executive director present: Catherine Bando.

Others present: Scott Carper HB Capital; Nancy Parrish, CSAC Finance Corporation; Norman Coppinger, League of California Cities; and Mark Paxson, State Treasurer's Office. Others participating by conference telephone: Caitlin Lanctot, HB Capital; Laura Labanieh Campbell, CSAC Finance Corporation; and Patricia Eichar, Orrick, Harrington & Sutcliffe.

II. Approval of Minutes

The commission approved the minutes of the meeting held January 30, 2014.

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

III. Staff Updates.

HB Capital staff reported and ask the minutes to reflect, agenda item VI Conduct proceedings with respect to the Statewide Community Infrastructure Program (SCIP), Assessment District 14-01 San Diego, Santa Clara and San Joaquin, (b) Continue Assessment District Public Hearing, shown as March 20, 2014, is February 20, 2014, at the California State Association of Counties offices located at 1100 K Street, Sacramento, California.

HB Capital staff provided a reminder that CSCDA's Annual Meeting will be held on February 20, 2014, at the California State Association of Counties office building located at 1100 K Street, Sacramento, California, upon adjournment of CSCDA's regular meeting. Lunch will be provided.

IV. Approval of Consent Calendar

The commission approved by consent:

1. Approval of the following Invoices and Inducement of Pavilion Park Senior I Housing Partners, LP:
 - a. BLX Invoice #41994-175/012814 for \$2,500 for the City of Bakersfield Consolidated Reassessment District 12-1.
 - b. BLX Invoice #41987-520/012814 for \$729.70 for SCIP Series 2004A Program Administrative Fees.
 - c. BLX Invoice #41987-768/012814 for \$4,050.52 for SCIP Series 2006 Program Administrative Fees.
 - d. BLX Invoice #41987-847/012814 for \$5,590.58 for SCIP Series 2007A Program Administrative Fees.
 - e. BLX Invoice #41987-916/012814 for \$1,706.41 for SCIP Series 2007B Program Administrative Fees.
 - f. BLX Invoice #41987-1007/012814 for \$4,312.66 for SCIP Series 2008A Program Administrative Fees.
 - g. BLX Invoice #41987-1255/012814 for \$1,493.42 for SCIP Series 2010A Program Administrative Fees.
 - h. BLX Invoice #41987-1400/012814 for \$2,293.70 for SCIP Series 2011A Program Administrative Fees.
 - i. BLX Invoice #41987-1608/012814 for \$3,630.09 for SCIP Refunding 2013 Program Administrative Fees.
 - j. CSCDA Invoice #3623 for \$7,913.18 for Manteca Lifestyle Center First Payment of the Bonds Outstanding.
 - k. Inducement of Pavilion Park Senior I Housing Partners, LP (Pavilion Park Seniors), City of Irvine, County of Orange; issue up to \$27 million in multi-family housing debt obligations.

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

V. Approval of Authorized Signatory

The commission approved a resolution to add Executive Director Catherine Bando as an authorized signatory for CSCDA.

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

VI. Conduct Proceedings with respect to the Statewide Community Infrastructure Program (SCIP), Assessment District 14-01 San Diego, Santa Clara and San Joaquin.

Commissioner Stenbakken opened the meeting to the public at 10:05 a.m. There was no public comment. Meeting continued until February 20, 2014, at the California State

Association of Counties office building located at 1100 K Street, Sacramento, California.

VII. Public Comments

None.

VIII. Adjournment

Commissioner Stenbakken adjourned the meeting at 10:07 a.m.

Submitted by: Norman Coppinger, Assistant to the Secretary

*The next regular meeting of the commission is scheduled for
Thursday, February 20, 2014, at 10:00 a.m.
in the CSAC Office at 1100 K Street, Sacramento, CA.*

Item V.

Consideration of the Consent Calendar.

Late Fee Notice

Date Sent: 01/21/2014

Corporate Trust Services

**WELLS
FARGO**

Invoice Number 1026344	Original Billing Date 12/03/2013	Original Due Date 01/02/2014	Amount Due \$1,500.00 <i>Please mail or wire payment to:</i>
California Statewide Communities Development Luis Castro c/o California Communities 2999 Oak Road Suite 710 Walnut Creek, CA 94597			Mailing Address: Wells Fargo Bank WF 8113 P.O. Box 1450 Minneapolis, MN 55485-8113
			Wire Instructions: ABA #: 121000248 DDA #: 1000031565 Swift Code: WFBUS6S Reference: Invoice #, Acct Name, Attn Name
			ACH Instructions: ABA #: 091000019 DDA #: 1000031565 Memo: Invoice #, Account Name, Attn Name

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

Please retain this portion for your records

Account Number: 20902100

CSAC Fin Corp/League/HB Capital Custody Acct

Administration Charges

For the Period 12/20/2013 through 12/19/2014

Custodian Fee

\$1,500.00

Original Amount Due: \$1,500.00

Payments Received: \$0.00

Late Charge: \$0.00

Total Amount Due: \$1,500.00

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

Item VI

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

- a. Rocky Hill Partners, L.P. (Rocky Hill Apartments), City of Vacaville, County of Solano; up to \$8 million in multi-family housing revenue bonds. (Staff: Scott Carper)

SUMMARY AND APPROVALS

DATE: FEBRUARY 20, 2014

APPLICANT: ROCKY HILL PARTNERS, LP/CFY DEVELOPMENT, INC.

AMOUNT: UP TO \$8,000,000 OF TAX-EXEMPT MULTI-FAMILY HOUSING REVENUE BONDS

PURPOSE: FINANCE THE ACQUISITION AND REHABILITATION OF ROCKY HILL APARTMENTS LOCATED IN VACAVILLE, CA

CSCDA PROGRAM: HOUSING

Background:

The proposed project, Rocky Hill Apartments (the “Project”), is a 64-unit property located in Vacaville, California. The Project application was filed on June 24, 2013 and induced on July 18, 2013.

Summary:

Rocky Hill Partners, LP (the “Borrower”) has requested CSCDA to issue and deliver multifamily housing revenue obligations in the anticipated principal amount of \$8,000,000 (the “Bonds”) for the purpose of financing the acquisition and rehabilitation of the Project. The Project will continue to provide 6 one-bedroom units, 57 two-bedroom units, and 1 two-bedroom manager unit to low-income families in Vacaville, California.

The Project, initially built in the 1970s, consists of fifteen two-story apartment buildings, an onsite management office, pool and community laundry facility spread out over 3.12 acres. . The property features large units and is well maintained. All units will have updated kitchens, with new cabinetry, countertops, sink, faucet, supply lines, and selective repair or replacement of ranges, range hoods, refrigerators, and water heaters. All units will receive updated bathrooms, with replacement of toilets, cabinetry, countertops, sink, faucet, supply lines, tubs, mirrors, and exhaust fans. The flooring will be replaced in each unit with new vinyl flooring in the kitchen and bathrooms, and plush carpeting throughout. All windows will be repaired or replaced along with new window blinds throughout. Unit interior walls and ceilings will be repaired and repainted. All units also feature central heat and air conditioning, and individual electric hot water heaters, and are separately metered for gas and electricity. The rehabilitation includes new appliances as needed, repairs and energy efficiency upgrades to electric fixtures, replacing HVAC systems as needed, and upgrading the management office and laundry facility. The Project will also receive improvements to the building exteriors including roof replacement and painting. Additional site improvements will include landscaping improvements, repairs and replacement of exterior lighting, removal and replacement of exterior concrete work, installation of enclosed trash facilities, as well as repaving, sealing and re-stripping of parking areas.

The anticipated construction start date is April 2014 with a completion date of April 2015.

The Borrower has previously constructed or rehabilitated 12 multifamily and senior housing properties throughout California. This is their fifth financing with CSCDA.

Public Benefit:

- Project Affordability
 - 100% of the Project's units will be income restricted:
 - 5 units reserved for tenants whose income is at or below 30% AMI
 - 58 units reserved for tenants whose income is at or below 60% AMI
 - 1 manager units
 - The term of the income and rental restrictions for the Project will be at least 55 years
- Site Amenities
 - The Project is located within a ¼ mile of a Public Transit Corridor
 - The Project is located within 1 mile of a public high school
 - The Project is located within ½ mile of a grocery store
 - The Project is located within ¼ to ½ mile of a park or recreational facility
- Economic Benefits
 - Based upon \$11,295,159 Project costs using a 1.8 multiplier the Project produces \$22,308,965 total economic activity, and at 2.1 jobs per unit produces approximately 134 jobs. (Multipliers based on June 2010 study by Blue Sky Consulting Group and Center for Housing Policy on impact of housing in California using IMPLAN system.)

Agency Approvals:

TEFRA Hearing: August 13, 2013, City of Vacaville, unanimous approval

CDLAC Approval: September 18, 2013

Estimated Sources and Uses:

Sources:

Tax Exempt Bond Proceeds	\$6,145,001	54.40%
Low Income Housing Tax Credit Equity	\$512,377	4.54%
New City Loan	\$2,315,000	20.49%
Deferred Developer Fee	\$1,108,834	9.82%
City and RDA Loan Assumptions	\$1,063,947	9.42%
Deferred Operating Reserve	<u>\$150,000</u>	<u>1.33%</u>
Total Sources	\$11,295,159	100.00%

Uses:

Acquisition Cost	\$6,085,690	53.88%
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Hard Construction Costs	\$2,330,686	20.63%
Architect & Engineering Fees	\$45,000	0.40%
Contractor Overhead & Profit	\$186,455	1.65%
Developer Fee	\$1,108,834	9.82%
Cost of Issuance	\$261,500	2.32%
Capitalized Interest	\$120,000	1.06%
Deposits to Reserves	\$150,000	1.33%
Other Soft Costs (Marketing, Etc.)	<u>\$1,006,994</u>	<u>8.91%</u>
Total Uses	\$11,295,159	100.00%

Finance Team:

- Bond Counsel: Orrick, Herrington & Sutcliffe, LLP, San Francisco
- Authority Counsel: Orrick, Herrington & Sutcliffe, LLP, Sacramento
- Lender: Umpqua Bank

Financing Structure:

The construction bonds will have a term of 18 months and will carry a variable interest rate of approximately Libor + 1.731%. The Bonds will then convert to the permanent phase for 15 years. The projected true interest cost of the fixed rate loan under current market conditions is estimated to be 5.43%. The bonds will be privately placed with Umpqua Bank.

Policy Compliance:

The Project complies with the following policies:

- CSCDA General Policies
- CSCDA Issuance Policies
- CDLAC's Qualified Residential Rental Program Requirements

Financing Approval:

Based on the overall public benefits as outlined in the California Debt Limit Allocation Committee resolution, as described on the attached Exhibit A, approval of the issuance of Bonds by the City of Vacaville, and conformance to the CSCDA Issuance Policies, the Commission shall approve the Resolution as submitted to the Commission, which:

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

Attachments:

1. Original application
2. City of Vacaville TEFRA Resolution
3. CDLAC Approval

Applicant Information

Primary Contact E-mail: pat@sabelhauslaw.com

Name of Developer: **C.F.Y. Development, Inc.**

TIN or EIN: **68-0182458**

Primary Contact

First Name: **Cyrus**

Last Name: **Youssefi**

Title: **President**

Address:

Street: **1006 4th Street**

Suite: **701**

City: **Sacramento**

State: **California**

Zip: **95814**

Phone: **916-446-4040**

Ext:

Fax: **916-446-4044**

Email: **cfyinc@yahoo.com**

Borrower Description:

☐ Same as developer ?

Name of Borrowing Entity: **Rocky Hill Investors, LP**

Type of Entity:

☐ For-profit Corporation

☐ Non-profit Corporation

☒ Partnership

☐ Other (specify)

☐ Will you be applying for State Volume Cap?

Date Organized: **June 23, 2013**

No. of Multi-Family Housing Projects Completed in the Last 10 Years: **0**

No. of Low Income Multi-Family Housing Projects Completed in the Last 10 Years: **0**

Primary Billing Contact

Organization: **C.F.Y. Development, Inc.**

First Name: **Cyrus**

Last Name: **Youssefi**

Title: **President**

Address

Street: **1006 4th Street**

Suite: **701**

City: **Sacramento**

State: **California**

Zip: **95814**

Phone: **916-446-4040**

Ext:

Fax: **916-446-4044**

Email: **cfyinc@yahoo.com**

Project Information

Project Information

Project Name: **Vacaville**

New Project Name(optional): **Rocky Hill Apartments**

Facility Information

Facility #1

Facility Name: **Rocky Hill Apartments**

Facility Bond Amount: **\$6,190,195.00**

Project Address:

Street: **205-255 Bennett Hill Court**

City: **Vacaville**

State: **California**

Zip: **95688**

County: **Solano**

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

Total Number of Units:

Market: **0**

Restricted: **63**

Total: **63**

Lot size: **Scattered site**

Amenities:

Swimming Pool, Rental office, Central Laundry, Community Area

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

Acquisition / Rehabilitation of 10 - 2 story wood frame buildings

Type of Housing:

☐ New Construction

☒ Acquisition/Rehab

Facility Use:

☒ Family

☐ Senior

Is this an Assisted Living Facility? ☐

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

First Name: **Emily**

Last Name: **Cantu**

Title: **Project Coordinator**

Phone: **707-449-5688**

Ext:

Fax: **707-449-5680**

Email: **ecantu@cityofvacaville.com**

Public Benefit Info:

Percentage of Units in Low Income Housing: **100**

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

Total Number of Management Units: **1**

#	Bedrooms (Unit Size)	%AMI	No. of restricted units	Restricted rent	Market rent	Expected savings
1.	1 Bedroom	50	2	739.00	1,478.00	739.00
2.	2 Bedrooms	30	5	532.00	1,774.00	1,242.00
3.	2 Bedrooms	50	13	887.00	1,774.00	887.00
4.	2 Bedrooms	55	29	976.00	1,774.00	798.00
5.	2 Bedrooms	60	14	1,065.00	1,774.00	709.00

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

Government Information

Project/Facility is in:

Congressional District #:	State Senate District #:	State Assembly District #:
7	5	8

Financing Information

Financing Information

Maturity **40** Years

Interest Rate Mode:

☒ Fixed

☐ Variable

Type of Offering:

☐ Public Offering

☒ Private Placement

☐ New Construction

☐ Acquisition of Existing Facility

☐ Refunding

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

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

Construction Financing:

☐ Credit Enhancement

☒ None

☐ Letter of Credit

☐ Other (specify)

Name of Credit Enhancement Provider or Private Placement Purchaser:

Permanent Financing:

☐ Credit Enhancement

☒ None

☐ Letter of Credit

☐ Other (specify)

Name of Credit Enhancement Provider or Private Placement Purchaser:

Expected Rating:

☒ Unrated

Moody's:

S&P:

Fitch:

Projected State Allocation Pool:

☒ General ☐ Mixed Income ☐ Rural

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

Sources and Uses

Sources and Uses

Sources of Proceeds

Tax-Exempt Bond Proceeds:	<u>\$6,190,195.00</u>
Taxable Bond Proceeds:	<u>\$</u>
Tax Credits:	<u>\$</u>
Developer Equity:	<u>\$</u>
Other Funds (Describe):	
Direct and Indirect Public Funds	<u>\$3,923,186.00</u>
Deferred Developer Fee	<u>\$1,205,631.00</u>
Deferred Operating Reserve	<u>\$142,656.00</u>
	<u>\$</u>
	<u>\$</u>
Total Sources:	<u>\$11,461,668.00</u>

Uses:

Land Acquisition:	<u>\$4,990,266.00</u>
Building Acquisition:	<u>\$1,095,424.00</u>
Construction or Remodel:	<u>\$2,330,686.00</u>
Cost of Issuance:	<u>\$395,000.00</u>
Capitalized Interest:	<u>\$120,000.00</u>
Reserves:	<u>\$142,656.00</u>
Other Uses (Describe):	
Contractor Overhead	<u>\$186,455.00</u>
Architect	<u>\$45,000.00</u>
Developer Fee	<u>\$1,205,631.00</u>
Relocation	<u>\$194,910.00</u>
Soft Costs	<u>\$755,640.00</u>
Total Uses:	<u>\$11,461,668.00</u>

Financing Team Information

Bond Counsel

Firm Name: Orrick Herrington Sutcliffe, LLP

Primary Contact

First Name: Justin

Last Name: Cooper

Title: Attorney

Address:

Street: 405 Howard Street

Suite:

City: San Francisco

State: California

Zip: 94105

Phone: 415-773-5908

Ext:

Fax: 415-773-5759

Email: jcooper@orrick.com

Bank/Underwriter/Bond Purchaser

Firm Name: Chase

Primary Contact

First Name: Shani

Last Name: Searcy

Title: Vice President

Address:

Street: 300 South Grand Ave.

Suite: 400

City: Los Angeles

State: California

Zip: 90071

Phone: 213-621-8391

Ext:

Fax: 213-621-8401

Email: shani.r.searcy@chase.com

Financial Advisor

Firm Name: Law Office of Patrick R. Sabelhaus

Primary Contact

First Name: Patrick

Last Name: Sabelhaus

Title: Attorney

Address:

Street: 1006 4th Street

Suite: 6th Floor

City: Sacramento

State: California

Zip: 95814

Phone: 916-444-0286

Ext: 267

Fax: 916-444-3408

Email: pat@sabelhauslaw.com

Rebate Analyst

Firm Name:

Primary Contact

First Name:

Last Name:

Title:

Address:

Street:

Suite:

City:

State:

Zip:

Phone:

Ext:

Fax:

Email:

RESOLUTION NO. 2013-061

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF VACAVILLE APPROVING
THE ISSUANCE BY THE CALIFORNIA STATEWIDE COMMUNITIES
DEVELOPMENT AUTHORITY OF MULTIFAMILY HOUSING REVENUE BONDS
FOR THE ROCKY HILL AND BENNETT HILL APARTMENTS**

WHEREAS, the California Statewide Communities Development Authority (the "Authority") is authorized pursuant to the provisions of California Government Code Section 6500, et seq. and the terms of an Amended and Restated Joint Exercise of Powers Agreement, dated as of June 1, 1988 (the "Agreement"), among certain local agencies throughout the State of California, including the City of Vacaville (the "City"), to issue revenue bonds in accordance with Chapter 7 of Part 5 of Division 31 of the California Health and Safety Code for the purpose of financing multifamily rental housing projects; and

WHEREAS, Rocky Hill Investors, LP, a limited partnership or related entities, has requested that the Authority adopt a plan of financing providing for the issuance of multifamily housing revenue bonds (the "Bonds") in one or more series issued from time to time, including bonds issued to refund such revenue bonds in one or more series from time to time, and at no time to exceed \$7,000,000 in outstanding aggregate principal amount, to finance the acquisition and rehabilitation of a 64-unit multifamily rental housing project located at 205, 225, and 231 Bennett Hill Drive, 207, 213, 219, 225, 231, 237, 243, 249, and 255 Bennett Hill Court, 110 Meadows Drive, and 470-480 Rocky Hill Road, Vacaville, California, generally known as Rocky Hill and Bennett Hill Apartments (the "Project") and operated by CFY Development, Inc.; and

WHEREAS, the Bonds, or a portion thereof, will be "private activity bonds" for purposes of the Internal Revenue Code of 1986 (the "Code"); and

WHEREAS, pursuant to Section 147(f) of the Code, prior to their issuance, private activity bonds are required to be approved by the "applicable elected representative" of the governmental units on whose behalf such bonds are expected to be issued and by a governmental unit having jurisdiction over the entire area in which any facility financed by such bonds is to be located, after a public hearing held following reasonable public notice; and

WHEREAS, the members of this City Council (the "City Council") are the applicable elected representatives of the City; and

WHEREAS, there has been published, at least 14 days prior to the date hereof, in a newspaper of general circulation within the City, a notice that a public hearing regarding the Bonds would be held on a date specified in such notice; and

WHEREAS, such public hearing was conducted on such date, at which time an opportunity was provided to interested parties to present arguments both for and against the issuance of the Bonds; and

WHEREAS, the Authority is also requesting that the City Council approve the issuance of any refunding bonds hereafter issued by the Authority for the purpose of refinancing the Bonds which financed the Project (the "Refunding Bonds"), but only in such cases where federal tax laws would not require additional consideration or approval by the City Council; and

WHEREAS, it is intended that this resolution shall constitute the approval of the issuance of the Bonds required by Section 147(f) of the Code and Section 9 of the Agreement.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Vacaville does hereby approve the following:

Section 1. The above recitals are true and correct.

Section 2. The City Council hereby approves the issuance of the Bonds and the Refunding Bonds by the Authority. It is the purpose and intent of the City Council that this resolution constitute approval of the Bonds for the purposes of: (a) Section 147(f) of the Code, and (b) Section 9 of the Agreement.

Section 3. The officers of the City are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents that they deem necessary or advisable in order to carry out, give effect to and comply with the terms and intent of this resolution and the financing approved hereby.

Section 4. The City Clerk shall forward a certified copy of this Resolution to:

Justin Cooper, Esq.
Orrick, Herrington & Sutcliffe LLP
405 Howard Street
San Francisco, California 94105

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

I HEREBY CERTIFY that the foregoing resolution was introduced and passed at a noticed meeting of the City Council of the City of Vacaville held on the 13th day of August, 2013, by the following vote:

AYES: Council members Harris, Hunt, Mashburn and Vice-Mayor Rowlett

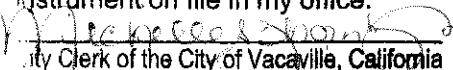
NOES: None

ABSENT: Mayor Hardy

ATTEST:


Michelle A. Thornbrugh, City Clerk

I hereby certify that the foregoing instrument is a true copy of the original instrument on file in my office.


City Clerk of the City of Vacaville, California

RESOLUTION NO. 13-76
(QUALIFIED RESIDENTIAL RENTAL PROJECT)
EXHIBIT A

1. Applicant: California Statewide Communities Development Authority
2. Application No.: 13-094
3. Project Sponsor: Rocky Hill Investors, L.P. (Cyrus Youssefi, Ali Youssefi and Egis Group, Inc. and Vacaville Community Housing)
4. Project Management Co.: C.F.Y. Development, Inc.
5. Project Name: Rocky Hill Apartments
6. Type of Project: Acquisition and Rehabilitation/Family
7. Location: Vacaville, CA
8. Private Placement Purchaser: JP Morgan Chase Bank, N.A. (Construction) / California Community Reinvestment Corporation (Permanent)
9. The Private Placement Purchaser at the time of issuance will be the same as represented in the application.
10. Total Number of Units: **63** plus **1** manager unit
11. Total Number of Restricted Rental Units: **63**
12. The term of the income and rental restrictions for the Project will be at least **55** years.
13. The Project will utilize Gross Rents as defined in Section 5170 of the Committee's Regulations.
Applicable
14. Income and Rental Restrictions:
For the entire term of the income and rental restrictions, the Project will have:

At least **20** Qualified Residential units rented or held vacant for rental for persons or families whose income is at 50% or below of the Area Median Income.

At least **43** Qualified Residential units rented or held vacant for rental for persons or families whose income is at 60% or below of the Area Median Income.
15. For acquisition and rehabilitation projects, a minimum of \$10,000 in hard construction costs will be expended for each Project unit.
Applicable
16. A minimum of \$4,125,000 of public funds will be expended for the Project.
Applicable

RESOLUTION NO. 13-76

Exhibit A

Page 2 of 4

17. At a minimum, the financing for the Project shall include a Taxable Tail in the amount of \$0,000. Taxable debt may only be utilized for Project related expenses, not for the cost of issuance, for which the Project Sponsor could otherwise have used tax-exempt financing.
Not Applicable
18. If the Project received points for having large family units, for the entire term of the income and rental restrictions, the Project will have at least three-bedroom or larger units.
Not Applicable
19. For a period of ten (10) years after the Project is placed in use, the Project will provide to Project residents high-speed Internet or wireless (WiFi) service in each Project unit.
Not Applicable
20. For a period of ten (10) years after the Project is placed in use, the Project will offer to Project residents an after school programs of an ongoing nature on-site or there must be an after school program available to Project residents within 1/4 mile of the Project. The programs shall include, but are not limited to: tutoring, mentoring, homework club, and art and recreation activities to be provided weekdays throughout the school year for at least 10 hours per week.
Not Applicable
21. For a period of ten (10) years after the Project is placed in use, the Project will offer to Project residents instructor-led educational, health and wellness, or skill building classes. The classes shall include, but are not limited to: financial literacy, computer training, home-buyer education, GED, resume building, ESL, nutrition, exercise, health information/awareness, art, parenting, on-site food cultivation and preparation and smoking cessation. Classes shall be provided at a minimum of 84 hours per year (drop-in computer labs, monitoring and technical assistance shall not qualify) and be located within 1/4 mile of the Project.
Not Applicable
22. For a period of ten (10) years after the Project is placed in use, the Project will offer to Project residents 20 hours or more per week of licensed childcare on-site or there must be 20 hours or more per week of licensed childcare available to Project residents within 1/4 mile of the Project.
Not Applicable
23. For a period of ten (10) years after the Project is placed in use, the Project will offer to Project residents health and wellness services and programs within 1/4 mile of the Project. Such services and programs shall provide individualized support for tenants (not group classes) but need to be provided by licensed individuals or organizations. The services shall include, but are not limited to: visiting nurses programs, intergenerational visiting programs, and senior companion programs. Services shall be provided for a minimum of 100 hours per year.
Not Applicable
24. For a period of ten (10) years after the Project is placed in use, the Project will offer to Project residents a bona fide service coordinator. The responsibilities must include, but are not limited to: (a) providing tenants with information about available services in the community, (b) assisting tenants to access services through referral and advocacy, and (c) organizing community-building and/or enrichment activities for tenants (such as holiday events, tenant council, etc.)
Not Applicable
25. All projects that receive points for being a Federally Assisted At-Risk Project will renew all Section 8 HAP Contracts or equivalent Project-based subsidies for their full term, and will seek additional renewals, if available, throughout the Project's useful life.
Not Applicable
26. All projects that receive points for being a Federally Assisted At-Risk Project based on an expiring Low Income Housing Tax Credit Regulatory Agreement or Tax-Exempt Bond Regulatory Agreement shall have a plan in place to re-certify the incomes of the existing tenants and shall not cause involuntary displacement of any tenant whose income may exceed the Project's income limits.
Not Applicable

27. Applicants shall meet the multiple sustainable building standards utilizing landscaping and construction materials which are compatible with the neighborhood in which the proposed project is to be located, and that the architectural design and construction materials will provide for low maintenance and durability, as well as be suited to the environmental conditions to which the project will be subjected:

Applicable

Section Waived:

<input type="checkbox"/>	Energy Efficiency
<input type="checkbox"/>	CALGreen Compliance
<input type="checkbox"/>	Landscaping
<input type="checkbox"/>	Roofs
<input type="checkbox"/>	Exterior Doors
<input type="checkbox"/>	Appliances
<input type="checkbox"/>	Window Coverings
<input type="checkbox"/>	Water Heater
<input type="checkbox"/>	Floor Coverings
<input type="checkbox"/>	Paint
<input type="checkbox"/>	Insulation

28. The project commits to becoming certified under any one of the following programs upon completion:
- a. Leadership in Energy & Environmental Design (LEED) **Not Applicable**
 - b. Green Communities **Not Applicable**
 - c. GreenPoint Rated Multifamily Guidelines **Not Applicable**
29. The project is a New Construction or Adaptive Reuse Project exceeding the Standards of Title 24, Part 6, of the California Building Code by:
- a. 17.5% **Not Applicable**
 - b. 20% **Not Applicable**
 - c. 25% **Not Applicable**
30. The Project will exceed the minimum energy efficiency certification requirements for New Construction/ Adaptive Reuse:
- a. LEED for Homes (Silver) **Not Applicable**
 - b. LEED for Homes (Gold) **Not Applicable**
 - c. Green Point Rated (100) **Not Applicable**
 - d. Green Point Rated (125) **Not Applicable**
31. The project is a Home Energy Rating System (HERS II) Rehabilitation Project that commits to improve energy efficiency above the current modeled energy consumption of the building(s) by:
- a. 15% **Not Applicable**
 - b. 20% **Not Applicable**
 - c. 25% **Not Applicable**
 - d. 30% **Not Applicable**
32. The project is a Rehabilitation Project that commits to developing, and/or managing the Project with the following Photovoltaic generation or solar energy:
- a. Photovoltaic generation that offsets tenants loads **Not Applicable**
 - b. Photovoltaic generation that offsets 50% of common area load **Not Applicable**
 - c. Solar hot water for all tenants who have individual water meters **Not Applicable**

33. The project will implement sustainable building management practices that include: 1) development of a percent-specific maintenance manual including replacement specifications and operating information on all energy and green building features; 2) Certification of building management staff in sustainable building operations per BPI Multifamily Building Operator or equivalent training program; and 3) Undertaking formal building systems commissioning, retro-commissioning or re-commissioning as appropriate (continuous commissioning is not required:

Not Applicable

34. The project will sub-meter centralized hot water systems for all tenants:

Not Applicable

RESOLUTION NO. 14H-__

A RESOLUTION OF THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY AUTHORIZING THE ISSUANCE AND DELIVERY OF MULTIFAMILY HOUSING REVENUE BONDS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$8,000,000 FOR THE FINANCING OF A MULTIFAMILY RENTAL HOUSING PROJECT GENERALLY KNOWN AS ROCKY HILL APARTMENTS; DETERMINING AND PRESCRIBING CERTAIN MATTERS AND APPROVING AND AUTHORIZING THE EXECUTION OF AND DELIVERY OF VARIOUS DOCUMENTS RELATED THERETO; RATIFYING ANY ACTION HERETOFORE TAKEN AND APPROVING RELATED MATTERS IN CONNECTION WITH THE BONDS.

WHEREAS, the California Statewide Communities Development Authority (the “Authority”) is authorized by the Joint Powers Act, commencing with Section 6500 of the California Government Code (the “JPA Law”), and its Amended and Restated Joint Exercise of Powers Agreement, dated as of June 1, 1988, as the same may be amended (the “Agreement”), to issue revenue bonds for the purpose of financing, among other things, the acquisition, construction, 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, Rocky Hill Partners, LP, and entities related thereto (collectively, the “Borrower”), has requested that the Authority issue, sell, and deliver its California Statewide Communities Development Authority Multifamily Housing Revenue Bonds (Rocky Hill Apartments Project) 2014 Series D (the “Bonds”) to assist in the financing of the acquisition, rehabilitation and development of a 64-unit multifamily rental housing project located on two sites in the City of Vacaville, California, and known as Rocky Hill Apartments (the “Project”);

WHEREAS, on September 18, 2013, the Authority received an allocation in the amount of \$6,190,195 (the “Allocation Amount”) from the California Debt Limit Allocation Committee in connection with the Project;

WHEREAS, the City of Vacaville (the “City”) is a Program Participant (as defined in the Agreement) of the Authority and has authorized the issuance of the Bonds;

WHEREAS, the Authority is willing to issue not to exceed \$8,000,000 aggregate principal amount of Bonds, provided that the portion of such Bonds issued as federally tax-exempt obligations shall not exceed the Allocation Amount, 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 Bonds will be privately placed with Umpqua Bank (the “Bank”), as the initial purchaser of the Bonds, 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 Bonds, and such documents are now in substantial form and appropriate instruments to be executed and delivered for the purposes intended:

(1) Master Agency Agreement (the “Agency Agreement”) to be entered into between the Authority and the Bank, as agent (the “Agent”);

(2) Master Pledge and Assignment (the “Pledge and Assignment”) to be entered into among the Authority, the Agent and the Bank, as bondholder; and

(3) A Regulatory Agreement and Declaration of Restrictive Covenants relating to each site (collectively, the “Regulatory Agreement”) to be entered into between the Authority and the Borrower;

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

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

Section 2. Pursuant to the JPA Law and the Pledge and Assignment, and in accordance with the Housing Law, the Authority is hereby authorized to issue one or more series of Bonds. The Bonds shall be designated as “California Statewide Communities Development Authority Multifamily Housing Revenue Bonds (Rocky Hill Apartments Project) 2014 Series D,” including, if and to the extent necessary, one or more sub-series, with appropriate modifications and series and sub-series designations as necessary, in an aggregate principal amount not to exceed \$8,000,000; provided that the aggregate principal amount of any tax-exempt Bonds issued shall not exceed the Allocation Amount. The Bonds shall be issued in the form set forth in and otherwise in accordance with the Pledge and Assignment, and shall be executed on behalf of the Authority by the facsimile signature of the Chair of the Authority or the manual signature of any Authorized Signatory (as defined below), and attested by the facsimile signature of the Secretary of the Authority or the Assistant to the Secretary of the Authority, or the manual signature of any Authorized Signatory. The Bonds shall be issued and secured in accordance with the terms of the Pledge and Assignment presented to this meeting, as hereinafter approved. Payment of the principal and purchase price of, and redemption premium, if any, and interest on, the Bonds shall be made solely from amounts pledged thereto under the Pledge and Assignment, and the Bonds 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 Pledge and Assignment 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. 14R-4 of the Authority, adopted on February 6, 2014) (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 Pledge and Assignment, with such changes and insertions therein as may be necessary to cause the same to carry out the intent of this Resolution and as are approved by counsel to the Authority, such approval to be conclusively evidenced by the delivery thereof. The date, maturity date or dates (which shall not extend beyond March 1, 2059), interest rate or rates (which shall not exceed 12%), interest payment dates, denominations, form, registration privileges, manner of execution, place of payment, terms of redemption and other terms of the Bonds shall be as provided in the Pledge and Assignment as finally executed.

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

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

Section 6. The Authority is hereby authorized to sell the Bonds to the Bank pursuant to the terms and conditions of the Pledge and Assignment.

Section 7. The Bonds, when executed, shall be delivered to the Agent for registration. The Agent is hereby requested and directed to register the Bonds by executing the certificate of registration appearing thereon, and to deliver the Bonds, when duly executed and authenticated, to or at the direction of the purchasers thereof in accordance with written instructions executed and delivered on behalf of the Authority by an Authorized Signatory, which any Authorized Signatory, acting alone, is hereby authorized and directed to execute and deliver such instructions to the Agent. Such instructions shall provide for the delivery of the Bonds to the purchasers thereof upon payment of the purchase price thereof.

Section 8. All actions heretofore taken by the officers and agents of the Authority with respect to the financing of the Project and the sale and issuance of the Bonds are hereby approved, ratified and confirmed, and any Authorized Signatory, acting alone, is hereby authorized and directed, for and in the name and on behalf of the Authority, to do any and all things and take any and all actions and execute and deliver any and all certificates, agreements and other documents, including but not limited to a tax certificate, loan related documents, an assignment of deed of trust and such other documents as described in the Pledge and Assignment and the other documents herein approved, which they, or any of them, may deem necessary or advisable in order to consummate the lawful issuance and delivery of the Bonds and to effectuate the purposes thereof and of the documents herein approved in accordance with this resolution and resolutions heretofore adopted by the Authority and otherwise in order to carry out the financing of the Project.

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

Section 10. This Resolution shall take effect upon its adoption.

PASSED AND ADOPTED by the California Statewide Communities Development Authority this February 20, 2014.

The undersigned, an Authorized Signatory of the California Statewide Communities Development Authority, DOES HEREBY CERTIFY that the foregoing resolution was duly adopted by the Commission of the Authority at a duly called meeting of the Commission of the Authority held in accordance with law on February 20, 2014.

By _____
Authorized Signatory

Item VIII.

Consideration of the following resolutions related to the upcoming Statewide Community Infrastructure Program (SCIP) Project: (Staff: Scott Carper)

- a. A resolution approving final engineer's reports, levying assessments, ordering the financing of specified development impact fees and capital improvements, and confirming unpaid assessment amounts.
- b. A resolution providing for the issuance of two series of SCIP limited obligation improvement bonds and approving a trust agreement.

FINAL

ENGINEER'S REPORT

**CALIFORNIA STATEWIDE COMMUNITIES
DEVELOPMENT AUTHORITY**



**ASSESSMENT DISTRICT No. 14-01
CITY OF ROCKLIN, COUNTY OF PLACER**

BEGINNING FISCAL YEAR 2014-2015

INTENT MEETING: NOVEMBER 26, 2013

PUBLIC HEARING: FEBRUARY 20, 2014

Prepared by

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San Francisco, California 94109
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Public Finance
Public Private Partnerships
Urban Economics

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

**CALIFORNIA STATEWIDE COMMUNITIES
DEVELOPMENT AUTHORITY**

Scott Carper
California Statewide Communities Development Authority

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David Taussig
Stephen A. Runk, P.E.
Nathan D. Perez, Esq.
David Taussig & Associates, Inc.

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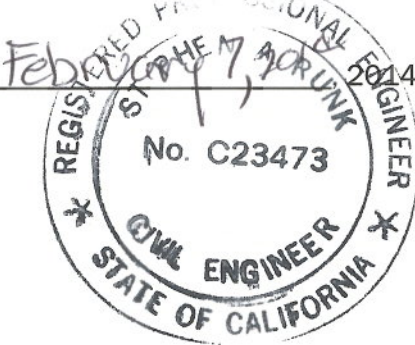
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APPENDICES

Appendix A: ASSESSMENT ROLL

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

Date:



David Taussig & Associates, Inc.

By:

Stephen A. Runk, P.E.

License Number: C23473

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

By: _____

Assistant to Secretary of the Authority,
California Statewide Communities
Development Authority

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

By: _____

Assistant to Secretary of the Authority,
California Statewide Communities
Development Authority

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

By: _____

Superintendent of Streets of the Authority,
California Statewide Communities
Development Authority

David Taussig & Associates, Inc., Assessment Engineer for the California Statewide Communities Development Authority (the "Authority") (Statewide Communities Infrastructure Program) Assessment District No. 14-01 (City of Rocklin, County of Placer, California) hereinafter referred to as "District," makes this report (hereinafter "Engineer's Report" or "Report"), as directed by the Commission of the Authority, in accordance with the Resolution of Intention, Resolution No. 13R-40, and pursuant to Section 10204 of the Streets and Highways Code (Municipal Improvement Act of 1913) and Article XIID of the California Constitution, which was added in November 1996 through the passage of Proposition 218 by voters of the State of California.

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

A. Impact Fees

- 1 Local Traffic Fees (*Resolution No. 2011-125*) – Traffic impact fees to fund capital improvements to the City of Rocklin’s roadway and traffic system.
- 2 Highway 65 Interchange Improvement Fees (*Resolution No. 2007-01*) – Fees collected against new development to fund street improvements along Highway 65. The Highway 65 Interchange Impact Fee is exacted against new development to fund its fair share of the capital street improvements associated with growth.
- 3 South Placer Regional Traffic Fees (*Resolution No. 2008-02*) – Fees collected against new development to fund street improvements dedicated to and maintained by the County of Placer.
- 4 AB 1600 Public Facilities Fee (*Ordinance No. 893*) – Fees collected against new development to meet future growth requirements for two facilities categories: Community Parks and Park Development.

B. Capital Improvements

The following capital improvements located within the City of Rocklin, County of Placer, and specifically within the Stanford Ranch project, will be funded, or partially funded, by proceeds from this bond issuance.

- 1 Drainage Improvements – Funding for capital improvements including, but not limited to, facilities for the collection and disposal of storm waters and for flood control purposes, as well as supporting improvements and related facilities such as construction and installation of storm drains, water pipes, and mains associated with the utility connections of the Stanford Ranch development.
- 2 Traffic / Surface Improvements – Funding for capital improvements including, but not limited to, streets, roads, and public ways, as well as supporting improvements and related facilities such as construction, widening, and installation of grading, paving, curbs, gutters, sidewalks, site utilities, street name signs, and survey monuments associated with the Stanford Ranch development.

C. Reimbursement for Capital Improvements – Stanford Ranch

Future negotiations and agreements between the City of Rocklin (“City”) and the project developer may outline a mechanism whereby the developer of a “benefited” property would pay the City for that property’s share of the costs of certain public facilities. Such payments related to public facilities privately financed by the developer of Stanford Ranch would then be paid, when received by the City, to the developer of the Stanford Ranch project. Such payments related to public facilities financed by the District would be allocated to the parcels within the District in proportion to their respective original assessments as shown in

this Report. As pertains to any of those parcels that the developer of Stanford Ranch may sell, those amounts would be paid to the developer of Stanford Ranch. As pertains to any such parcels still owned by the developer of Stanford Ranch, the City would use those amounts to partially prepay the assessments on those parcels pursuant to Streets and Highways Code Section 8766.5.

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

This Report includes the following sections:

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

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

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

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

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

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

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

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

Summary Cost Estimate

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

Cost Estimate City of Rocklin, County of Placer - Stanford Ranch & Parkview					
Description	Development Impact Fees	Special Benefit Apportioned to Project	Total Amount (\$)	Amounts Pre-Paid by & Reimbursable to Developer	Amount Funded to Agency
Stanford Ranch Impact Fees					
Local Traffic Fee	\$347,208	100%	\$347,208	\$0	\$347,208
Highway 65 Interchange Improvement Fee	\$115,828	100%	\$115,828	\$0	\$115,828
Park Development Fee	\$0	100%	\$0	\$119,508	\$0
Community Park Fee	\$65,412	100%	\$65,412	\$0	\$65,412
South Placer Regional Traffic Fee	\$176,180	100%	\$176,180	\$0	\$176,180
Inflationary Adjustment (5%)	\$35,231	100%	\$35,231	\$0	\$35,231
Parkview Impact Fees					
Local Traffic Fee	\$230,214	100%	\$230,214	\$0	\$230,214
Highway 65 Interchange Improvement Fee	\$76,799	100%	\$76,799	\$0	\$76,799
Park Development Fee	\$121,085	100%	\$121,085	\$0	\$121,085
Community Park Fee	\$43,371	100%	\$43,371	\$0	\$43,371
Inflationary Adjustment (5%)	\$23,573	100%	\$23,573	\$0	\$23,573
Subtotal	\$1,234,902		\$1,234,902	\$119,508	\$1,234,902
Improvements Funded (Stanford Ranch)					
Drainage Improvements	\$254,641	95%	\$241,908	\$241,908	\$0
Street & Surface Improvements	\$838,065	90%	\$754,258	\$754,258	\$0
Subtotal	\$1,092,705		\$996,167	\$996,167	NA
Professional Services					
Stanford Ranch					
Assessment Engineer	\$12,600		\$12,600	\$0	\$12,600
Appraiser	\$5,000		\$5,000	\$0	\$5,000
District Administration	\$10,000		\$10,000	\$0	\$10,000
Parkview					
Assessment Engineer	\$6,600		\$6,600	\$0	\$6,600
Appraiser	\$5,000		\$5,000	\$0	\$5,000
District Administration	\$10,000		\$10,000	\$0	\$10,000
Subtotal	\$49,200		\$2,399,777	\$0	\$2,399,777
Financing Costs					
Bond Reserve Fund	10.00%		\$296,303	-	-
Capitalized Interest	4.00%		\$118,521	-	-
Legal	1.00%		\$29,630	-	-
Issuer	1.50%		\$44,445	-	-
Underwriter	2.50%		\$74,076	-	-
Contingency	0.01%		\$280	-	-
Subtotal	19.01%		\$563,256	-	-
Total Assessment			\$2,963,033		

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

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

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

Assessment Roll							
City of Rocklin, County of Placer - Stanford Ranch & Parkview							
Assessment No.	Project	Assessor Parcel Number	Assessed Value	Acreage	Owner & Address	Preliminary Assessment	Final Assessment
1	Stanford Ranch	017-081-069	\$5,059,200	20.5	John Mourier Construction, Inc. 1430 Blue Oaks Boulevard Roseville, CA 95747	\$3,134,195	\$2,325,128
2	Parkview	365-010-041	\$2,135,000	10.8	D.R. Horton Bay, Inc. 5050 Hopyard Road, Suite 180 Pleasanton, CA 94588	\$2,092,715	\$637,905
Total			\$7,194,200	31.3		\$5,226,910	\$2,963,033

A. Background

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

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

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

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

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

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

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

B. Special Benefit

1. Development Impact Fees

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

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

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

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

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

Accordingly, the finding and allocation of “special benefit” present in this Engineer’s Report is also predicated on the AB 1600 Nexus Studies previously developed for each of the fees outlined in Section III, under the principle that the above AB 1600 “fair share” requirements also comprehensively demonstrate 100% “special benefit.” These AB 1600 Nexus Studies are voluminous and will not be bound in this Report, but by this reference are incorporated as if attached to this Report. The plans and specifications are on file with the City of Rocklin, the County of Placer, California, and/or associated public agencies in the region.

2. Capital Improvements

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

a. Drainage Improvements

Stormwater, drainage, and flood control facilities are sized based upon estimated storm flows, which vary with the size of the tributary drainage area, slope, soil type, antecedent runoff condition, rainfall intensity, and impervious ground cover. Accordingly, special benefit related to stormwater facilities is calculated using drainage coefficients provided by the U.S. Department of Agriculture for each type of land use and building area coverage ratios, i.e., stormwater is apportioned relative to the various tributary drainage areas that impact the property. The Stanford Ranch project consists of only single family

residential lots of approximately the same area, therefore the relative contribution of runoff among the various lots is effectively the same.

On its face, the drainage improvements would provide 100% special benefit to Stanford Ranch residents, however it is arguable that the improvements mitigate potential flood conditions in the immediately adjacent vicinity by virtue of its runoff containment, and it is conceivable that future residents from neighboring communities may enjoy the use of the improvements. Therefore, a general benefit of 5% of the costs for drainage is assigned to drainage facilities.

b. Transportation Improvements

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

Ultimately, there will be a general benefit related to these improvements. Given uncertainty regarding future land development, DTA very conservatively and generously assigned general benefit to the roadway and street system improvements of 10%.

C. Apportionment

The assessments for each of the two (2) developments will be apportioned by each respective development's initial assessment burden, as shown in Section VI (Assessment Roll), and then on a pro rata basis within each development based on the projected unit counts for any newly created parcels (by lot line adjustments and/or subdivisions) within such development as described on the following pages.

1. Benefiting Properties within the District

At the time this Report was prepared, the two (2) developments comprising this District – Stanford Ranch and Parkview - consisted of Assessor's Parcels 017-081-069-000, and 365-010-041-000, which encompass a current total gross acreage of 31.3 acres. The property is located in a residential zoned area of the City. Based on currently available data, the proposed development will consist of 92 and 61 single family units, respectively for the Stanford Ranch and Parkview developments.

Each parcel will have certain fees and improvements funded through SCIP and will be assessed for such fees and improvements financed through the District. If building plans change or the existing parcels are not subdivided as planned, the assessment will be allocated to each new assessor's parcels in proportion to the original assessment based on the acreage of each assessor's parcel.

2. Benefit Analysis

Development Impact Fees

The method of apportionment established for the development reflects the proportional special benefit that each property receives from the levied developed impact fees. The assessments for this development will be apportioned onto the two (2) existing Assessor's Parcels on which the development is located based: first, on each development's projected share of the overall development impact fee burden, and thus the initial District assessment; and second, pro-rata by development, based on the projected unit counts noted above.

The assessments for this development will be placed onto the currently existing Assessor's Parcels on which the development is located based on gross acreage. If the existing parcels are subdivided at a future date, the assessments will be apportioned between the new Assessor's Parcels in proportion to the number of new single family homes on each parcel and within each development, subject to the initial bifurcation of the assessment burden between Stanford Ranch and Parkview. In the absence of unit counts at the time of the reapportionment, the original assessment will be apportioned between the new parcels in *proportion* to the net acreage of the subdivided parcels.

Capital Improvements

The method of apportionment established for the Stanford Ranch development reflects the proportional special benefit that the property receives from the improvements. For this residential development, it has been determined that the benefit to each of the ninety-two (92) single family residential is identical and that the most appropriate allocation of special benefit assessment is to assign to each property an amount equal to the total assessment amount associated with the single family residential property divided by the total number of approved single family residential units within the District, or one equivalent benefit unit ("EBU") for each proposed single family residential unit.

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

Because all future lots and parcels within the development which are proposed to have buildings constructed on them benefit from the District improvements, they will be assessed for the portion of the specific costs of the improvements that are attributable to them. Lots or areas which are designed as common lots for parking, landscaping, and/or ingress and egress for the site, and which service the lots with

building or storage uses within the development and which are not expected to have buildings located on them, will not be assessed.

D. Conclusion

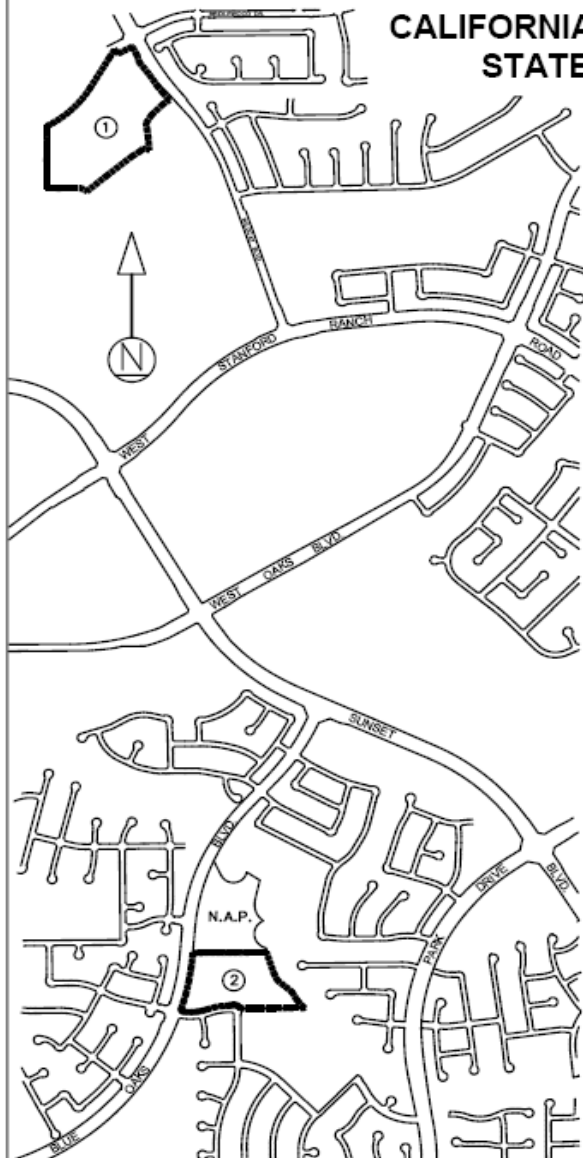
In conclusion, it is the Assessment Engineer's opinion that the assessments for the California Statewide Communities Development Authority (Statewide Communities Infrastructure Program) District No. 14-01 (City of Rocklin, County of Placer, California) are allocated in accordance with the direct and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

A Boundary Map showing the Assessment District, including the boundaries and dimensions of the parcels, lots, or subdivisions of land within the Assessment District as they existed at the time of the passage of the Resolution of Intention, has been filed and recorded at the County of Placer Recorder's office (Document No: 2013-0114448). Each of the subdivisions of land, parcels, or lots has been given a separate number on the Boundary Map that corresponds with the assessment number shown on the Assessment Roll.

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

SHEET 1 OF 1

**AMENDED ASSESSMENT DIAGRAM
CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY
STATEWIDE COMMUNITIES INFRASTRUCTURE PROGRAM
ASSESSMENT DISTRICT NO. 14-01
(CITY OF ROCKLIN, COUNTY OF PLACER)
STATE OF CALIFORNIA**



Assessment Number	Assessor Parcel Number
1	017-081-069-000
2	365-010-041-000

This map amends the Assessment Diagram for California Statewide Communities Development Authority Assessment District 14-01 (City of Rocklin, County of Placer) State of California, prior recorded at Book 7 of Maps of Assessment and Community Facilities Districts at Page 43-1, as Document No. 2013-0114449, on December 16, 2013, in the Office of the County Recorder of the County of Placer, State of California.

LEGEND

(N)	Assessment Number
—	Boundary Line

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

PREPARED BY DAVID TAUSSIG AND ASSOCIATES, INC.

Filed this _____ day of _____, 2014, at the hour of _____ o'clock ____ m., in the book _____ of Maps of Assessment and Community Facilities Districts at page _____ in the office of the Recorder of the County of Placer, State of California.

By Deputy,
County Recorder, County of Placer

Document No.: _____

Fee: _____

Filed in the office of the Secretary of the California Statewide Communities Development Authority on the _____ day of _____, 2014.

Secretary of the Authority
California Statewide Communities Development Authority

An assessment was levied by the Commission of the California Statewide Communities Development Authority on the lots, pieces and parcels of land shown on this amended assessment diagram. Said assessment was levied on the _____ day of _____, 2014; said assessment diagram and the assessment roll were recorded in the office of the Superintendent of Streets, of the California Statewide Communities Development Authority, on the _____ day of _____, 2014. Reference is made to the assessment roll recorded in the office of the Superintendent of Streets, for the exact amount of each assessment levied against each parcel of land shown on this diagram.

Secretary of the Authority
California Statewide Communities Development Authority

Recorded in the office of the Superintendent of Streets of the California Statewide Communities Development Authority on the _____ day of _____, 2014.

Superintendent of Streets of the
California Statewide Communities Development Authority

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

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

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

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

The total confirmed assessment liens for California Statewide Communities Development Authority (Statewide Communities Infrastructure Program) District No. 14-01 (City of Rocklin, County of Placer, California) equals \$2,963,033.

The County of Placer's assessed value of the parcels within California Statewide Communities Development Authority (Statewide Communities Infrastructure Program) District No. 14-01 (City of Rocklin, County of Placer, California) totals \$7,194,200.

One-half of the assessed value of the parcels within California Statewide Communities Development Authority (Statewide Communities Infrastructure Program) District No. 14-01 (City of Rocklin, County of Placer, California) totals \$3,597,100.

The value-to-lien based on the County of Placer's assessed value for all properties located in the District is 2.43 to 1.

An appraisal is being performed by the firm of Seevers, Jordan and Ziegenmeyer (SJZ) for the appraised value of the parcels located within California Statewide Communities Development Authority (Statewide Communities Infrastructure Program) District No. 14-01 (City of Rocklin, County of Placer, California) and will be incorporated into the Final Engineer's Report and/or Official Statement for any bonds to be issued that are secured by the District.

[http://localhost:9010/resources/Clients/SCIP/Rocklin \(DR Horton\)/Engineer's Report/CSCDA AD No 14-01 \(Placer County\) Engineer's Report \(Final 02.06.14\).docx](http://localhost:9010/resources/Clients/SCIP/Rocklin (DR Horton)/Engineer's Report/CSCDA AD No 14-01 (Placer County) Engineer's Report (Final 02.06.14).docx)

Attachment 1

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

Assessment Roll

(Please See Section VI)



Public Finance
Public Private Partnerships
Urban Economics

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San Francisco, CA 94109
Phone (800) 969-4382

FINAL

ENGINEER'S REPORT

**CALIFORNIA STATEWIDE COMMUNITIES
DEVELOPMENT AUTHORITY**



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

BEGINNING FISCAL YEAR 2014-2015

INTENT MEETING: DECEMBER 19, 2013

PUBLIC HEARING: FEBRUARY 20, 2014

Prepared by

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Public Finance
Public Private Partnerships
Urban Economics

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San Francisco
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Riverside
Chicago, Illinois
Dallas, Texas

**CALIFORNIA STATEWIDE COMMUNITIES
DEVELOPMENT AUTHORITY**

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California Statewide Communities Development Authority

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Stephen A. Runk, P.E.
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David Taussig & Associates, Inc.

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APPENDICES

Appendix A: ASSESSMENT ROLL

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

Date: _____



David Taussig & Associates, Inc.

By: _____

Stephen A. Runk, P.E.

License Number: C23473

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

By: _____

Assistant to Secretary of the Authority,
California Statewide Communities
Development Authority

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

By: _____

Assistant to Secretary of the Authority,
California Statewide Communities
Development Authority

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

By: _____

Superintendent of Streets of the Authority,
California Statewide Communities
Development Authority

David Taussig & Associates, Inc., Assessment Engineer for the California Statewide Communities Development Authority (the "Authority") (Statewide Communities Infrastructure Program) Assessment District No. 14-01 (City of Manteca, County of San Joaquin, California) hereinafter referred to as "District," makes this report (hereinafter "Engineer's Report" or "Report"), as directed by the Commission of the Authority, in accordance with the Resolution of Intention, Resolution No. 13R-44, and pursuant to Section 10204 of the Streets and Highways Code (Municipal Improvement Act of 1913) and Article XIID of the California Constitution, which was added in November 1996 through the passage of Proposition 218 by voters of the State of California.

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

A. Impact Fees

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

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

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

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

building space.

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

B. Capital Improvements

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

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

C. Reimbursement for Capital Improvements

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

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

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

This Report includes the following sections:

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

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

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

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

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

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

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

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

Summary Cost Estimate

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

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

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

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

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

A. Background

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

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

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

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

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

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

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

B. Special Benefit

1. Development Impact Fees

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

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

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

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

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

Accordingly, the finding and allocation of “special benefit” present in this Engineer’s Report is also predicated on the AB 1600 Nexus Studies previously developed for each of the fees outlined in Section III, under the principle that the above AB 1600 “fair share” requirements also comprehensively demonstrate 100% “special benefit.” These AB 1600 Nexus Studies are voluminous and will not be bound in this Report, but by this reference are incorporated as if attached to this Report. The plans and specifications related to the public improvements funded by these impact and connection fees are on file with the City of Manteca, the County of San Joaquin, California, and/or associated public agencies in the region.

2. Capital Improvements

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

a. Roadway Improvements

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

residential, all lots have the same relative impact as any other lot in the development.

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

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

b. Stormwater/Drainage Facilities

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

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

c. Sanitary Sewer

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

d. Potable & Non Potable Water

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

e. Park & Other Improvements

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

C. Apportionment

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

1. Benefiting Properties within the District

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

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

2. Benefit Analysis

Development Impact Fees

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

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

Capital Improvements

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

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

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

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

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

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

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

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

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

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

D. Conclusion

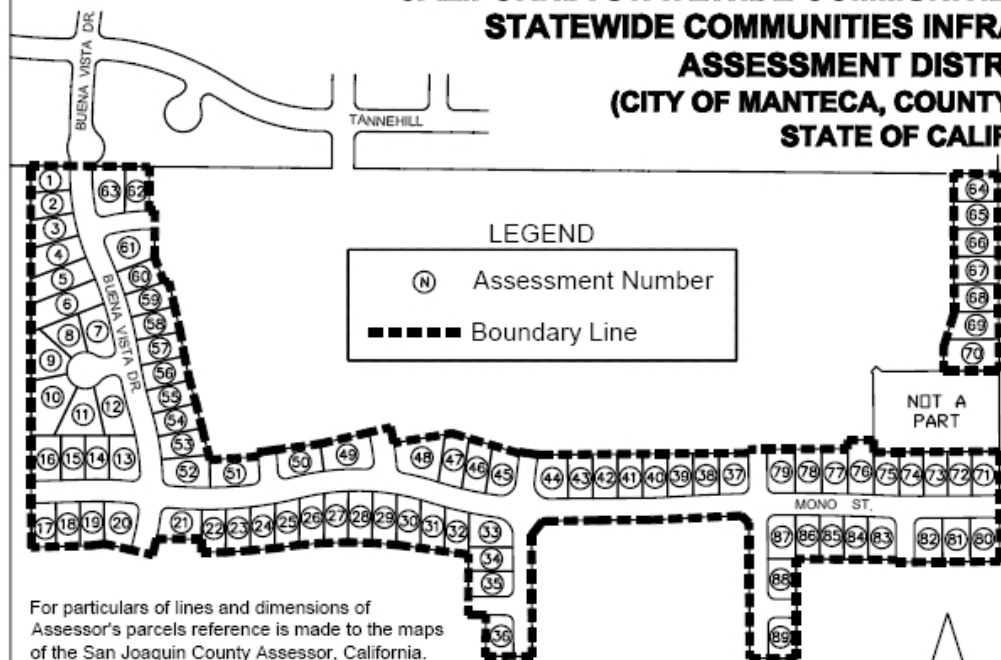
In conclusion, it is the Assessment Engineer's opinion that the assessments for the California Statewide Communities Development Authority (Statewide Communities Infrastructure Program) Assessment District No. 14-01 (City of Manteca, County of San Joaquin, California) are allocated in accordance with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

A Boundary Map showing the Assessment District, including the boundaries and dimensions of the parcels, lots, or subdivisions of land within the Assessment District as they existed at the time of the passage of the Resolution of Intention, has been filed and recorded at the County of San Joaquin Recorder's office (Document No: 2014-008135). Each of the subdivisions of land, parcels, or lots has been given a separate number on the Boundary Map that corresponds with the assessment number shown on the Assessment Roll.

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

SHEET 1 OF 1

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



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

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

PREPARED BY DAVID TAUSSIG AND ASSOCIATES, INC.

MANTECA AVENUE

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

By Deputy,
County Recorder, County of San Joaquin

Document No.: _____

Fee: _____

Filed in the office of the Secretary of the California Statewide Communities Development Authority on the _____ day of _____, 201____.

Secretary of the Authority
California Statewide Communities Development Authority

An assessment was levied by the Commission of the California Statewide Communities Development Authority on the lots, pieces and parcels of land shown on this assessment diagram. Said assessment was levied on the _____ day of _____, 201____; said assessment diagram and the assessment roll were recorded in the office of the Superintendent of Streets, of the California Statewide Communities Development Authority, on the _____ day of _____, 201____. Reference is made to the assessment roll recorded in the office of the Superintendent of Streets, for the exact amount of each assessment levied against each parcel of land shown on this diagram.

Secretary of the Authority
California Statewide Communities Development Authority

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

Superintendent of Streets of the
California Statewide Communities Development Authority

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

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

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

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

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

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

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

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

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

[http://localhost:9010/resources/Clients/SCIP/Manteca \(Pillsbury Estates\)/Engineer's Report/CSCDA AD No. 14-01 \(San Joaquin County\) Engineer's Report \(Final 02.06.2014\).docx](http://localhost:9010/resources/Clients/SCIP/Manteca (Pillsbury Estates)/Engineer's Report/CSCDA AD No. 14-01 (San Joaquin County) Engineer's Report (Final 02.06.2014).docx)

Attachment 1

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

Assessment Roll

Assessment Roll							
City of Manteca, County of San Joaquin - Orchard Park							
Asmt No.	Project	Assessor Parcel Number	Assessed Value	Acreage	Owner & Address	Preliminary Assessment	Final Assessment
1	Orchard Park	226-240-010-000	\$3,317	0.169	Meritage Homes Of California, Inc. 1671 E Monte Vista Avenue #214, Vacaville, CA 95688	\$21,741	\$21,741
2	Orchard Park	226-240-020-000	\$3,317	0.175	Meritage Homes Of California, Inc. 1671 E Monte Vista Avenue #214, Vacaville, CA 95688	\$21,741	\$21,741
3	Orchard Park	226-240-030-000	\$3,317	0.198	Meritage Homes Of California, Inc. 1671 E Monte Vista Avenue #214, Vacaville, CA 95688	\$21,741	\$21,741
4	Orchard Park	226-240-040-000	\$3,317	0.236	Meritage Homes Of California, Inc. 1671 E Monte Vista Avenue #214, Vacaville, CA 95688	\$21,741	\$21,741
5	Orchard Park	226-240-050-000	\$3,317	0.258	Meritage Homes Of California, Inc. 1671 E Monte Vista Avenue #214, Vacaville, CA 95688	\$21,741	\$21,741
6	Orchard Park	226-240-060-000	\$3,317	0.321	Meritage Homes Of California, Inc. 1671 E Monte Vista Avenue #214, Vacaville, CA 95688	\$21,741	\$21,741
7	Orchard Park	226-240-070-000	\$3,317	0.229	Meritage Homes Of California, Inc. 1671 E Monte Vista Avenue #214, Vacaville, CA 95688	\$21,741	\$21,741
8	Orchard Park	226-240-080-000	\$3,317	0.190	Meritage Homes Of California, Inc. 1671 E Monte Vista Avenue #214, Vacaville, CA 95688	\$21,741	\$21,741
9	Orchard Park	226-240-090-000	\$3,317	0.238	Meritage Homes Of California, Inc. 1671 E Monte Vista Avenue #214, Vacaville, CA 95688	\$21,741	\$21,741
10	Orchard Park	226-240-100-000	\$3,317	0.348	Meritage Homes Of California, Inc. 1671 E Monte Vista Avenue #214, Vacaville, CA 95688	\$21,741	\$21,741
11	Orchard Park	226-240-110-000	\$3,317	0.270	Meritage Homes Of California, Inc. 1671 E Monte Vista Avenue #214, Vacaville, CA 95688	\$21,741	\$21,741
12	Orchard Park	226-240-120-000	\$3,317	0.278	Meritage Homes Of California, Inc. 1671 E Monte Vista Avenue #214, Vacaville, CA 95688	\$21,741	\$21,741
13	Orchard Park	226-240-130-000	\$3,317	0.221	Meritage Homes Of California, Inc. 1671 E Monte Vista Avenue #214, Vacaville, CA 95688	\$21,741	\$21,741
14	Orchard Park	226-240-140-000	\$3,317	0.179	Meritage Homes Of California, Inc. 1671 E Monte Vista Avenue #214, Vacaville, CA 95688	\$21,741	\$21,741
15	Orchard Park	226-240-150-000	\$3,317	0.181	Meritage Homes Of California, Inc. 1671 E Monte Vista Avenue #214, Vacaville, CA 95688	\$21,741	\$21,741
16	Orchard Park	226-240-160-000	\$3,317	0.222	Meritage Homes Of California, Inc. 1671 E Monte Vista Avenue #214, Vacaville, CA 95688	\$21,741	\$21,741
17	Orchard Park	226-240-170-000	\$3,317	0.183	Meritage Homes Of California, Inc. 1671 E Monte Vista Avenue #214, Vacaville, CA 95688	\$21,741	\$21,741
18	Orchard Park	226-240-180-000	\$3,317	0.179	Meritage Homes Of California, Inc. 1671 E Monte Vista Avenue #214, Vacaville, CA 95688	\$21,741	\$21,741
19	Orchard Park	226-240-190-000	\$3,317	0.177	Meritage Homes Of California, Inc. 1671 E Monte Vista Avenue #214, Vacaville, CA 95688	\$21,741	\$21,741
20	Orchard Park	226-240-200-000	\$3,317	0.237	Meritage Homes Of California, Inc. 1671 E Monte Vista Avenue #214, Vacaville, CA 95688	\$21,741	\$21,741
21	Orchard Park	226-240-210-000	\$3,317	0.215	Meritage Homes Of California, Inc. 1671 E Monte Vista Avenue #214, Vacaville, CA 95688	\$21,741	\$21,741
22	Orchard Park	226-240-220-000	\$3,317	0.173	Meritage Homes Of California, Inc. 1671 E Monte Vista Avenue #214, Vacaville, CA 95688	\$21,741	\$21,741
23	Orchard Park	226-240-230-000	\$3,317	0.178	Meritage Homes Of California, Inc. 1671 E Monte Vista Avenue #214, Vacaville, CA 95688	\$21,741	\$21,741
24	Orchard Park	226-240-240-000	\$3,317	0.181	Meritage Homes Of California, Inc. 1671 E Monte Vista Avenue #214, Vacaville, CA 95688	\$21,741	\$21,741
25	Orchard Park	226-240-250-000	\$3,317	0.188	Meritage Homes Of California, Inc. 1671 E Monte Vista Avenue #214, Vacaville, CA 95688	\$21,741	\$21,741
26	Orchard Park	226-240-260-000	\$3,317	0.200	Meritage Homes Of California, Inc. 1671 E Monte Vista Avenue #214, Vacaville, CA 95688	\$21,741	\$21,741
27	Orchard Park	226-240-270-000	\$3,317	0.206	Meritage Homes Of California, Inc. 1671 E Monte Vista Avenue #214, Vacaville, CA 95688	\$21,741	\$21,741
28	Orchard Park	226-240-280-000	\$3,317	0.209	Meritage Homes Of California, Inc. 1671 E Monte Vista Avenue #214, Vacaville, CA 95688	\$21,741	\$21,741
29	Orchard Park	226-240-290-000	\$3,317	0.208	Meritage Homes Of California, Inc. 1671 E Monte Vista Avenue #214, Vacaville, CA 95688	\$21,741	\$21,741
30	Orchard Park	226-240-300-000	\$3,317	0.202	Meritage Homes Of California, Inc. 1671 E Monte Vista Avenue #214, Vacaville, CA 95688	\$21,741	\$21,741
31	Orchard Park	226-240-310-000	\$3,317	0.188	Meritage Homes Of California, Inc. 1671 E Monte Vista Avenue #214, Vacaville, CA 95688	\$21,741	\$21,741
32	Orchard Park	226-240-320-000	\$3,317	0.174	Meritage Homes Of California, Inc. 1671 E Monte Vista Avenue #214, Vacaville, CA 95688	\$21,741	\$21,741
33	Orchard Park	226-240-330-000	\$3,317	0.219	Meritage Homes Of California, Inc. 1671 E Monte Vista Avenue #214, Vacaville, CA 95688	\$21,741	\$21,74

[illegible]



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5th Floor
San Francisco, CA 94109
Phone (800) 969-4382

RESOLUTION NO. _____

**RESOLUTION OF THE COMMISSION OF THE CALIFORNIA STATEWIDE
COMMUNITIES DEVELOPMENT AUTHORITY APPROVING FINAL
ENGINEER'S REPORTS, LEVYING ASSESSMENTS, ORDERING THE
FINANCING OF SPECIFIED DEVELOPMENT IMPACT FEES AND CAPITAL
IMPROVEMENTS, CONFIRMING THE AMOUNT OF UNPAID
ASSESSMENTS, AND DIRECTING RELATED ACTIONS**

WHEREAS, the California Statewide Communities Development Authority is a joint exercise of powers entity duly organized and existing under and by virtue of the laws of the State of California (the "Authority"), with this Commission (this "Commission") serving as the legislative body of the Authority; and

WHEREAS, this Commission has taken a series of actions pursuant to the Municipal Improvement Act of 1913 (Division 12, commencing with Section 10000 of the Streets and Highways Code of the State of California) (the "1913 Act") preliminary to ordering the financing of certain public capital improvements and of certain development impact fees, the proceeds of which will be used to pay the cost of other public capital improvements (the "Fees and Improvements"), in each case eligible to be funded under the 1913 Act, which development impact fees and capital improvements are described in the Final Engineer's Reports (as defined below) approved by this Resolution, said fees and capital improvements and related incidental expenses allocable thereto to be charged to the parcels of land with respect to which the Fees and Improvements are payable or are to be located, as applicable, in connection with the proposed development of said parcels of land which are situated within one of two assessment districts (the "Districts") to be designated as set forth in Exhibit A attached hereto and by this reference incorporated into this Resolution; and

WHEREAS, the program of the Authority providing for the financing of eligible development impact fees and capital improvements is commonly known as the "Statewide Community Infrastructure Program," or "SCIP;" and

WHEREAS, on November 26, 2013 and December 19, 2013, this Commission approved the boundary maps for the Districts and adopted its respective Resolutions of Intention relating to the Districts, and such boundary maps were thereafter filed for record in the office of the County Recorders of the Counties in which the Districts are located; and

WHEREAS, in accordance with the direction of this Commission provided in the Resolutions of Intention, the Assessment Engineer of the Authority for SCIP, as Engineer of Work (the "Engineer of Work"), prepared and filed with the Authority on November 26, 2013 and December 19, 2013, two separate reports containing the information regarding the Districts required by Section 10204 of the Streets and Highways Code of the State of California, which reports were duly presented to this Commission for preliminary consideration; and

WHEREAS, this Commission, by two separate resolutions duly adopted on November 26, 2013 and December 19, 2013 (the "Resolutions of Preliminary Approval"), corresponding to the two proposed Districts, preliminarily approved the reports; and

WHEREAS, this Commission, by the Resolutions of Preliminary Approval duly adopted on November 26, 2013 and December 19, 2013, fixed 10:00 a.m., or as soon thereafter as the matter might be heard, on January 16, 2014 and February 6, 2014, respectively, at the offices of the California State Association of Counties, 1100 K Street, 1st Floor, Sacramento, California, as the time and place for a public hearing with respect to the financing of the Fees and Improvements, to the extent of the Districts and to the levy of the assessments therein (the "Assessments"); and

WHEREAS, the public hearings with respect to the financing of the Fees and Improvements, to the extent of the Districts and to the levy of the Assessments were opened on January 16, 2014, and February 6, 2014, respectively, and each hearing was continued to February 20, 2014; and

WHEREAS, this Commission directed that notice of the public hearing and the related property owner assessment ballot procedure be given in the time, form and manner required by Article XIID of the California Constitution (“Article XIID”), together with the property owner assessment ballots themselves; and

WHEREAS, there have been filed with the Authority three separate certificates setting forth the time and manner of the compliance with the requirements of law for mailing (a) the notices of the public hearing and assessment ballot procedure and (b) the property owner assessment ballots, as required by Article XIID; and

WHEREAS, the Final Engineer’s Reports were refined and changed within the notice period, necessitating a delay in delivering the Notices; and

WHEREAS, certain changes to the Final Engineer’s Report for the City of Rocklin, County of Placer require the amendments to the Boundary Map and such revised boundary map is presented to this Commission; and

WHEREAS, the property owners have waived all irregularities in the proceedings and have made and filed no objection to the timing of the notice at or before the public hearing; and

WHEREAS, this Commission hereby finds and determines that notices of public hearing and assessment ballot procedure and the property owner assessment ballots themselves have been mailed in the form and manner required by Article XIID; and

WHEREAS, said public hearing was duly convened by this Commission as a consolidated public hearing for both of the Districts at said time and place specified in the notice of public hearing and was at such time continued to the date hereof, and this Commission has proceeded with said public hearing and duly heard all interested parties desiring to be heard at said public hearing on any aspect of any of the two proposed Districts; and

WHEREAS, having thereupon closed the public hearing, and the assessment ballots which had been returned having then been opened and tallied, and it having been determined that all of the assessment ballots which were returned were marked in support of the proposed levy of Assessments, this Commission hereby finds and determines that property owner assessment ballots cast against the levy of the Assessments did not exceed the property owner ballots cast in favor of the levy of the Assessments, with the assessment ballots weighted in proportion to the amount of the proposed Assessment for the parcel to which each such assessment ballot pertains; and

WHEREAS, prior to the public hearing on the date hereof, the Engineer of Work found it necessary to prepare and submit modified engineer’s reports due to certain changes to some of the parcels in the Districts and the Fees and Improvements to be financed by the Assessments; and

WHEREAS, on the basis of the foregoing, the Engineer of Work has prepared and filed with the Authority for consideration two Final Engineer’s Reports relating to the Districts (the “Final Engineer’s Reports”); and

WHEREAS, this Commission has elected to comply with the requirements of Part 7.5 of the Special Assessment Investigation, Limitation and Majority Protest Act of 1931 (the “1931 Act”), being Division 4 (commencing with Section 2800) of Streets and Highways Code of the State of California, and on the basis of the information included in each of the Final Engineer’s Reports, this Commission hereby

finds and determines that the requirements of the 1931 Act are satisfied in the manner provided by subsection (d) of Section 2961 of said Part 7.5 of the 1931 Act; and

WHEREAS, there has been filed with the Authority a Consent and Waiver executed by each owner of each of the parcels upon which an Assessment is proposed to be levied or by an authorized representative of each owner, waiving any defect in the notice or procedure in the conduct of the public hearing and the assessment ballot procedure, waiving the entitlement to pay all or any part the Assessment in cash within the 30-day cash payment period, and consenting to the modifications made to the applicable Engineer's Report between the preliminary approval thereof and approval of the Final Engineer's Reports by this Resolution; and

WHEREAS, on the basis of the executed Consent and Waiver forms on file with the Authority, in which each owner of each parcel on which an Assessment is proposed to be levied has waived the entitlement to pay all or any portion of such Assessment levied upon the such parcel in cash (which entails the benefit of a cash payment discount) prior to the issuance, sale and delivery of bonds upon the security of such Assessment, the Authority has confirmed that the amount of unpaid Assessments is equal to the full amount of the Assessments levied;

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

Section 1. The foregoing recitals are true and correct, and this Commission so finds and determines.

Section 2. There having been no protest received (either written or oral) from any owner of any of the parcels of land upon which an Assessment is proposed to be levied, this Commission finds that there has not been a "majority protest," as said term is defined by Article XIID, and this Commission hereby overrules any protests received, if any, whether written and oral, from any other person.

Section 3. This Commission hereby approves the Final Engineer's Reports and the component parts thereof, including each exhibit incorporated by reference in the reports.

Section 4. This Commission hereby finds and determines that the requirements of the 1931 Act have been satisfied in the manner provided by Part 7.5 thereof, and this action shall be final as to all persons.

Section 5. This Commission hereby finds and determines that the Engineer of Work, in the Final Engineer's Reports, has fairly and properly apportioned the cost of the financing of the Fees and Improvements to each parcel of land in the Districts in proportion to the estimated benefits to be received by each parcel, respectively, from the financing of the Fees and Improvements. This Commission hereby confirms and levies each individual Assessment as stated in the Final Engineer's Reports.

Section 6. This Commission hereby orders the financing of the Fees and Improvements as detailed in the Final Engineer's Reports.

Section 7. Bonds representing unpaid Assessments, and bearing interest at a rate not to exceed twelve percent (12%) per annum, will be issued in the manner provided by the Improvement Bond Act of 1915 (Division 10, commencing with Section 8500, of the Streets and Highways Code of the State of California) (the "1915 Act"), and the last installment of the bonds shall mature not to exceed twenty-nine (29) years from the second day of September next succeeding twelve (12) months from their date.

Section 8. This Commission hereby finds and determines that either each of the owners or an authorized representative of each of the owners of each of the parcels assessed in these proceedings has executed and filed a form of Consent and Waiver by which the entitlement otherwise given to each

such owner to pay all or any part of the subject Assessment or Assessments in cash within the 30-day cash payment period has been waived, and by which the property owner consents to the changes to the Engineer's Reports between the preliminary approval thereof on November 26, 2013 and December 19, 2013, and the approval of the Final Engineer's Reports by this Resolution. Accordingly, this Commission hereby confirms that the amount of unpaid Assessments is equal to the full amount of the Assessments levied and directs the administrator of SCIP (the "Program Administrator") to proceed forthwith, without the necessity of the 30-day cash payment period otherwise required, to provide for the issuance, sale and delivery of limited obligation improvement bonds in a principal amount equal to the Assessments levied.

Section 9. The Program Administrator is hereby authorized and directed to prepare the auditors record for each of the Districts, pursuant to the Streets and Highways Code, and to transmit said auditors record to the County Auditor of the County within which the applicable District is located. The assessment installments for the initial series of bonds issued for the Districts shall be apportioned among the parcels in each District having an unpaid Assessment.

Section 10. The revised boundary map of the California Statewide Communities Development Authority Statewide Community Infrastructure Program Assessment District No. 14-01, City of Rocklin, County of Placer, California is hereby approved and adopted. Pursuant to Section 3111 of the Code, the Secretary of the Authority is directed to file a copy of the map in the office of the County Recorder of the County of Placer within fifteen (15) days of the adoption of this resolution.

Section 11. The Program Administrator is hereby directed to record the Final Engineer's Reports with the Authority. The Program Administrator is hereby further directed to record the assessment diagrams contained in the Final Engineer's Reports and notices of assessment in the office of the County Recorders of the Counties within which the Districts are located in the time, form and manner as required by law.

Section 12. This Resolution shall take effect immediately upon its passage.

PASSED AND ADOPTED by the Commission of the California Statewide Communities Development Authority this February 20, 2014.

I, the undersigned, an Authorized Signatory of the California Statewide Communities Development Authority, DO HEREBY CERTIFY that the foregoing resolution was duly adopted by the Commission of the Authority at a duly called meeting of the Commission of the Authority held in accordance with law on February 20, 2014.

By: _____
Authorized Signatory
California Statewide Communities
Development Authority

EXHIBIT A

District Name (City, County)	Assessment/ Local Obligation Amount
Statewide Community Infrastructure Program Assessment District No. 14-01 (City of Rocklin, County of Placer, California)	\$2,963,033
Statewide Community Infrastructure Program Assessment District No. 14-01 (City of Manteca, County of San Joaquin, California)	\$1,934,914

RESOLUTION NO. _____

RESOLUTION OF THE COMMISSION OF THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY PROVIDING FOR THE ISSUANCE OF TWO SEPARATE SERIES OF STATEWIDE COMMUNITY INFRASTRUCTURE PROGRAM LIMITED OBLIGATION IMPROVEMENT BONDS; APPROVING THE FORM AND SUBSTANCE OF A TRUST AGREEMENT AND AUTHORIZING CHANGES THERETO AND EXECUTION THEREOF; AND AUTHORIZING RELATED ACTIONS AND THE EXECUTION OF RELATED DOCUMENTS TO IMPLEMENT THE PROPOSED FINANCING PROGRAM

WHEREAS, the California Statewide Communities Development Authority is a joint exercise of powers entity duly organized and existing under and by virtue of the laws of the State of California (the “Authority”), with this Commission (this “Commission”) serving as the legislative body of the Authority; and

WHEREAS, this Commission, on November 26, 2013, and December 19, 2013, adopted its Resolutions of Intention (the “Resolutions of Intention”) relating to the financing of certain development impact fees and capital improvements in two assessment districts (collectively, the “Districts”) designated by the names set forth in Exhibit A attached hereto and by this reference incorporated herein; and

WHEREAS, the Resolutions of Intention were adopted pursuant to the provisions of the Municipal Improvement Act of 1913 (Division 12, commencing with Section 10000 of the Streets and Highways Code of the State of California) (the “1913 Act”) and provided that serial and/or term bonds to represent unpaid assessments (the “Assessments”) would be issued in the manner provided by the Improvement Bond Act of 1915 (Division 10, commencing with Section 8500, of the Streets and Highways Code of the State of California) (the “1915 Act”), reference being hereby made to the Resolutions of Intention for further particulars of such bonds; and

WHEREAS, the written engineer’s reports relating to the proposed Districts (in their final form, the “Engineer’s Reports”) were thereafter duly prepared and filed with the Authority, and after a hearing duly noticed and held, the Assessments have been confirmed, levied and approved by resolution adopted by this Commission on the date hereof; and

WHEREAS, the assessment diagrams and related notices of assessment have been authorized to be duly recorded in the office of the Assistant to the Secretary of the Authority, who is authorized to act as Superintendent of Streets with respect to the Districts, and the assessment diagrams and related notices of assessment shall be recorded in the offices of the County Recorders of the Counties in which the Districts are located, all in the time, form and manner required by law; and

WHEREAS, the Assessments have been levied in the total amounts set forth in Exhibit A to this Resolution upon the several subdivisions of land in the Districts in proportion to the estimated benefits to be received by such subdivisions, respectively, from the payment of certain development impact fees and from certain public capital improvements, as shown in the Engineer’s Reports; and

WHEREAS, the owners of all of the property which has been assessed in the Districts or the authorized representatives of such owners have executed and filed Consent and Waiver forms, by which, among other things, such owners have waived their rights to pay all or any part of their respective Assessments in cash and have further waived mailed notice of the Assessments; and

WHEREAS, on the basis of the executed Consent and Waiver forms on file with the Authority, in which each owner of each parcel on which an Assessment is proposed to be levied has waived the

entitlement to pay all or any portion of such Assessment levied upon the such parcel in cash (which entails the benefit of a cash payment discount) prior to the issuance, sale and delivery of bonds upon the security of such Assessment, the Authority has confirmed that the amount of unpaid Assessments is equal to the full amount of Assessments levied, as set forth in Exhibit A to this Resolution, and this Commission hereby finds and determines that the total of unpaid Assessments for each of the Districts is as set forth in Exhibit A to this Resolution; and

WHEREAS, in connection with the financing of development impact fees and capital improvements pursuant to the Authority's Statewide Community Infrastructure Program (the "Program"), this Commission has determined to issue two separate series of its Statewide Community Infrastructure Program Limited Obligation Improvement Bonds, with one of the separate series relating to each of the Districts (the "Local Obligations"), pursuant to a Trust Agreement in substantially the form currently on file with this Commission (the "Trust Agreement") by and between the Authority and Wells Fargo Bank, National Association (the "Trustee"), such Local Obligations to be registered in the name of the Trustee and each series thereof to be issued in an aggregate principal amount equal to the principal amount of unpaid Assessments of the applicable District; and

WHEREAS, for the purpose of funding the Local Obligations and thereby financing the development impact fees and public capital improvements in the Districts as described above, this Commission has determined to authorize and issue its Statewide Community Infrastructure Program Revenue Bonds, Series 2014A (the "Revenue Bonds") pursuant to the same Trust Agreement; and

WHEREAS, the Authority has authorized the issuance of and sale of the Revenue Bonds to RBC Capital Markets, as underwriter (the "Underwriter"), with the net proceeds of sale thereof (after funding a reserve fund and payment of costs of issuance) to be utilized by the Trustee to acquire the Local Obligations; and

WHEREAS, in furtherance of implementing the issuance of the Local Obligations as described above, there has been filed with the Secretary of the Authority, for consideration and approval by this Commission, the form of the Trust Agreement, under the terms of which, among other things, the Local Obligations are to be issued; and

WHEREAS, being fully advised in the matter of the Program, this Commission wishes to approve the financing as described above;

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

Section 1. The foregoing recitals are true and correct, and this Commission so finds and determines. This Resolution is adopted in accordance with the "SCIP Manual of Procedures" adopted by this Commission, as it may be amended from time to time.

Section 2. This Commission has reviewed all proceedings heretofore taken relative to the foregoing and has found, as a result of such review, and does hereby find and determine that all acts, conditions and things required by law to exist, to happen and to be performed precedent to and in the issuance of the Local Obligations as hereinafter authorized and provided do exist, have happened and have been performed in due time, form and manner as required by law, and the Authority is now authorized pursuant to each and every requirement of law to issue the Local Obligations.

Section 3. A separate series of Local Obligations shall be issued for each District as provided in the Trust Agreement and shall represent and shall be secured by the unpaid Assessments of each such District in accordance with the provisions of the 1915 Act and pursuant to the provisions of the Resolutions of Intention and proceedings taken thereunder. Each series of the Local Obligations shall be issued in an aggregate principal amount equal to the unpaid Assessments as set forth in Exhibit A to this Resolution, shall bear interest at rates not to exceed 12%, and shall be known as the "California Statewide

Communities Development Authority Statewide Community Infrastructure Program Limited Obligation Improvement Bonds,” with appropriate series and sub-series designations as determined by the Authority. The Local Obligations may be issued pursuant to the same Trust Agreement as other Local Obligations of the Authority.

Section 4. The form and substance of the Trust Agreement made available to the Commissioners at this meeting is hereby approved. Any member of the Commission of the Authority, the Executive Director of the Authority, or their administrative delegates duly authorized pursuant to Resolution No. 14R-4 of the Authority, adopted on February 6, 2014 (each, an “Authorized Signatory”) is hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver the Trust Agreement in substantially said form, with such changes therein as any member of the Commission may require or approve in consultation with Bond Counsel, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 5. The Treasurer of the Authority and the Secretary of the Authority are hereby authorized and directed to execute each of the Local Obligations on behalf of the Authority, manually or by use of engraved, printed or lithographed facsimile signature. Such signing as herein provided shall be a sufficient and binding execution of the Local Obligations by the Authority, without the necessity of a seal. In case the person whose signature appears on the Local Obligations shall cease to be such officer before the delivery of the Local Obligations to the purchaser, such signature shall nevertheless be valid and sufficient for all purposes the same as though such person had remained in office until the delivery of the Local Obligations. Only such of the Local Obligations as shall bear thereon a certificate of registration and authentication in the form set forth in the Trust Agreement, executed and dated by any Authorized Signatory, shall be entitled to any benefits hereunder or be valid or obligatory for any purpose, and such certificate shall be conclusive evidence that the Local Obligations so authenticated have been duly authorized, executed, issued and delivered hereunder and are entitled to the benefits hereof.

Section 6. 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, to do any and all things and to execute and deliver any and all documents, or to make any necessary modifications thereto, which are acceptable to the members of the Commission of the Authority, the Authority’s general legal counsel and Bond Counsel and which they deem necessary or advisable in order to consummate the issuance, sale and delivery of the Local Obligations and to carry out the purposes of this Resolution.

Section 7. This Resolution shall take effect immediately upon its passage.

PASSED AND ADOPTED by the Commission of the California Statewide Communities Development Authority this February 20, 2014.

I, the undersigned, an Authorized Signatory of the California Statewide Communities Development Authority, DO HEREBY CERTIFY that the foregoing resolution was duly adopted by the Commission of the Authority at a duly called meeting of the Commission of the Authority held in accordance with law on February 20, 2014.

By: _____
Authorized Signatory
California Statewide Communities
Development Authority

EXHIBIT A

District Name (City, County)	Assessment/ Local Obligation Amount
Statewide Community Infrastructure Program Assessment District No. 14-01 (City of Rocklin, County of Placer, California)	per Engineer's Report, not to exceed \$2,963,033
Statewide Community Infrastructure Program Assessment District No. 14-01 (City of Manteca, County of San Joaquin, California)	per Engineer's Report, not to exceed \$1,934,914



**AGENDA OF THE
ANNUAL COMMISSIONER WORKSHOP OF THE
CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY**

February 20, 2014

**10:15 a.m. or upon adjournment of the Annual CSCDA Board Meeting
California State Association of Counties
1100 K Street, 1st Floor
Sacramento, California**

- I. Statewide Communities Infrastructure Program (SCIP) Overview. (RBC: Bob Williams)
- II. CaliforniaFIRST Residential PACE Program Presentation. (Renewable Funding)
- III. P3 Ownership Structure Presentation. (Orrick: Roger Davis)
- IV. Review 2013 CSCDA Annual Report. (Staff: Caitlin Lanctot)
- V. Review CSCDA policies. (Staff: Scott Carper)
- VI. Public Comment.
- VII. Adjourn.

This ___ page agenda was posted at 1100 K Street, Sacramento, California on _____, 2014 at __: __ m,
Signed _____. Please fax signed page to (925) 933-8457.

Item I.

Statewide Communities Infrastructure Program (SCIP) Overview. (RBC: Bob Williams)

SCIP

Statewide Community Infrastructure Program
A Program of the California Statewide Communities Development Authority

February 20, 2014



SCIP Overview

Program:

- Statewide Community Infrastructure Program (“SCIP”)

Issuer:

- California Statewide Communities Development Authority (“CSCDA”)

Purpose:

- Financing of Development Impact Fees & Improvements

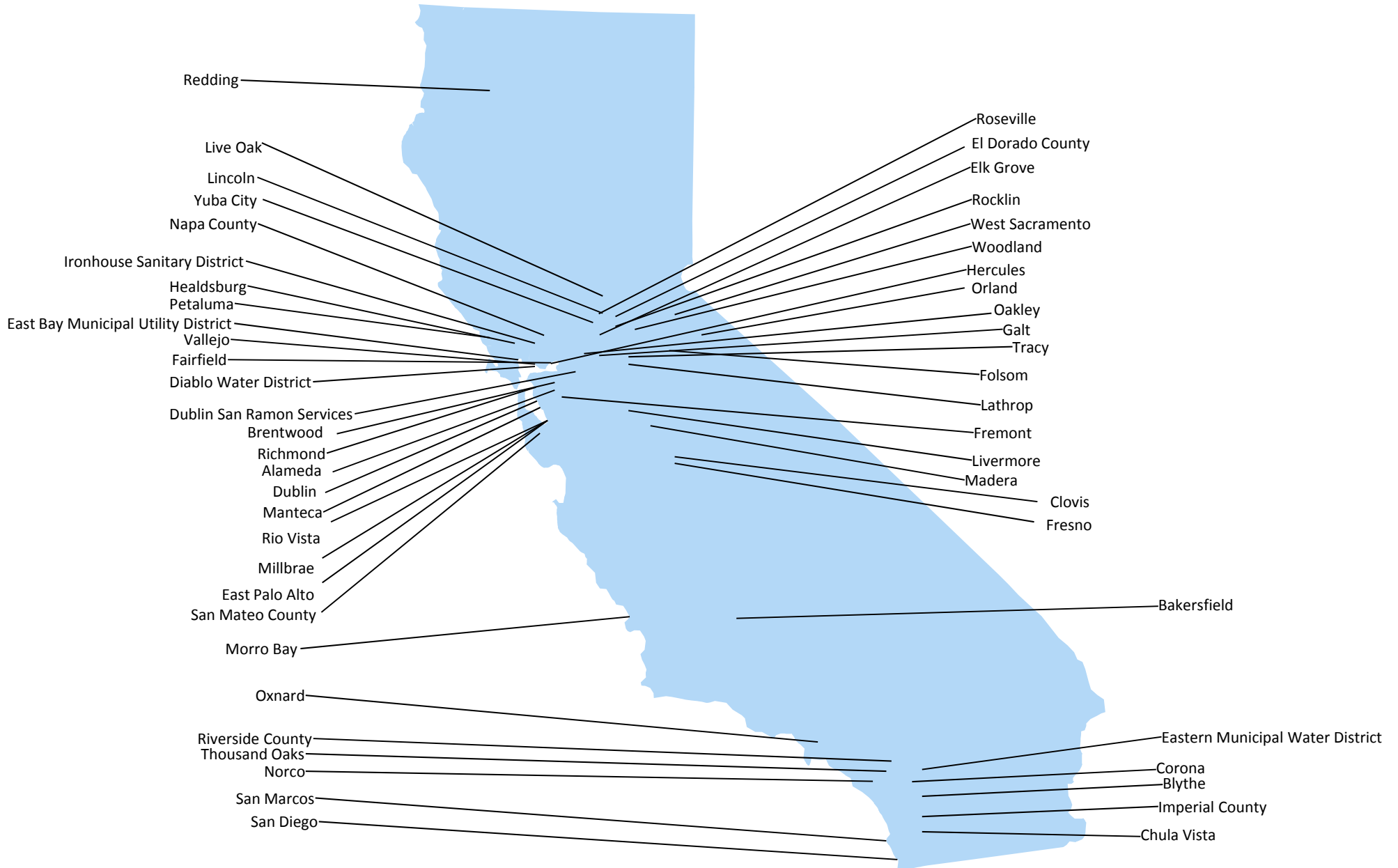
Security:

- 1913 / 1915 Act Special Assessment Obligations

Finance Team:

- RBC Capital Markets – Bond Underwriter
- Orrick, Herrington, & Sutcliffe – Legal Counsel
- Bond Logistix – Program Administrator
- David Taussig and Associates – Assessment Engineer

SCIP Local Agencies



SCIP Program

Program Type	Program Description
Impact Fee Reimbursement Program:	Reimburses property owners for Impact Fees collected when a Building Permit is Issued
Impact Fee Pre-Funding Program:	Provides advance funding of Impact Fees to the sponsoring Local Agency
Acquisition Funding:	Provides funding of improvements completed by developer. Local agency administers the acquisition agreement.



Reimbursement, Pre-Funding Programs and Acquisition Funding can be combined.

Eligible Fees and Improvements

- Fees for infrastructure to be owned by public agency
 - Does not include school, housing, fire, and police fees
- Improvements identified in the 1913 / 1915 Assessment Act, including but not limited to, are listed below:



Eligible Improvements

- | | |
|---|---------------------------------|
| ▪ Street and Roadways | ▪ Street lighting |
| ▪ Freeway Interchanges | ▪ Parking |
| ▪ Pedestrian Malls | ▪ Landscaping |
| ▪ Sidewalks | ▪ Sewer and Pipelines |
| ▪ Storm Drainage | ▪ Parks and Parkways |
| ▪ Flood Control | ▪ Bridges and Thoroughfares |
| ▪ Water Supply, Storage, and Distribution | ▪ Bicycle and Pedestrian Trails |
| ▪ Gas Supply | ▪ Open Space and Greenbelts |

Local Agency Requirements

- Must be a member of CSCDA
- Adopt resolution consenting to use of the SCIP program
 - Contained in SCIP manual
- Submit SCIP Applications
 - Each prospective project will submit an application with a local agency contact
- When tax-exempt bonds are issued, the District executes a bond closing certificate, which confirms that:
 - The infrastructure financed through SCIP with bond proceeds, is public infrastructure
 - Property being assessed has valid entitlements
 - Funds will not be spent in violation of federal tax law



Conducting the Proceedings



SCIP Prepares the Engineer's Reports



Assessment Districts are established by SCIP on County-by-County basis



Assessment proceedings conducted by CSCDA



State-wide Hearing and Landowner Vote conducted by CSCDA



CSCDA authorizes the sale of bonds



City or County does not issue bonds or levy assessments

SCIP Tasks and Responsibility


SCIP Task and Responsibility Schedule	
Task	Responsibility
Conducting the Assessment Proceedings	CSCDA
Issuing Bonds	CSCDA
Administering the District <ul style="list-style-type: none"> • Tax Roll • Lot Splits • Rebate • Continuing Disclosure • Foreclosure 	CSCDA / BLX / DTA
Entitlements	Developers in Conjunction with Local Agency
Payment of Fees or Completion of Improvements	Developers
Bond Payments (Investor Risk)	Landowners

SCIP Conclusion

- Well suited for commercial, industrial, and residential projects
- Alternative for Fee Deferral Programs
- Simple application and administration process
- Long term fixed rate financing at competitive tax-exempt rates



SCIP Contact Information

<p>California Statewide Communities Development Authority</p> <p>Scott Carper 2033 N. Main Street, Suite 700 Walnut Creek, CA 94596 ph: (925) 933-9229 ext. 238 fax: (925) 933-8457 scarper@cacommunities.org</p>	<p>California State Association of Counties</p> <p>Nancy Parrish 1100 K Street, Suite 101 Sacramento, CA 95814 ph: (916) 327-7500 ext. 556 fax: (916) 441-5507 nparrish@counties.org</p>	<p>League of California Cities</p> <p>Norman Coppinger 1400 K Street Sacramento, CA 95814 ph: (916) 658-8277 fax: (916) 658-8240 ncoppinger@cacities.org</p>
<p>Orrick, Herrington & Sutcliffe LLP</p> <p>John Knox 405 Howard Street San Francisco, CA 94105 ph: (415) 773-5626 fax: (415) 773-5759 jknox@orrick.com</p>		<p>RBC Capital Markets</p> <p>Robert Williams, Jr. Two Embarcadero Center Suite 1200 San Francisco, CA 94104 ph: (415) 445-8674 fax: (415) 445-8679 bob.williams@rbccm.com</p>
<p>Orrick, Herrington & Sutcliffe LLP</p> <p>Patricia L. Eichar 1120 NW Couch Street, Suite 200 Portland, OR 97209 ph: (503) 943-4860 fax: (503) 943-4801 peichar@orrick.com</p>	<p>David Taussig & Associates</p> <p>David Taussig 5000 Birch Street, Suite 6000 Newport Beach, CA 92660 ph: (949) 949-955-1500 fax: (949) 949-955-1590 dtadavid@taussig.com</p>	<p>Bond Logistix LLC</p> <p>Daniel Chang 777 S. Figueroa St., Suite 3200 Los Angeles, CA 90017 ph: (213) 612-2205 fax: (213) 612-2499 dchang@bondlogistix.com</p>

Item II.

CaliforniaFIRST Residential PACE Program Presentation. (Renewable Funding)

Executive Summary

CSCDA currently offers the CaliforniaFIRST Property Assessed Clean Energy (PACE) Financing for commercial properties. The Authority suspended the residential portion of the program in response to adverse regulatory actions in 2010.

On February 18, the State of California is scheduled to formally establish a PACE Loss Reserve Program to cover losses incurred by mortgage holders due to the existence of a PACE lien on a property. This Program is designed to mitigate the risk to mortgage holders, including Fannie Mae and Freddie Mac – thereby eliminating the major regulatory risks associated with residential PACE. In addition, a number of communities had already begun operating residential PACE program, funding over \$130 million in projects to date. Those programs suffered no adverse consequences from federal regulators.

I. Background

Property Assessed Clean Energy (PACE) is an innovative means of financing renewable energy, and energy and water efficiency improvements on homes and businesses. Since 2008, 30 states have passed PACE-enabling statutes. The statutes allow local governments to establish special assessment districts that allow property owners to voluntarily finance clean energy improvements. With PACE, the property owner receives upfront funding through a municipal bond issuance to finance the work and then repays on their property tax over the course of up to 20 years.

On July 6, 2010, the Federal Housing Finance Agency issued a statement expressing concerns with PACE and requested that local governments pause their PACE programs until the regulatory concerns could be addressed. In response, the CSCDA Commission voted to suspend the residential PACE program it was launching under the CaliforniaFIRST program.

In 2012, the CSCDA Commission voted to launch the CaliforniaFIRST program for commercial properties only. The CaliforniaFIRST commercial PACE program went live in September 2012; it currently serves 14 counties and 127 cities in California. To date, the program has received over 150 applications for over \$70 million in projects. Three additional counties have voted to opt into the program and will become active shortly.

II. Regulatory Update

Over the past 18 months, Governor Brown has led an effort by the State of California to establish a PACE loss reserve to protect mortgage entities, including Fannie Mae

and Freddie Mac, from losses due to mortgage defaults on homes with PACE liens. That effort resulted in the creation and funding of a new PACE Loss Reserve Program, scheduled to be approved by the Board of the California Alternative Energy and Advanced Transportation Authority (CAEATFA) on February 18.

Key features of the program include:

- The Loss Reserve has been funded with an initial \$10 million appropriation in accordance with SB 96. It is designed to pay mortgage lenders for outstanding, delinquent PACE assessments in the event of a home foreclosure or forced sale.
- PACE programs that wish to participate in the program must apply to CAEATFA, demonstrating appropriate formation and programmatic documents.
- Participating PACE programs must adhere to specific underwriting standards outlined in the regulations.
- Participating PACE programs must report the total number of assessments and total value of their portfolio on an annual basis.
- A PACE program may make claim for payment for losses resulting from the first mortgage lender's payment of any PACE assessment paid while in possession of the property. Losses may also include penalties and interest. CAEATFA will pay eligible claims within 20 days of receipt of a completed claim.
- CAEATFA will charge an administration fee of .25% of the principal amount of all assessments in the portfolio of each participating PACE program. CAEATFA will review its fee two years after the Program begins, and every year thereafter.
- Participating PACE programs may withdraw from the Program after giving written notice to CAEATFA. Upon termination, all previously enrolled assessments will continue to be covered by the loss reserve pool.

Staff recommends that the CaliforniaFIRST program enroll in the CAEATFA PACE Loss Reserve Program. As an additional risk mitigation measure, staff recommends that all applicants sign a version of the attached disclosure statement outlining the existing FHFA issues until such a time that federal regulators give a formal approval for PACE.

III. Residential PACE Market Update

Despite existing regulatory issues, the HERO Financing Program, sponsored by the Western Riverside Council of Governments (WRCOG), launched a residential PACE

program in January 2012. Since that time, HERO has financed nearly 7,000 projects for a total of \$131 million. The HERO program started in Western Riverside County, but has now expanded to include 78 local governments in Riverside, San Bernardino, Orange and San Diego counties. The program has reported approximately \$1.3 million in revenue for WRCOG.

Nearly 50 additional cities in 12 additional counties have voted to join the HERO program. These counties include:

- Fresno
- Imperial
- Kern
- Los Angeles
- Merced
- Monterey
- Napa
- Sacramento
- Santa Clara
- Santa Cruz
- Solano
- Stanislaus

The FHFA has not taken action to impede the HERO program, nor has it taken any action against homeowners that have completed PACE projects and agreed to place PACE liens on their homes.

Many of the local governments that voted to join HERO over the last several months also voted in 2009-10 to participate in the CaliforniaFIRST program. In their recent public proceedings and in meetings with CaliforniaFIRST program staff, many local government staff and elected leaders have expressed strong interest in moving forward with a residential PACE program – even before the CAEATFA loss reserve program was announced.

IV. Judicial Validation Update

CSCDA was advised by counsel to complete a judicial validation for the PACE assessment districts prior to launching the CaliforniaFIRST program.

The validation for the 14 counties and 126 cities that voted to participate in the CaliforniaFIRST program (commercial and residential) was completed in September 2012.

A second CaliforniaFIRST validation complaint was filed in October 2013 for three additional counties: Marin, Napa and Tulare. The court is expected to issue a judgment by May.

Validation is costly and time consuming. Once the CAEATFA loss reserve is in place, we anticipate that many other local governments will want to join the CaliforniaFIRST program.

Staff therefore recommends completing a validation for the remaining 39 counties that are members of CSCDA, but have not yet opted into the CaliforniaFIRST program. The program is voluntary and will not become operational in any county or city that has not yet passed a resolution to join. The “statewide” validation is simply meant to save time and money by eliminating the need for subsequent validations. Cities or counties that wish to join will still need to pass a resolution opting into the CaliforniaFIRST program.

Attached is a draft letter we will send to each County Chief Administrative Officer, informing them of the upcoming validation action. Attached is also the timeline for the validation, including upcoming board actions.

V. CaliforniaFIRST Program Potential

The HERO program and the Sonoma County SCEIP program both achieved participation rates of 1% of the owner-occupied homes in their respective markets in approximately 1 year. The current CaliforniaFIRST territory has approximately 2.5 million owner-occupied homes. Based on the experience of the HERO and SCEIP programs, we have projected the potential benefits we anticipate with the launch of the CaliforniaFIRST residential PACE program:

2014 Projected Benefits from CaliforniaFIRST Program			
	.25% Penetration	.50% Penetration	1.0% Penetration
Financing Volume	\$121,050,000	\$242,100,000	\$484,200,000
GHG Reductions/year	16,386 tons	32,773 tons	65,547 tons
Jobs Created	1,247	2,494	4,988 jobs

VI. Next Steps

Review and approval of the Program contract on March 6, 2014.

Attachments:

- Residential PACE Overview
- Gov. Brown letter to President Obama regarding PACE loss reserve
- Gov. Brown letter to FHFA regarding PACE loss reserve

- CAEATFA PACE Loss Reserve Regulations
- CaliforniaFIRST Disclosures
- Draft letter to County CAOs regarding statewide validation
- Statewide validation timeline

CaliforniaFIRST: Residential PACE Overview

February 20, 2014

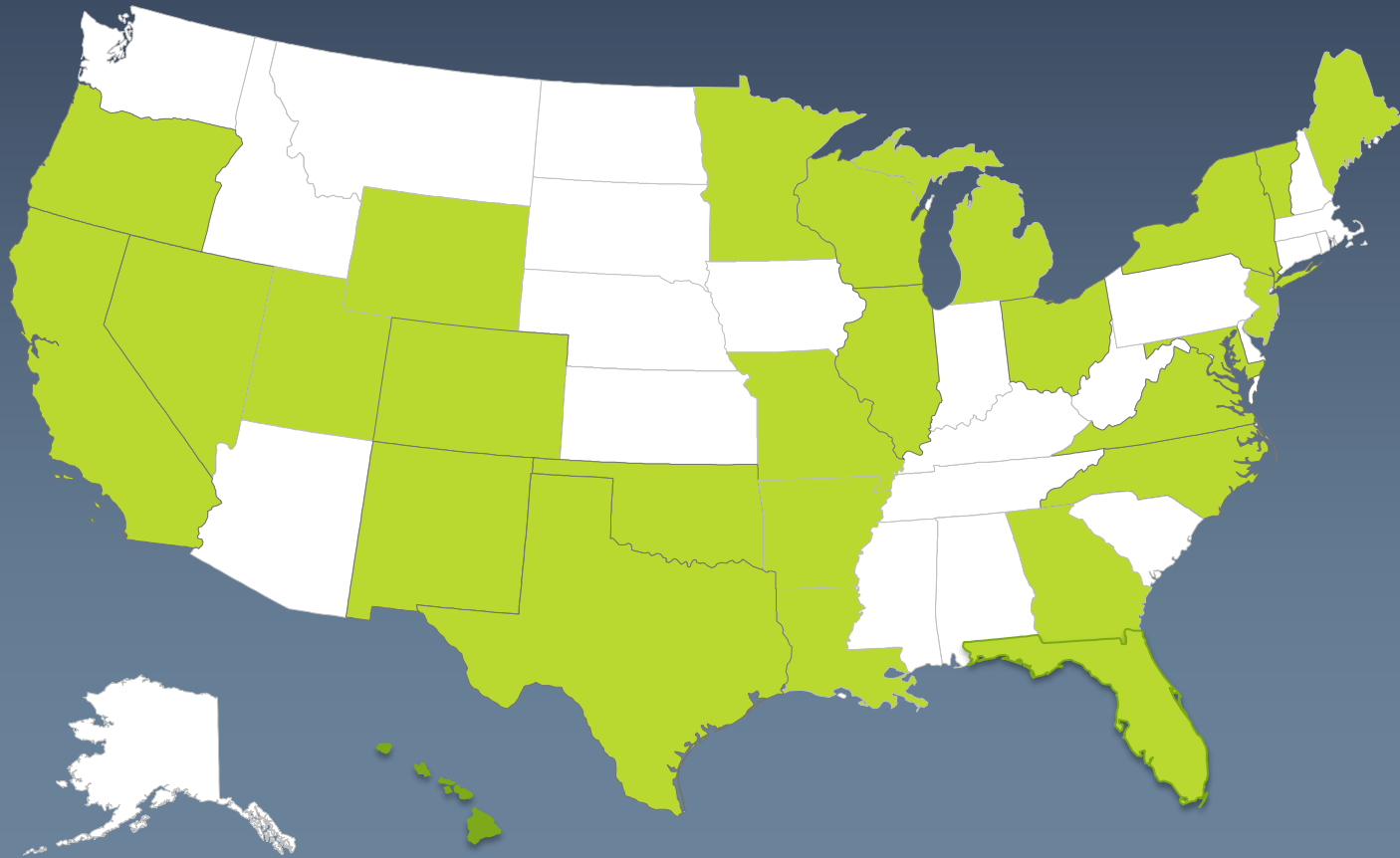
RENEWABLE  FUNDING



2008-14: PACE Gains Momentum

2 PACE States in 2008

31 PACE States in Jan 2014



“

We are going to make it a lot easier to borrow money. We are doing this by encouraging communities to give you the option to pay the expense of retrofitting your home by paying it back on your property taxes.

Oct 19, 2009

”



California

14 Counties, 2010

California

14 Counties, 2010

-
- California
- 14 Counties, 2010

FHFA Puts PACE on “Pause”

- **FHFA guidance letter July 6, 2010**
 - PACE creates “safety and soundness concerns.” Authorize punishment of PACE properties and communities.
 - **PACE violates mortgage contract** and can be considered an act of default.
 - **Require larger down payments** for all new mortgages issued in communities that offer PACE financing.
 - **Require mortgage holder consent** prior to homeowners receiving PACE financing.
 - **Tighten underwriting requirements** to make it harder for buyers to qualify for new mortgages in entire communities that offer PACE financing.

Attempts to Restore Residential PACE 2011-12

- Bi-Partisan Legislation introduced in Congress July 2011
 - HR 2599 would have required Fannie and Freddie to allow PACE. Would have established national standards for PACE programs. Broad and deep national bi-partisan political support.
- Lawsuits filed in California, Florida, New York 2010-13
 - 9th Circuit judge ruled that FHFA had violated the Administrative Procedures Act and required a public rulemaking process on PACE.
 - In its Proposed Rule (6/15/12), FHFA said it would consider a PACE insurance or reserve fund as a “risk mitigation alternative.”
 - March 19, 2013: The 9th Circuit Court of Appeals overturned the judge’s ruling and said that FHFA had acted as a “conservator” and not as a “regulator” and dismissed the case.

2012: Gov. Brown Pushes Obama to Restore PACE

- November 16, 2012: Gov. Brown writes to President Obama to ask the President to direct FHFA to work with California on PACE insurance reserve.
- "California is now prepared to eliminate any such risk by committing tens of millions of dollars to insure against PACE-related mortgage losses."

Mr. President:
We can make this
work! Please help.

2013: Governor Brown Announces PACE Reserve

- September 23, 2013: Brown announces to FHFA that he will establish a PACE reserve, under the direction of CAEATFA.
- CAEATFA will develop regulations to run the program. FHFA is invited to comment.
- In the event of foreclosure, Fannie and Freddie will be able to recover outstanding PACE assessments.
- January 16, 2014: CAEATFA issue draft regulations governing the reserve.
- January 24, 2014: CAEATFA holds public workshop and takes comment.
- February 18, 2014: CAEATFA board approved the PACE reserve. Likely to become operational March 2014.

Key Features of CAEATFA PACE Loss Reserve

- Funded with an initial \$10 million appropriation in accordance with SB 96. Designed to pay mortgage lenders for outstanding, delinquent PACE assessments in the event of a home foreclosure.
- PACE programs that wish to participate in the program must apply to CAEATFA.
- Participating PACE programs must adhere to specific underwriting standards outlined in the regulations and must report the total number of assessments and total value of their portfolio on an annual basis.
- A PACE program may make claim for payment for losses resulting from the first mortgage lender's payment of any PACE assessment paid while in possession of the property. CAEATFA will pay eligible claims within 20 days of receipt of a completed claim.
- CAEATFA will charge an administration fee of .25% of the principal amount of all assessments in the portfolio of each participating PACE program.

Residential PACE Regains Momentum 2012-2013

- Jan. 2012: HERO Program Launched in Riverside County, CA
 - Nearly 7,000 residential projects for a total of approximately \$130 million funded.
0 known defaults. On resale, lien has been paid off in some cases.
- Sonoma County, CA residential program remains in business since 2010
 - 1,885 residential projects for a total of approximately \$30 million funded.
0 known defaults.
- In 2013-14, more than 50 local governments in CA have voted to offer residential PACE financing, including these CSCDA member communities:
 - City of San Jose, City of San Diego, Sacramento City & County, Napa, Fresno, Monterey, San Bernardino
- FHFA remains silent; has not followed through on 7/6/10 threats

Judicial Validation Update

- Judicial Validation Phase I (14 counties, 126 cities) completed September 2012.
- Judicial Validation Phase II (3 counties, 19 cities) to be complete May 2014
- Recommendation: Initiate statewide validation for remaining CSCDA member counties not yet in CaliforniaFIRST. Inform County CAOs of the validation prior to filing.

CalFIRST Residential PACE Projections 2014

2014 Projected Benefits from CaliforniaFIRST Program			
	.25% Penetration	.50% Penetration	1.0% Penetration
Financing Volume	\$121,050,000	\$242,100,000	\$484,200,000
GHG Reductions	16,386 tons	32,773 tons	65,547 tons
Jobs Created	1,247 jobs	2,494 jobs	4,988 jobs

Note: The projections above assume an \$18,000 avg project size. Estimates are only for owner-occupied homes.

Origination Process

Apply

- Property owner submits application online, through a contractor or by hard copy. Property and property owner approved for financing.

Product Approval

- Contractor or property determine clean energy products and receive approval prior to installation.

Sign Financing Documents

- Property owner receives financing documents which they sign and return.

Install Eligible Products

- After financing documents are reviewed for completeness, contractor and property owner receive a Notice to Proceed and may start work.

Submit Completion Certificate

- Once all work and permits have been completed, the contractor and property owner must sign and submit a Completion Certificate.

Assessment and Payment Issued

- After signed Completion Certificate received, the assessment are recorded and a lien placed on the property. Approximately 10 days after Completion Certificate is provided, payment is issued.

CalFIRST Underwriting Guidelines

- Applicant(s) must be the owner(s) of record of the property;
- Mortgage-related debt on the property must not exceed 90% of the value of the property;
- Property owner(s) must be current on their property taxes for the prior twelve (12) months;
- Property owners must be current on all property debt of the subject property at the time of application and cannot have had more than one 30-day mortgage late payment over the previous 12 months;
- Property owner(s) have not declared bankruptcy in the past two (2) years and the property is not currently an asset in a bankruptcy proceeding.
- No involuntary liens greater than \$1,000
- The amount to be financed under the Program may not exceed 10% of the value of the Property.
- The combined amount to be financed under the Program plus the mortgage related debt must not exceed 100% of the value of the Property.

Lien Recordation and Bond Issuance Process

Lien Documents Countersigned

- Once all documents are collected from property owner and contractor, lien documents are sent to CSCDA for countersignature on weekly (daily) basis.

Liens Recorded

- Assessment liens are batch recorded at end of week for all completed projects submitted prior to cut off date

Bond Documents Generated, Reviewed, Signed

- Based on underlying assessments, bond documents are generated, reviewed and signed by all parties on a weekly basis

Payment Issued

- Trustee releases payment to property owners or contractors as directed.

Steps to Re-Launch CalFIRST Residential PACE

- Participate in CAEATFA reserve
- Include disclaimer to inform homeowners of FHFA risk
- Employ contractor-focused origination and marketing program
 - The origination process must be fast and easy for contractors and homeowners
- Streamline CSCDA bonding process
- RF contract approval
- File statewide validation
 - Send letter to CAOs to inform them of the validation
- Initiate statewide marketing to recruit additional local governments



RENEWABLE  FUNDING



OFFICE OF THE GOVERNOR

November 16, 2012

The Honorable Barack Obama
The White House
Washington, DC 20500

Dear President Obama:

I am writing to ask you again to direct the Federal Housing Financial Authority (FHFA) to work with California to revive the Property Assessed Clean Energy (PACE) program. This program provides home owners with funding for energy-efficiency retrofits, but the FHFA has blocked it by prohibiting Fannie Mae and Freddie Mac from repurchasing mortgages subject to PACE liens.

The FHFA maintains that its prohibition is needed to reduce Fannie's and Freddie's mortgage risk. But California is now prepared to eliminate any such risk by committing tens of millions of dollars to insure against PACE-related mortgage losses. With this commitment, there remains no plausible reason for the FHFA to continue obstructing the program.

Please direct the FHFA to work with my office on this insurance commitment so we can finally get the PACE program moving to stimulate the economy and protect the environment.

Sincerely,

Edmund G. Brown Jr.

A handwritten signature in blue ink that reads "Jerry Brown".

Mr. President:
We can make this
work! Please help.



OFFICE OF THE GOVERNOR

September 23, 2013

Edward DeMarco
Acting Director
Federal Housing Finance Agency
1700 G Street, NW
Washington, DC 20552-0003

Re: PACE Program in California; Resolution of Fannie Mae and Freddie Mac Issues

Dear Mr. DeMarco:

Last year, I asked President Obama to direct the Federal Housing Finance Agency to work with California to revive Property Assessed Clean Energy (PACE) programs, which provide home owners with funding for energy-efficiency retrofits. The Federal Housing Finance Agency prohibited Fannie Mae and Freddie Mac from purchasing mortgages subject to PACE liens in certain types of PACE programs.

California has devised a mechanism that will address the concerns raised by FHFA and protect the interest of Fannie Mae and Freddie Mac, which I describe below.

The California Alternative Energy and Advanced Transportation Financing Authority (Authority), an existing state agency chaired by the California State Treasurer (Division 16 [commencing with Section 26000] of the Public Resources Code), will create a reserve fund for PACE programs. Any PACE program that wishes to use the reserve fund will enter an agreement that requires the PACE program to make Fannie Mae and Freddie Mac whole, as follows:

1. In any foreclosure, for any losses to Fannie Mae and Freddie Mac resulting from the payment of any PACE assessment paid while in possession of the property, and
2. In any forced sale for unpaid taxes or special assessments, for any losses to Fannie Mae and Freddie Mac that result from PACE assessments being paid before the outstanding mortgage.

PACE programs that enroll in the Authority reserve fund will meet basic structural criteria, comply with underwriting criteria set by the Authority, and pay an annual premium based on the size of their portfolio. In the event of foreclosure, Fannie Mae and Freddie Mac will be able to claim from the PACE program any amounts paid to keep the PACE assessment current until the property is sold to a new buyer. If the property is sold for back taxes or special assessments, and the sale results in insufficient funds to satisfy the outstanding mortgage because of PACE lien priority payments, Fannie Mae and Freddie Mac will be able to recover that amount from the PACE program. In both instances, upon a showing that Fannie Mae and Freddie Mac have been paid by the PACE program, the Authority will reimburse the PACE program.

This process addresses the issues raised by the Federal Housing Finance Agency and ensures that Fannie Mae and Freddie Mac will not be adversely impacted by the PACE first lien. The next step in moving this approach to fruition will be for the Authority to issue draft regulations for public comment, setting forth the requirements for PACE programs to participate in the reserve account. We will provide you with notice of that process and invite your participation.

I look forward to moving ahead on a much larger scale with PACE in California.

Sincerely,



Edmund G. Brown Jr.

cc: Valerie Jarrett, Senior Advisor to the President, The White House
Alfred Pollard, General Counsel, Federal Housing Finance Agency
Bill Lockyer, Treasurer, State of California
Members of the California Congressional Delegation

California Alternative Energy and Advanced Transportation Financing Authority

PACE Loss Reserve Program Draft Regulations
as of February 3, 2014

Article 4. PACE Loss Reserve Program

§10080. Definitions.

(a) "Authority" means the California Alternative Energy and Advanced Transportation Financing Authority (CAEATFA) established pursuant to Division 16 (commencing with Section 26000) of the Public Resources Code.

(b) "Executive Director" means the Executive Director of the Authority or his or her designee.

(c) "Loan" means a loan issued by, or a contractual assessment or special tax levied by a PACE program.

~~(c)~~(d) "PACE Program" means a residential property assessed clean energy program financing the installation of distributed generation renewable energy sources, electric vehicle charging infrastructure, or energy or water efficiency improvements and established pursuant to:

- (1) Chapter 29 (commencing with Section 5898.10) of Part 3 of Division 7 of the Streets and Highways Code; or,
- (2) Chapter 2.5 (commencing with Section 53311) of Part 1 of Division 2 of Title 5 of the Government Code.
- (3) A charter city's constitutional authority under Section 5 of Article XI of the California Constitution.

~~(d)~~(e) "Program" means the PACE Loss Reserve Program established pursuant to Chapter 4 (commencing with Section 26050) of Division 16 of the Public Resources Code.

§10081. Application by PACE Program to the PACE Loss Reserve. A PACE Program seeking to participate in the PACE Loss Reserve Program shall complete an ~~Application~~ application that shall include the following information:

- (a) The formation documents required pursuant to:
- (1) Streets and Highways Code Sections 5898.12, 5898.14, and 5898.20 – 5898.22;
or,
 - (2) Chapter 2.5 (commencing with Section 53311) of Part 1 of Division 2 of Title 5 of the Government Code; or,
 - (3) In the case of a charter city, a copy of a resolution or other document adopted by the city's governing board evidencing approval of the PACE Program.
- (b) If not included in the documentation required in subdivision (a) above, documents showing that the Program requires that property owners can show all of the following as part of the financing underwriting process:
- (1) All property taxes for the assessed property are current for the previous three years or since the current owner acquired the property, whichever period is shorter.
 - ~~(2) The property is not subject to any involuntary lien in excess of \$1,000.~~
 - (3) The property is not subject to any notices of default.
 - (4) The property owner is not in bankruptcy proceedings.
 - (5) The property owner is current on all mortgage debt.
 - (6) The party seeking financing is the holder of record on the property.
 - ~~(7) Title to the property is not subject to any power of attorney, easement, subordination agreement or other interest restricting the property owner from subjecting the property to a PACE lien.~~
 - (8) The property is within the geographical boundaries of the PACE Program.
 - (9) The ~~loan~~ Loan is for a residential property of three units or fewer.
 - (10) The ~~loan~~ Loan is for less than ten percent (10%) of the value of the property.
- (c) If not included in the documentation required in subdivision (a) above, a detailed description of:
- (1) The transactional activities associated with the ~~loan~~ Loan issuance, including all transactional costs; and,
 - (2) Requirements for quality assurance and consumer protection, as related to achieving efficiency and clean energy production.
- (d) A summary of the PACE Program's existing residential financing portfolio certified pursuant to Section 10087 as of the date of application. The summary shall include the following information:
- (1) The total number of ~~loans~~ Loans in the portfolio.
 - (2) The total value of the portfolio.

- (e) The PACE Program's agreement to permit an audit of any of its records relating to enrolled ~~loans~~ Loans, during normal business hours on its premises, by the Authority or its agents, and to supply such other information concerning enrolled ~~loans~~ Loans as shall be requested by the Executive Director.
- (f) Upon receipt of a completed application, the Executive Director will within ten ~~(10)~~ business days review and determine whether additional information is required, or whether the application is sufficient to enroll the PACE Program. The Executive Director's decision whether an application is sufficient shall be final.

§10082. Coverage of PACE Loan ~~portfolios~~ Portfolios.

- (a) For PACE Programs created before the effective date of these regulations and making application pursuant to Section 10081 not more than ~~60~~ 90 calendar days after the effective date of these regulations, all PACE ~~loans~~ Loans outstanding at the time of enrollment shall be covered by the ~~Loss Reserve Pool~~ loss reserve pool for the length of their term. In addition PACE Loans originated after enrollment and included in ~~semi-annual~~ reports as provided in Section 10085 shall be covered by the ~~Loss Reserve Pool~~ loss reserve pool for the length of their term.
- (b) For PACE Programs created after the effective date of these regulations, all PACE ~~loans~~ Loans originated not more than 30 calendar days before the date of the PACE Program enrollment pursuant to Section 10081 shall be covered by the loss reserve pool for the length of their term. In addition PACE Loans originated after enrollment and included in ~~semi-annual~~ reports as provided in Section 10085 shall be covered by the ~~Loss Reserve Pool~~ loss reserve pool for the length of their term.

§10083. Claims ~~against~~ Against the Loss Reserve Pool. Any PACE Program may make claim for payment from the ~~Loss Reserve Pool~~ loss reserve pool for the following losses incurred by first mortgage lenders and limited to losses on the ~~loans~~ Loans described in Section 10082 directly attributable to the existence of a PACE Program lien on a specified property. Losses include:

- (a) Losses resulting from the first mortgage lender's payment of any PACE assessment paid while in possession of the property subject to the PACE assessment; Losses may also include penalties and interest where they have accrued through no fault of the first mortgage lender.

- (b) In any forced sale for unpaid taxes or special assessments, losses incurred by the first mortgage lender resulting from PACE assessments being paid before the outstanding balance.

In no instance shall the loss exceed the amount of the PACE assessment, or in the case of forced sale for unpaid taxes or special assessments, the amount of the delinquent PACE assessments.

§10084. Claims Procedure.

- (a) Any PACE Program seeking to make a claim against the ~~Loss Reserve Pool~~ loss reserve pool for losses as described in Section 10083 shall submit satisfactory evidence of the eligible loss, including but not limited to the assessor's parcel number, the loss amount, the origination date, the first mortgage holder, the date of the loss or losses, and the certification described in Section 10087. The Authority shall make payments to PACE Programs within ~~twenty~~ 20 calendar days of receipt of a completed claim.
- (b) In the event of an eligible claim on a ~~Loans~~ Loans where the PACE Program has been terminated pursuant to Section 10086, the Authority may seek additional evidence of the eligible loss from the first mortgage lender.

§10085. ~~Semi-Annual~~ PACE Program Reporting and Administrative Fee.

- ~~(a) Each enrolled PACE Program shall provide a cumulative semi-annual report to the Authority certified pursuant to Section 10087 by January 15 for the period from July 1 through December 31, and on July 15 for the period from January 1 through June 30 of each year. The semi-annual report shall include the following for each enrolled PACE Program:~~
 - ~~(1) The total number of outstanding loans.~~
 - ~~(2) The total value of the loan portfolio.~~
 - ~~(3) The number of new loans originated in the reporting period.~~
 - ~~(4) The total value of new loans originated in the reporting period.~~
 - ~~(5) Information on energy and water savings resulting from the projects funded by the covered portfolio of loans.~~
 - ~~(6) The most recent report prepared for the PACE Program's governing body.~~
 - ~~(7) Payment of the administrative fee set forth in paragraph (b) of this section.~~
- (a) Each enrolled PACE Program shall report to the Authority twice each calendar year. These reports shall be certified pursuant to Section 10087.
 - (1) On March 1st of each year, each enrolled PACE Program shall submit the following for the period from July 1 through December 31:

- i. The assessor's parcel number, principal amount, annual assessment amount and term of each new Loan originated in the reporting period.
- ii. The total number and value of new Loans originated in the reporting period.
- iii. Payment of the administrative fee set forth in paragraph (c) of this section.

(2) On October 1st of each year, each enrolled PACE program shall submit the following for the period from January 1 through June 30:

- i. The information and payment outlined in subdivision (a)(1) above.
- ii. The total number of outstanding Loans.
- iii. The total value of the Loan portfolio.
- iv. Information on energy and water savings resulting from the projects funded by the covered portfolio of Loans.

(b) In addition, each enrolled PACE Program shall submit a copy of the annual report provided to its governing body within 15 calendar days of the date of that report.

(c) The Authority shall assess an administrative fee of 0.0025 (0.25%) of the principal value of each ~~Loans~~ Loans issued by a Participating PACE Program during the period covered by the report, except those outstanding at the time of enrollment as described in Section 10082. Two years after the effective date of these regulations and every year thereafter, the Authority shall review the fee. In addition, the Authority may review the fee at any time upon a vote of a majority of the Authority.

(d) In the event that a report and payment is not received within 60 calendar days of the due date as set forth in this section, the Authority may terminate the PACE Program's enrollment, pursuant to Section 10086(b).

§10086. Termination and Withdrawal from the Program.

(a) Each enrolled PACE Program may withdraw from the Program after giving written notice to the Authority. The notice shall specify either:

- (1) That the enrolled PACE Program waives any further interest in the ~~Loss Reserve Pool~~ loss reserve pool (including for the reason that all ~~Loans~~ Loans covered by the ~~Loss Reserve Pool~~ loss reserve pool have been repaid); or,
- (2) That the enrolled PACE Program will not enroll any further financings under the Program but shall continue to count on the ~~Loss Reserve Pool~~ loss reserve pool to secure all ~~Loans~~ Loans reported prior to the notice.

(b) The Executive Director may terminate participation of an enrolled PACE Program in the Program, by notice in writing, upon the occurrence of any of the following:

- (1) Entry of a cease and desist order, regulatory sanction, or any other action against the PACE Program that may impair its ability to participate in the Program; or
- (2) Failure of the enrolled PACE Program to abide by any applicable law, including these regulations; or
- (3) Failure of the enrolled PACE Program to report any ~~loans~~ Loans under the Program for a period of one year; or
- (4) Provision of false or misleading information regarding the enrolled PACE Program to the Authority, or failure to provide the Authority with notice of material changes in submitted information regarding the enrolled PACE Program.

In the event of termination, the enrolled PACE Program shall not be authorized to have any further ~~loans~~ Loans covered by the ~~Loss Reserve Pool~~ loss reserve pool, but all previously enrolled ~~loans~~ Loans shall continue to be covered by the ~~Loss Reserve Pool~~ loss reserve pool until they are paid, claims are filed, or the enrolled PACE Program withdraws from the Program pursuant to this section.

§10087. Certification of Reports and Claims.

- (a) All applications, reports and claims submitted by a PACE Program must be signed by the PACE Program administrator certifying that they are accurate and true.
- (b) If an application, report or claim is submitted by a third-party program administrator on behalf of a PACE Program, an appropriate public official must provide the Authority with a signed letter certifying that the PACE Program has the ability to audit the records of the third-party administrator, including all information included in the applications, reports and claims submitted to the Authority.

###

CaliforniaFIRST Financing Application

The California Statewide Communities Development Authority (CSCDA) finances installation of renewable energy, energy or water efficiency products, or electric vehicle charging infrastructure that are permanently fixed to a property owner's real property ("Eligible Products"). Eligible Products will be financed upon the signing of an assessment contract between CSCDA and the property owner ("Assessment Contract"). CSCDA has retained Renewable Funding, LLC (RF) to administer the Program, and you will see this name throughout the Program materials. CSCDA and RF are referred to collectively therein as "Program Administrator."

Property Owner Acknowledgments

In order to participate in the Program, I understand that I need to meet the qualifications listed below. By signing this Application, I acknowledge and represent to the best of my knowledge that I and any other owner(s) of the property which is the subject of this application (the "Property") meet these qualifications and I authorize the Program Administrator to obtain a credit report for each of the property owner(s) and/or trustees whose Social Security number is provided on this application.

1. Applicant(s) must be the owner(s) of record of the property;
2. Mortgage-related debt on the property must not exceed 90% of the value of the property;
3. Property owner(s) must be current on their property taxes for the prior twelve (12) months;
4. Property owners must be current on all property debt of the subject property at the time of application and cannot have had more than one 30 day mortgage late payment over the previous 12 months;
5. Property owner(s) have not declared bankruptcy in the past two (2) years and the property is not currently an asset in a bankruptcy proceeding. If the property owner(s) have a bankruptcy more than two years old, and if the property owner has no additional late payments over 60 days past due in the last 24 months, the property owner may be approved; and
6. The property must not have any federal or state income tax liens, judgment liens, mechanic's liens, or similar involuntary liens on the property.

I understand that to qualify for the Program that the following requirements must be met:

- a. The amount to be financed under the Program may not exceed 15% of the value of the Property.
- b. The combined amount to be financed under the Program plus the mortgage related debt must not exceed 100% of the value of the Property.

- c. All property owners must sign all required documentation, including but not limited to the application, the Completion Certificate and the Assessment Contract with all other required Financing Documents.
- d. Following approval, my contractor or I must call the Program to identify the Eligible Products I would like to purchase, enter into an Assessment Contract with CSCDA, and receive Notification to Proceed from the Program before beginning the installation of any Eligible Products. Products which have not been approved by the Program will not be funded.
- e. Interest rates may change from the approval date to receiving the Notification to Proceed.

By signing this Application, I hereby declare under penalty of perjury under the laws of the State of California all of the following:

- 1. That the information provided in this Application is true and correct as of the date set forth opposite my signature on the Application and that I understand that any intentional or negligent misrepresentation(s) of the information contained in this Application may result in civil liability and/or criminal penalties including, but not limited to, imprisonment, liability for monetary damages to CSCDA, its agents, or successors and assigns, insurers and any other person who may suffer any loss due to reliance upon any misrepresentation which I have made in this Application, or both.
- 2. I have the authority to authorize the Program Administrator to obtain a credit report for each of the property owner(s) and/or trustee(s) whose social security number(s) is provided on this Application.
- 3. I understand that it is my responsibility to receive, read and understand all documents comprising the Program, which, in addition to information on the Program website, include the following:
 - a. This Application;
 - b. Assessment Contract; and
 - c. Program Handbook.
- 4. I have had an opportunity to ask Program representatives and/or my legal counsel any questions I have regarding the documents listed above. I understand I will be asked to sign the Assessment Contract, among other documents, as a pre-condition to the closing of the financing.
- 5. I am applying to participate in the Program. I have the authority, without the consent of any third party, to execute and deliver this Application, the Assessment Contract, and the various other documents and instruments referenced herein.
- 6. I understand that the financing provided pursuant to the Assessment Contract will be repayable through an assessment levied against the Property. I understand that an assessment lien will be recorded by CSCDA against the Property in the office of the County Recorder of the County in which the Property is located upon

execution of the Assessment Contract. The property tax bill (which will include the assessment payments) for the Property will increase by the amount of these assessment installment payments. The Assessment Contract will specify the amount of the assessment, the assessment installments and the interest on the assessment to be collected on the property tax bill for the Property each year during the term specified in the Assessment Contract. The assessment and the interest and any penalties thereon will constitute a lien against the Property until they are paid. As with all tax and assessment liens, this lien will be senior to all existing and future private liens against the Property, including mortgages, deeds of trust and other security instruments.

Disclosures

The following describes some (but not all) characteristics and risks of participation in the Program as well as laws to which the Program is subject. A full understanding of any item listed below can be gained only by reviewing the relevant laws, policy statements, and/or the contractual documents related to the Program. The Program Administrator is committed to your understanding each of the items listed below before you enter into an Assessment Contract, and invites you to ask Program representatives any questions regarding these items or if you need copies of any document related to the Program.

1. Program Disclosures and Disclaimers.

- a. **Existing Mortgage.** The Program establishes the manner by which CSCDA may finance, pursuant to Chapter 29 of Part 3 of Division 7 of the California Streets and Highways Code (commencing with Section 5898.10), the installation of Eligible Products. Eligible Products will be financed pursuant to an Assessment Contract between you and CSCDA. BEFORE COMPLETING A PROGRAM APPLICATION, YOU SHOULD CAREFULLY REVIEW ANY MORTGAGE AGREEMENT(S) OR OTHER SECURITY INSTRUMENT(S) WHICH AFFECT THE PROPERTY OR TO WHICH YOU AS THE PROPERTY OWNER ARE A PARTY. ENTERING INTO A PROGRAM ASSESSMENT CONTRACT WITHOUT THE CONSENT OF YOUR EXISTING LENDER(S) COULD CONSTITUTE AN EVENT OF DEFAULT UNDER SUCH AGREEMENTS OR SECURITY INSTRUMENTS. DEFAULTING UNDER AN EXISTING MORTGAGE AGREEMENT OR SECURITY INSTRUMENT COULD HAVE SERIOUS CONSEQUENCES TO YOU, WHICH COULD INCLUDE THE ACCELERATION OF THE REPAYMENT OBLIGATIONS DUE UNDER SUCH AGREEMENT OR SECURITY INSTRUMENT. IN ADDITION, FANNIE MAE AND FREDDIE MAC, THE OWNER OF A SIGNIFICANT PORTION OF ALL HOME MORTGAGES, STATED THAT THEY WOULD NOT PURCHASE HOME LOANS WITH ASSESSMENTS SUCH AS THOSE OFFERED BY CSCDA. THIS MAY MEAN THAT PROPERTY OWNERS WHO SELL OR REFINANCE THEIR PROPERTY MAY BE REQUIRED TO PREPAY SUCH ASSESSMENTS AT THE TIME THEY CLOSE THEIR SALE OR REFINANCING. If your lender requires an impound for your property taxes, please consider notifying them of the annual assessment payment amount so they can adjust your impound amount.

- b. **Interest Rate.** You will be charged a fixed interest rate on your total financed amount. Your interest rate will be set at the time your financing documents are issued. Interest rates may change from the approval date to the date the Notification to Proceed is sent.
- c. **Program Administration Fee.** At the time of closing, CSCDA will charge you a one-time administration fee of 6.95% of the principal amount of the assessment on the Property to cover the costs of administering the Program. This fee will be added to the assessment amount.
- d. **Recording Fee.** At the time of closing, CSCDA will pass-through the assessment recording fee of approximately \$95 to you to cover the costs of recording the assessment. This fee will be added to the assessment amount.
- e. **Assessment Administration Fee.** Each year, an annual assessment administrative fee will be added to the assessment lien amount on your property tax bill. Currently these costs are \$35 and there will be adjustments in subsequent years for cost of living increases, not to exceed \$95.
- f. **Interest Before First Payment:** Based on the date an assessment is recorded on your property the payment of assessment installments may not begin until the following year's property tax bill. As a result, interest will be added to the assessment amount for the period between your closing date and the date of your first assessment payment. The maximum amount of interest will be listed on your Final Payment Summary, which will be provided with your financing documents.
- g. **Automated Valuation Model Disclosure.** You have the right to a copy of the automated valuation model (AVM) report used in connection with your application for credit. If you want to obtain a copy, please email or write to us at the address we have provided. We must hear from you no later than 90 days after we provide you with a notice of the action taken on your application or a notice of incompleteness, or in the case of a withdrawn application, 90 days after the withdrawal. An AVM is not an appraisal. It is a computerized property valuation system that is used to derive a real property value.
- h. **Foreclosure.** Not later than October 1 each year, CSCDA shall determine whether any annual assessment installment is not paid when due and shall have the right and obligation to order that any such delinquent payment, penalties, interest, and associated costs be collected by an action brought in Superior Court to foreclose the lien of such delinquent assessment installment in the manner provided and to the extent permitted by applicable law.
- i. **Mandatory Prepayment Redemption.** You have the option to pay your assessment lien amount in full, or in increments of \$5,000, at any time. However, if you do so, you will have to pay (i) the principal amount of the assessment to be prepaid (the "Assessment Prepayment Amount"), (ii) a prepayment premium computed as set forth below, (iii) interest on the Assessment Prepayment Amount to the earlier of March 2 or September 2 occurring at least 90 days following the date the prepayment is made, and (iv) a processing fee (not to exceed \$500). The prepayment premium is determined as follows:

Year 1:	5% of Prepaid Assessment Amount
Year 2:	4% of Prepaid Assessment Amount
Year 3:	3% of Prepaid Assessment Amount
Year 4:	3% of Prepaid Assessment Amount
Year 5:	3% of Prepaid Assessment Amount
Years 6-20:	No penalty

j. **No Endorsement, Warranty or Liability.** CSCDA, Renewable Funding, LLC, and the Program do not endorse any manufacturer, contractor, product, or system, or in any way warranty such equipment, installation, or the efficiency or production capability of any equipment. CSCDA, Renewable Funding, LLC and the Program make no representations and have no responsibility regarding the equipment and its installation, including the quality, safety, cost savings, efficiency or production capability of any equipment; or any compliance of the equipment or its installation with any applicable laws, regulations, codes, standards or requirements. Further, CSCDA, Renewable Funding, LLC and the Program shall not be in any way liable for any incidental or consequential damages resulting from the equipment or its installation.

k. **Validation.** The Program may validate that installed Eligible Products meet Program eligibility requirements including requiring the applicant to provide additional sales receipts, contractor invoices, serial numbers or other identifying details, portions of packages or stickers originally attached to the installed Eligible Products beyond what the Program already requires to be provided. The Program may also conduct an inspection to validate installation of Eligible Products at qualified locations. You, by submitting this application, consent to any such onsite validations, which shall be conducted during normal business hours following advance notice to you. By submitting this application, you also agree to sign the authorization form to participate in billing energy usage analysis to measure Program impact savings and participant satisfaction.

Legal Disclosures

a. **Equal Credit Opportunity Act (ECOA).** The Federal Equal Credit Opportunity Act prohibits creditors from discriminating against Credit Applicant(s) on the basis of race, color, religion, national origin, sex, marital status, age (provided that the applicant has the capacity to enter into a binding contract); because all or part of the applicant(s) income derives from any public assistance program; or because the applicant has in good faith exercised any right under the Consumer Credit Protection Act. The Federal Agency that administers compliance with this law concerning this creditor is the Federal Trade Commission, Division of Credit Practices, Washington, D.C. 20580.

b. **Fair Credit Reporting Act.** As part of assembling your Program application, CSCDA has requested a consumer report bearing your credit worthiness, credit standing and credit capacity. This notice is given to you pursuant to the Fair Credit Reporting Act.

- c. **The Housing Financial Discrimination Act Of 1977.** It is illegal to discriminate in the provision of or in the availability of financial assistance because of the consideration of:
- i. trends, characteristics or conditions in the neighborhood or geographic area surrounding a housing accommodation, unless the financial institution can demonstrate in the particular case that such consideration is required to avoid an unsafe and unsound business practice; or
 - ii. race, color, religion, sex, marital status, domestic partnership, national origin or ancestry.
- d. **Patriot Act Disclosure.** To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account. What this means for you: As part of applying to the Program, CSCDA may be required to ask for your name, address, date of birth, and other information that will allow it to identify you. CSCDA may also need a copy of the driver's license or other identifying documents from any and all borrowers and guarantors.
- e. **Communications with Legal Advisers.** If you have any questions about any agreements or security instruments which affect the Property or to which you are a party, or about your authority to execute the Program Application or enter into an Assessment Contract with CSCDA without the prior consent of your existing lender(s), the Program strongly encourages you to consult with your own legal counsel and your lender(s). Program staff cannot provide you with advice about existing agreements or security instruments.
- f. **Monitoring and Recording Telephone Calls.** The Program may monitor or record telephone calls for security and customer service purposes. By applying for CaliforniaFIRST Financing, you consent to have any phone conversations with the Program recorded or monitored.

Property Owner Signature(s)

I declare that (i) I have received, read and understand the risks and characteristics of the Program described in the Property Owner Acknowledgments and Disclosures set forth in this Application and (ii) I have been informed that I must take the sole responsibility to satisfy myself that executing the Assessment Contract, receiving financing for Eligible Products, and consenting to the assessment levied against the Property will not constitute a default under any other agreement or security instrument (specifically the terms of any mortgage on the Property) which affects the Property or to which I am a party.

Property Owner 1 Signature Date

Property Owner 2 Signature Date

Property Owner 3 Signature Date

2-14-14 Jones Hall Draft

Chief Administrative Officer
ABC County
123 Main Street
Greenville, CA 11111

Dear:

Two years ago, the California Statewide Communities Development Authority (CSCDA) opened the CaliforniaFIRST program, a Property Assessed Clean Energy (PACE) program to serve its member cities and counties. Through CaliforniaFIRST, CSCDA issues bonds to provide financing for private property owners that wish to install renewable energy, energy efficiency and water efficiency improvements on their property and to repay the financing as an assessment on their property tax bill.

The CaliforniaFIRST program is currently operating in 14 counties and 126 cities in California. The program operates pursuant to Chapter 29 of Part 3 of Division 7 of the California Streets and Highways Code, which is commonly referred to as "AB 811".

Under AB 811, CSCDA establishes a PACE program in each county in which the CaliforniaFIRST program operates. Historically, CSCDA has established CaliforniaFIRST programs only in those counties that have asked it to do so. However, this piecemeal approach has resulted in a lengthy, expensive process. Consequently, CSCDA has decided to establish a CaliforniaFIRST program in each of the counties in which it does not currently operate a CaliforniaFIRST program -- including [ABC] County -- and to file a single related judicial validation action.

We want to make it very clear, however, that CSCDA will **not** operate the CaliforniaFIRST program in unincorporated ABC County unless and until the [ABC] County Board of Supervisors passes a resolution asking CSCDA to operate the CaliforniaFIRST program in its territory. Similarly, CSCDA will not operate the CaliforniaFIRST program in a city's incorporated territory unless and until the city council passes a resolution CSCDA to do so. If [ABC] County's Board of Supervisors does not ask CSCDA to operate the CaliforniaFIRST program in its territory, the program will remain dormant in that territory.

CaliforniaFIRST program representatives will contact the appropriate County legislative staff separately about the resolution to join the program.

If you have any questions about CSCDA's plans, please contact the CaliforniaFIRST Program Administrator:

Caitlin Lancot,
Program Manager, CSCDA
Telephone: (925) 280-4394
Email: clancot@cacommunities.org

Thank you in advance for your consideration.

Regards,

Larry T. Combs

CaliforniaFIRST Statewide Program Formation and Validation Timeline

Date	Event	Required Time
by 3/10/14	Notice sent to water and electric providers for XX counties in California	60 days prior to confirming report (per AB 474)
5/2/2014	Send New ROIs to CSCDA	Friday before board meeting
5/8/2014	CSCDA board adopts new ROIs	60 days after utility notification triggers notification of public hearing on Program Report
5/23/2014	California Communities publishes first public notice	at least 20 days prior to public hearing
5/30/2014	California Communities publishes second public notice	one notice per week for two consecutive weeks
6/6/2014	Public Notice ends	14th day of publication
6/6/2014	All documents must be sent to CSCDA Board for review	Friday before board meeting
6/12/2014	California Communities holds public hearing and considers resolution confirming report and bond resolutions	20 days after first public notice
6/16/2014	Validation Proceedings for Counties in ROI	Preparation of validation documents simultaneous to CSCDA formation hearings
6/23/2014	Public notification for validation proceedings	Once per week for 3 successive weeks (21 days)
12/1/2014	Validation Ends	Assume 6 months for validation
1/1/2015	Launch statewide program	

Item III.

P3 Ownership Structure Presentation. (Orrick: Roger Davis)



CSCDA

CALIFORNIA STATEWIDE COMMUNITIES
DEVELOPMENT AUTHORITY



California State Association of Counties



LEAGUE
OF CALIFORNIA
CITIES

Leaders in Providing World Class Financing Solutions

www.cacommunities.org

Proposal: CSCDA P3 Asset Ownership Program

- The public finance underwriting community and Orrick, Herrington & Sutcliffe have been reviewing a potential CSCDA administered public private partnership (P3) asset ownership program.
- An asset ownership program would require CSCDA to issue governmental bonds and hold legal title to certain collateral assets (CSCDA has previously done this in 2000 for the acquisition of waste collection vehicles).
- A broader P3 program would likely be of interest to higher education institutions, healthcare systems, and local governments, among others, providing relief from landlord responsibilities and balance sheet constraints and allowing such entities to focus on their core responsibilities.

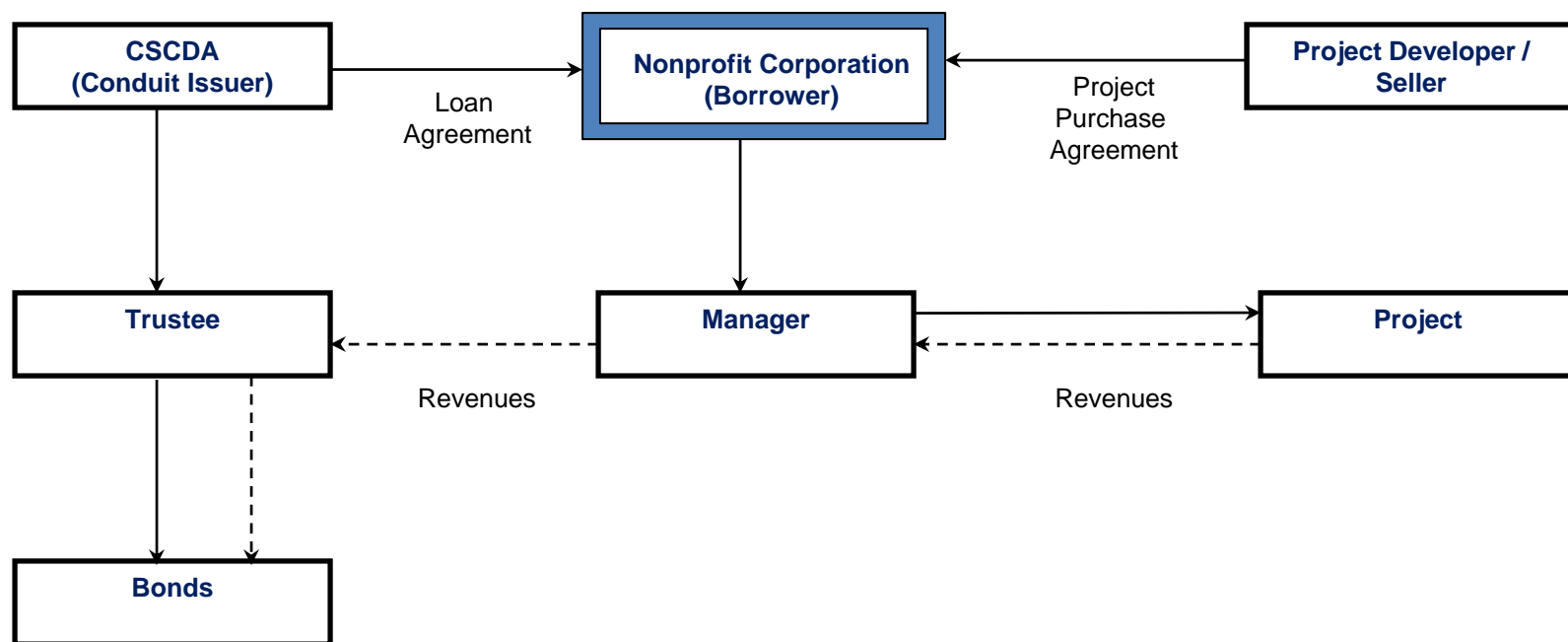
Benefits of a CSCDA P3 Asset Ownership Program

- Furthers CSCDA mission of creating economic development and offers a cost-effective, programmatic approach for prospective clients
- Allows prospective clients to focus on enhancing delivery of services instead of having to undertake construction, management, operation or financing of a particular project.
- Alleviates a prospective clients constraints on debt capacity by not taking on any debt obligations on its balance sheet or counting against its credit profile for rating purposes.
- Saves time, cost, and complexity for prospective clients in first establishing a separate nonprofit traditionally used to serve as a borrower, which could also affect the off balance sheet and off credit treatment of the financing.
- Provides greater flexibility as tax rules are less restrictive for bonds issued for projects owned by a public entity (governmental bonds) than bonds issued for projects owned by a nonprofit corporation (private activity bonds).

Traditional CSCDA Conduit Bond Model

- CSCDA has no liability for repayment of the bonds, other than revenues of the project or, in the event of default, proceeds of the foreclosure or other disposition.
- Default on the bonds results in no claim on any assets of CSCDA other than the project and its revenues from bondholders.
- CSCDA has no liability or obligation to spend any of its moneys in the event of any unexpected costs related to the project or the bonds. Such costs are addressed by cash flow and expense reserves from borrower operations and at the time of bond issuance.
- CSCDA's ongoing administrative responsibilities are focused on ensuring the bonds remain tax-exempt as opposed to operating or maintaining the project financed.

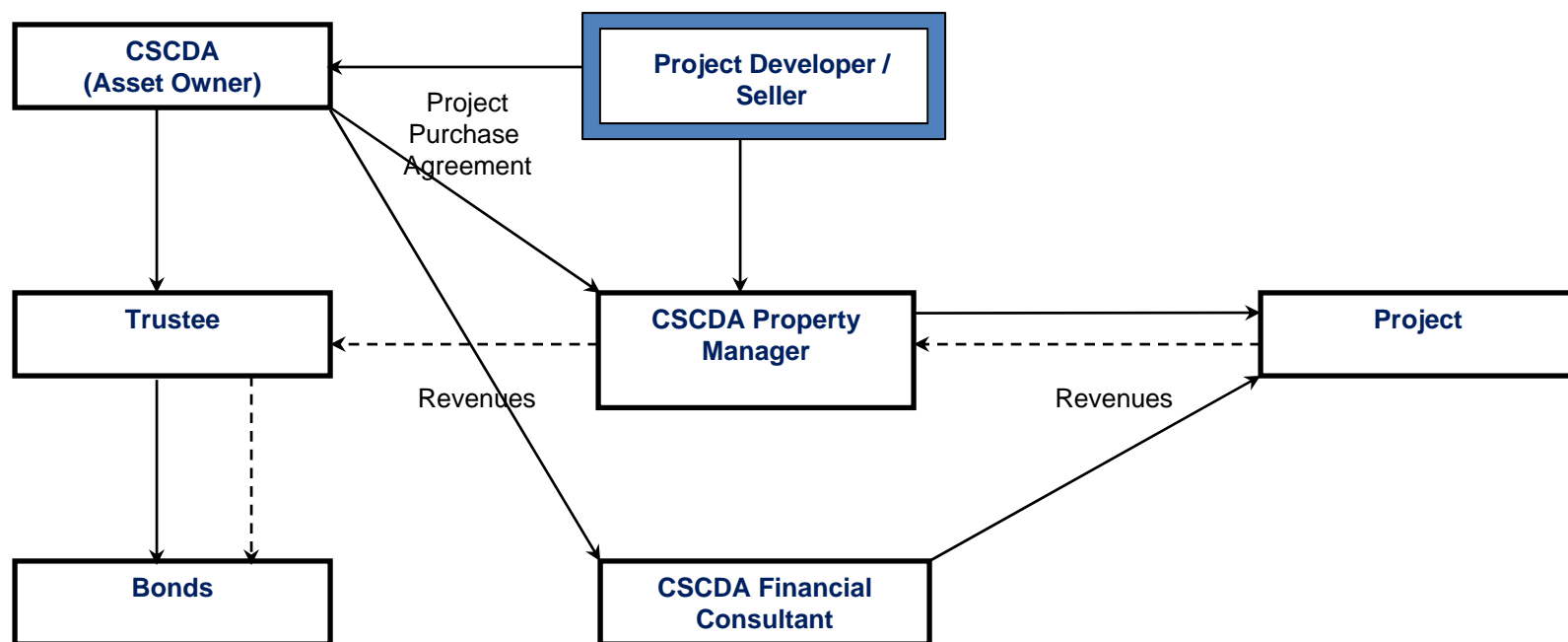
Traditional CSCDA Conduit Model



What's different about asset ownership program?

- CSCDA will be afforded the same protections under the traditional conduit model as previously described on slide four, including no greater operation or administrative duties with respect to the bonds.
- CSCDA owns the project and serves as both the issuer of bonds and the borrower.
- CSCDA has potential tort liability related to personal or property damage caused by the project which can be addressed through insurance. CSCDA may look to engage an insurance consultant.
- CSCDA has operation and management responsibilities related to the project which can be outsourced by way of management contract and other consultants.
- CSCDA would not receive a borrower indemnification so indemnity may come from the seller, property manager and / or cash flow and revenue accounts held under the indenture.
- CSCDA must decide what to do with the land and asset when bonds are issued or once repaid, including a gift back to the prospective client.

CSCDA Ownership Model



Consideration

- CSCDA's Executive Director, on behalf of Orrick, Herrington & Sutcliffe, requests direction from the CSCDA Commission to continue pursuing P3 asset ownership opportunities. All program parameters, public benefit requirements and individual transactions would be subject to future CSCDA Commission review and approval.

Item IV.

Review 2013 CSCDA Annual Report. (Staff: Caitlin Lanctot)



CSCDA

CALIFORNIA STATEWIDE COMMUNITIES
DEVELOPMENT AUTHORITY



California State Association of Counties



LEAGUE
OF CALIFORNIA
CITIES

Leaders in Providing World Class Financing Solutions

www.cacommunities.org

California Communities

2013 Year-End Report

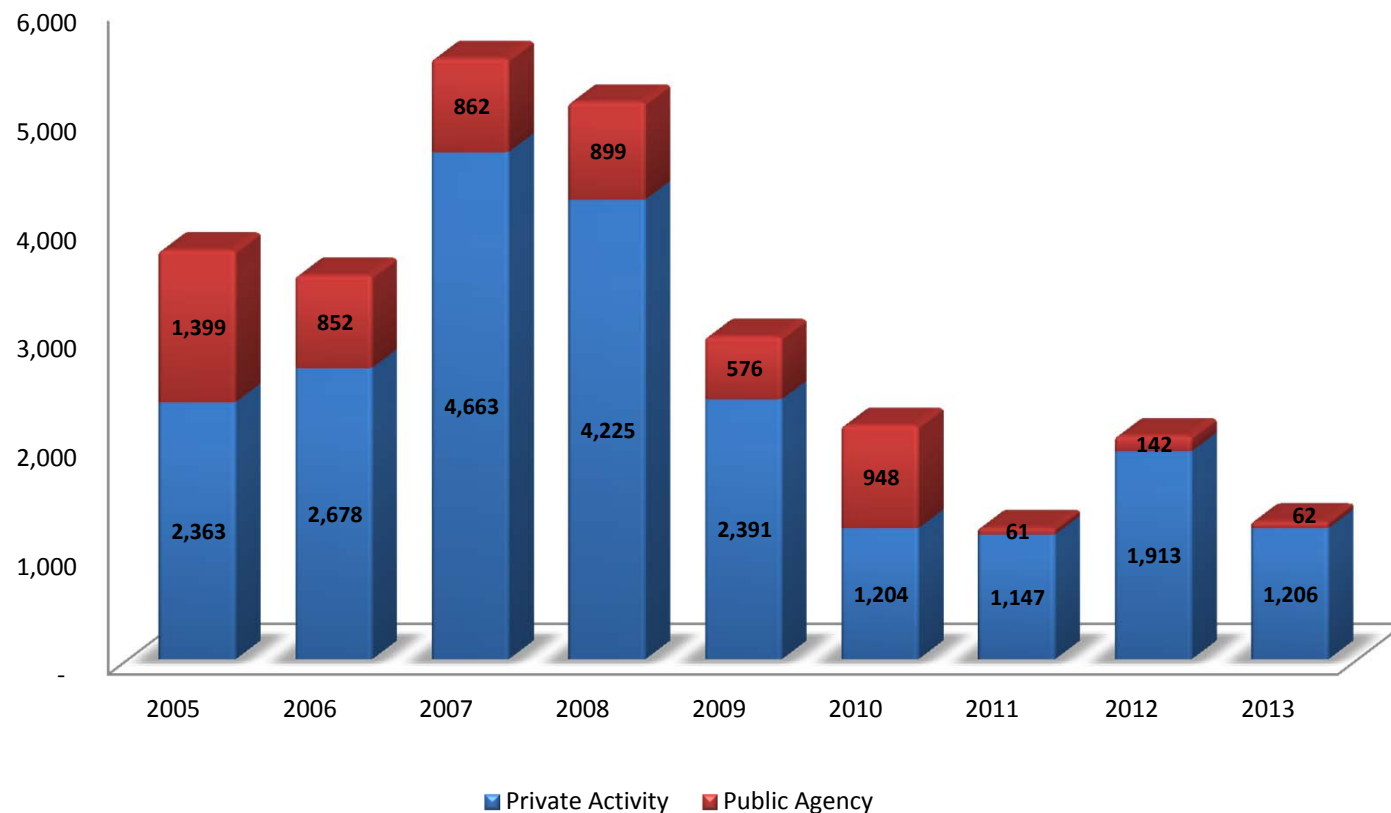
2013 Highlights

- 3,730 affordable housing units created or preserved
- 7 continuing care and 3 hospital facilities financed
- \$35M allocation of New Market Tax Credits—financed 4 projects in California

Program Volume Summary

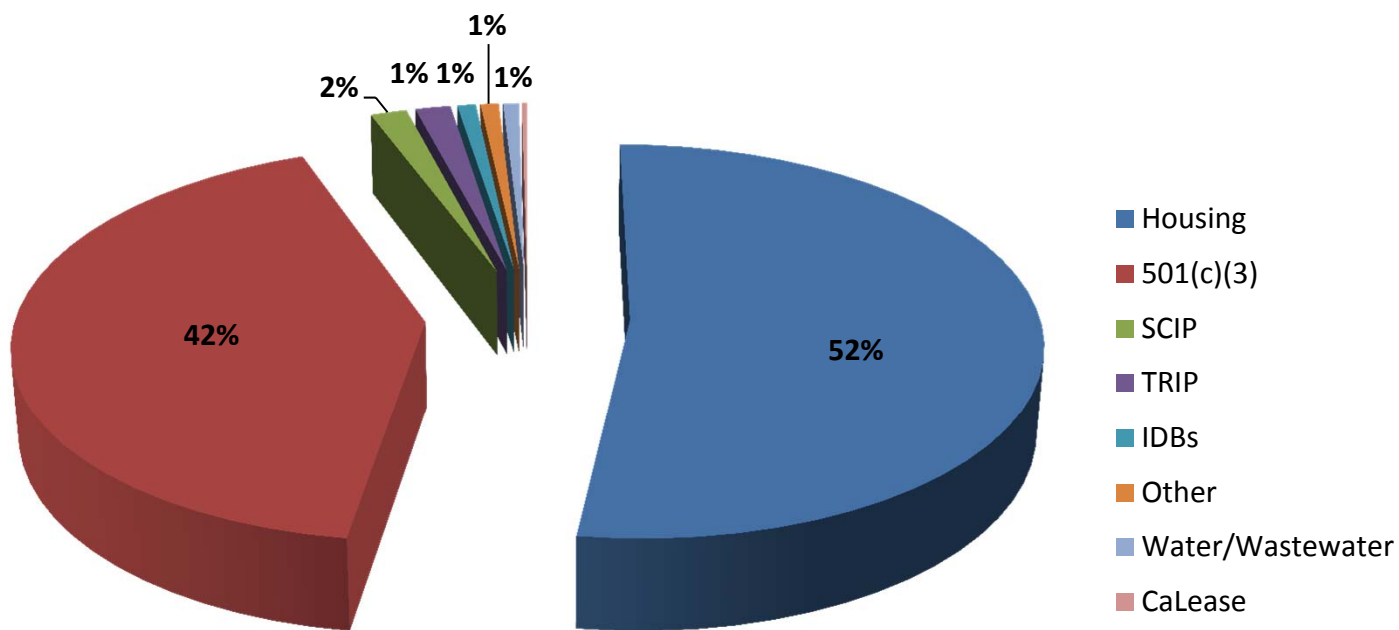
Program	88-05	2006	2007	2008	2009	2010	2011	2012	2013	Totals	%
Private Activity											
501(c)(3) Nonprofit	\$12,410	\$1,751	\$3,630	\$3,550	\$2,171	\$633	\$613	\$1,684	\$532	\$26,442	54.73%
Small Issue	\$77	\$6	\$4	\$2	\$0	\$0	\$0	\$12	\$0	\$101	0.21%
Airport	\$413	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$413	0.85%
Housing	\$4,515	\$574	\$819	\$607	\$220	\$471	\$534	\$217	\$663	\$7,957	16.47%
IDBs/Manufacturing	\$381	\$16	\$28	\$4	\$0	\$0	\$0	\$0	\$11	\$429	0.89%
Native American	\$146	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$146	0.30%
Exempt Facility/Solid Waste	\$381	\$331	\$182	\$62	\$0	\$100	\$0	\$0	\$0	\$1,056	2.19%
Sub Total	\$18,323	\$2,678	\$4,663	\$4,225	\$2,391	\$1,204	\$1,147	\$1,913	\$1,206	\$36,544	75.64%
Public Agency											
CRA/ERAF Program	\$27	\$20	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$47	0.10%
CaLease	\$117	\$3	\$1	\$3	\$2	\$0	\$0	\$0	\$2	\$128	0.27%
Pension Obligation	\$218	\$63	\$87	\$0	\$0	\$18	\$0	\$0	\$0	\$386	0.80%
SCIP	\$21	\$19	\$74	\$22	\$0	\$6	\$9	\$0	\$21	\$151	0.31%
TRANS	\$5,692	\$598	\$700	\$854	\$569	\$145	\$78	\$42	\$0	\$8,678	17.96%
TRIP	\$0	\$0	\$0	\$15	\$0	\$0	\$0	\$43	\$20	\$78	0.16%
VLF Program	\$455	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$455	0.94%
Water/Wastewater	\$389	\$87	\$0	\$5	\$0	\$0	\$0	\$36	\$9	\$526	1.09%
Tobacco	\$197	\$62	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$259	0.54%
Workers Compensation	\$20	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$20	0.04%
Taxable Bond Program	\$0	\$0	\$0	\$0	\$0	\$49	\$11	\$0	\$0	\$60	0.12%
Other Bond Programs	\$158	\$0	\$0	\$0	\$5	\$779	\$7	\$21	\$10	\$980	2.03%
Sub Total	\$7,294	\$852	\$862	\$899	\$576	\$997	\$105	\$142	\$62	\$11,769	24.36%
Total	\$25,617	\$3,530	\$5,525	\$5,124	\$2,967	\$2,201	\$1,252	\$2,055	\$1,268	\$48,313	100.00%

Program Activity by Category



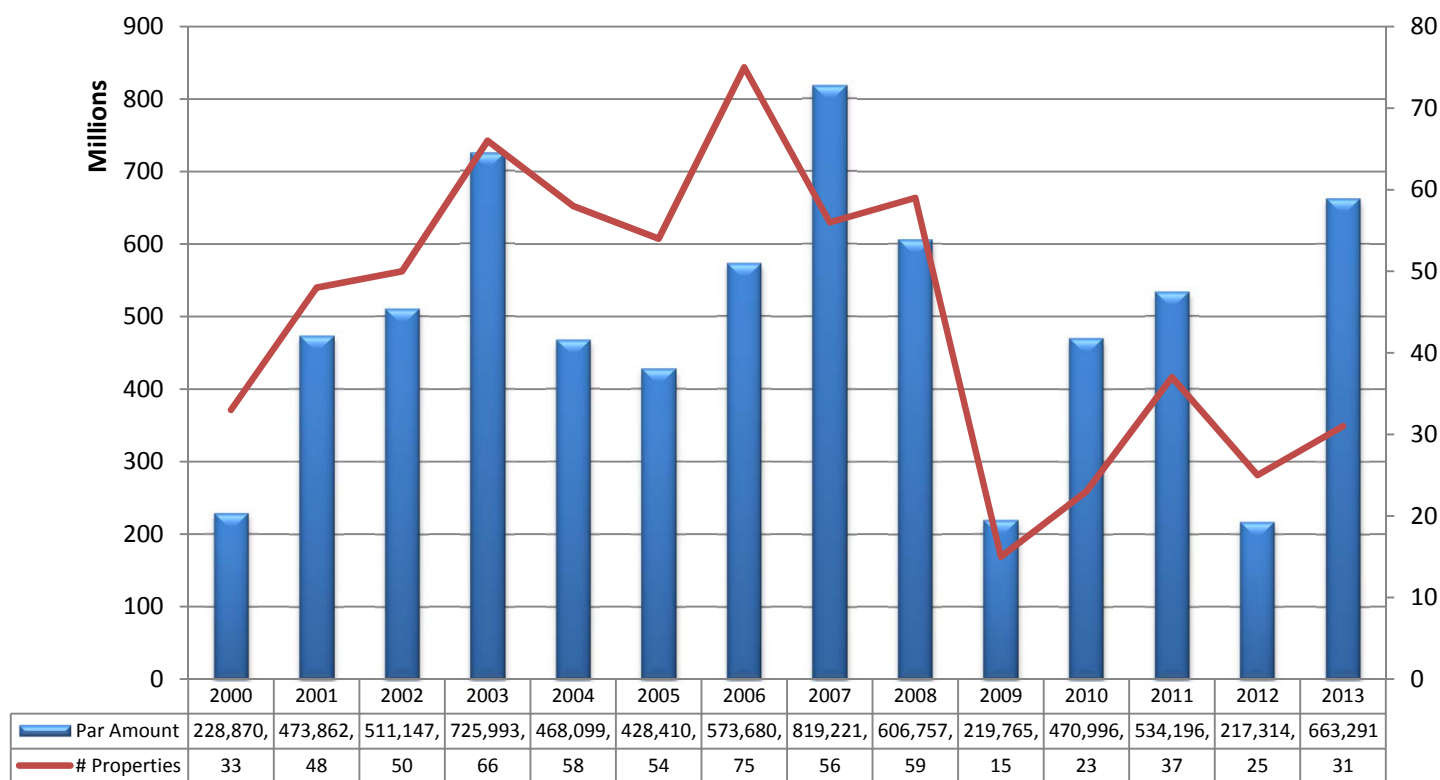
Leaders in Providing World Class Financing Solutions

2012 Volume by Program



Multifamily Housing

Program Activity 2000-2013



Leaders in Providing World Class Financing Solutions

Multifamily Housing

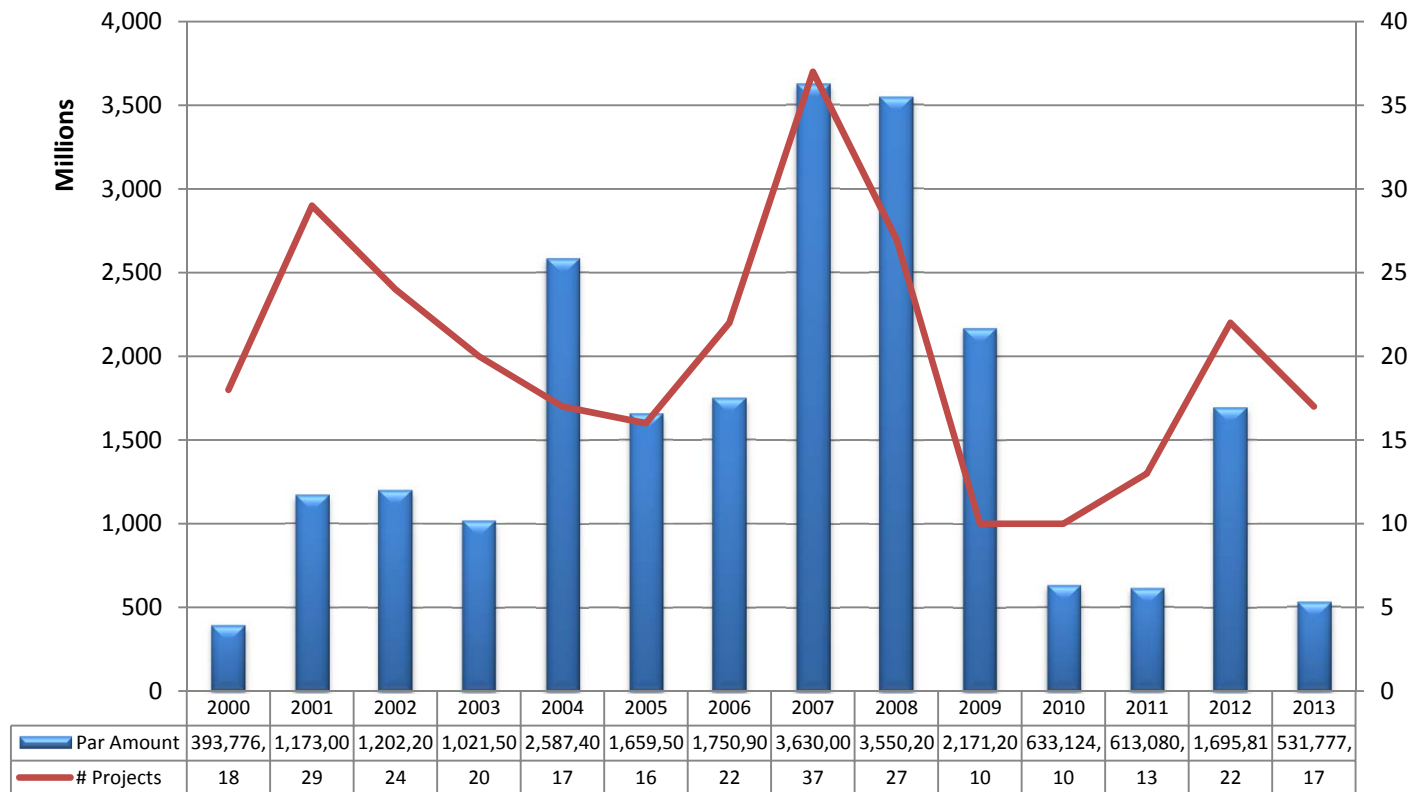
2013 Issuance Activity

Project Name	Bond Amount	City	County
Harvest Park Apartments	\$10,711,311	Chico	Butte
Wagon Wheel Family Apartments	\$18,000,000	Oxnard	Ventura
Ramona Park Senior Apartments	\$11,485,000	Long Beach	Los Angeles
Gilroy Park Apartments	\$10,200,000	Gilroy	Santa Clara
Tower on 19th	\$27,000,000	Costa Mesa	Orange
Voorhis Village	\$9,500,000	San Dimas	Los Angeles
Inglewood Gardens	\$5,745,000	Stockton	San Joaquin
Huntington Plaza Apartments	\$10,500,000	Huntington Park	Los Angeles
Anton Legacy Apartments	\$29,700,000	Tustin	Orange
Palo Verde Apartments	\$8,100,000	Indio	Riverside
Belwood Arms Apartments	\$5,000,000	Long Beach	Los Angeles
St. John's Apartments	\$22,000,000	Richmond	Contra Costa
Park Village	\$19,000,000	Compton	Los Angeles
The Alexandria	\$17,000,000	Los Angeles	Los Angeles
Casa De Cortez	\$3,200,000	Fallbrook	San Diego
Colonial House	\$1,850,000	Oxnard	Ventura

Multifamily Housing 2013 Issuance Activity cont.

Project Name	Bond Amount	City	County
Orvieto B	\$22,500,000	San Jose	Santa Clara
Plaza Mendoza	\$7,100,000	Fresno	Fresno
Anton Hacienda Apartments	\$36,900,000	Pleasanton	Alameda
Westgate Apartments	\$96,935,000	Pasadena	Los Angeles
Oakmont of Alameda Cardinal Point	\$4,320,000	Alameda	Alameda
Vineyard Creek	\$7,000,000	Santa Rosa	Sonoma
Campina Court Apartments	\$5,500,000	La Mesa	San Diego
Arbor Terrace Apartments	\$11,200,000	Colton	San Bernardino
Chestnut Apartments	\$8,700,000	Fresno	Fresno
Uptown Oakland Apartments	\$160,000,000	Oakland	Alameda
San Gabriel Portfolio	\$33,320,000	Lancaster/Victorville/ Rialto	Los Angeles/San Bernardino
Westside Village	\$5,400,000	Shafter	Kern
Tyler Park Townhomes	\$8,100,000	Greenfield	Monterey
Baker Ranch Affordable	\$39,000,000	Lake Forest	Orange
Gold Country Village	\$8,325,614	Grass Valley	Nevada

501(c)(3) Nonprofit Program Activity 2000-2013



Leaders in Providing World Class Financing Solutions

501(c)(3) Nonprofit 2013 Issuance Activity, cont.

Project	Bond Amount	City	County
Head-Royce School	\$10,500,000	Oakland	Alameda
American Baptist Homes of the West	\$71,250,000	Los Altos	Santa Clara
American Baptist Homes of the West	\$3,000,000	Los Altos	Santa Clara
Redlands Community Hospital	\$43,095,000	Redlands	San Bernardino
Lancer Plaza LLC	\$32,275,000	Riverside	Riverside
Provident Group - Pomona Properties L.L.C.	\$45,000,000	Pomona	Los Angeles
French American International School	\$6,500,000	San Francisco	San Francisco
Sea Crest School	\$4,700,000	Half Moon Bay	San Mateo
Covenant Retirement Communities West	\$20,450,000	San Diego/Santa Barbara/Turlock	San Diego/Santa Barbara/Stanislaus

501(c)(3) Nonprofit 2013 Issuance Activity

Project	Bond Amount	City	County
Town School for Boys	\$19,000,000	San Francisco	San Francisco
University Retirement Community at Davis	\$33,708,000	Davis	Yolo
Poway RHF Housing, Inc.	\$13,345,000	Poway	San Diego
The Redwoods' Revitalization Project	\$29,970,000	Mill Valley	Marin
Henry Mayo Newhall Memorial Hospital	\$89,550,000	Santa Clarita	Los Angeles
Sherman Oaks Project	\$24,525,000	Sacramento	Sacramento
Notre Dame de Namur University	\$13,754,707	Belmont	San Mateo
Los Angeles Jewish Home for the Aging	\$71,155,000	Reseda	Los Angeles

Other Programs

2013 Issuance Activity

Bond Program	Project Name	Bond Amount
IDBs	American Biodiesel, Inc.	\$10,500,000
Other Bond Programs	Fancher Creek Community Facilities District	\$4,200,000
Other Bond Programs	Pleasant Hill Downtown Community Facilities	\$6,120,000
SCIP	Manteca Lifestyle Center	\$6,245,000
SCIP	SCIP Refunding 2003A 2005A	\$14,402,000
TRIP	TRIP - 2013 - City of Moreno Valley	\$20,000,000
CaLease	Two Buildings in Nevada City	\$2,930,000
Water/Wastewater	Water and Wastewater Pool Series 2002C	\$9,000,000

Item V.

Review CSCDA policies. (Staff: Scott Carper)

CSCDA General Policies

PUBLIC BENEFITS

Each project to be financed must demonstrate tangible public benefits to the community in which it resides. For more information of public benefits, please visit the respective program links.

BOND COUNSEL

California Communities shall reserve the right to select bond counsel for the financing. In the event the applicant wishes to select its own bond counsel (subject to California Communities approval) the applicant shall pay any additional costs associated with separate Authority counsel.

In most cases, the Authority uses Orrick, Herrington and Sutcliffe as Issuer's Counsel. If the borrower chooses to use a bond counsel other than Orrick, a fee of \$7,500 will apply. There are some limited instances where the fee will be higher depending on the complexity of the deal.

PROGRAM MANAGER REVIEW

California Communities shall use its Program Manager to review the proposed bond financing, to ensure it meets all applicable Authority policies and procedures. The Program Manager may also conduct a site visit and meet with the borrower prior to final Authority consideration. No additional fee beyond the Authority fee is charged for this review.

FINANCE TEAM APPROVAL/INDEPENDENT STUDY

The Authority shall approve each Finance Team member proposed by the borrower and reserves right to require an independent study of the project.

INDEMNITY

The borrower shall be required to provide indemnification to the Authority, its members, officers, agents, program managers and employees for all costs, expenses and attorney fees, as well as any claim, judgment or settlement costs arising out of or involved in the financing, or in any documentation related thereto.

MINORITY AND WOMEN OWNED PARTICIPATION

The Authority encourages minority and women-owned business participation in all aspects of a financing including legal, trustee and underwriting services. The Authority encourages all senior underwriters to provide the opportunity for minority and women-owned underwriting firms to sell a portion of the bonds. Selection of minority and women-owned underwriting firms shall be left to the senior managing underwriter.

CSCDA Issuance Policies

Please Note:

This Financing Policy is intended as a guide for the Authority and for applicants. While the Authority reserves the right, in its discretion, to approve exceptions, applicants should not expect any exceptions.

General Requirements – All Financings

1. The city, county or local agency hosting the proposed project must be a member of California Communities. [Click here for a list of California Communities® Members.](#)
2. Approval by the city, county or local agency hosting the proposed project as required under the Internal Revenue Code (if applicable) and as set forth in Section 9 of California Communities' Joint Powers Agreement.
3. Standard indemnification with respect to the financing and the project provided by the applicant to California Communities in the appropriate financing documents.
4. Standard indemnification with respect to the issuance and sale of Bonds provided by the underwriter to California Communities in the purchase contract.
5. California Communities' counsel shall conduct a review of the financing documents for consistency with California Communities policies and form documents.
6. California Communities' program manager shall conduct a review of the financing and the associated public benefits.
7. If offering material or a disclosure document is required, it shall contain language that California Communities takes no responsibility for the disclosures contained therein (except for information under the sections titled "THE AUTHORITY" and "LITIGATION" to the extent such information pertains to California Communities);
8. If offering material or a disclosure document is required, the applicant shall have its counsel deliver a 10b-5 opinion covering such document at closing. The contents of such opinion shall be to the satisfaction of California Communities and its counsel.
9. No gaming facilities are to be financed.

Additional Requirements for Financings Rated "BBB-" or Better

Please Note:

Financings rated "BBB-" through "AAA" by any 2 of the 3 major rating agencies (S&P, Moody's and Fitch) will be subject to the additional requirements below, even if the third rating is less than "BBB-".

1. Bonds may be issued and sold through a public offering, private placement or limited public offering with appropriate disclosure or offering materials.
2. Bonds may be issued in \$5,000 or such other minimum denominations at the discretion of the applicant and approved by California Communities.

Additional Requirements for Financings Rated Below "BBB-" or Unrated

1. Either: (a) Bonds must be sold to purchasers that are "qualified institutional buyers" as generally defined under Rule 144A of the Securities Act of 1933 or (b) Bonds must be privately placed with purchasers that are "accredited investors" as generally defined under Regulation D of the Securities Act of 1933 and all initial and subsequent "accredited investors" shall execute a "traveling" sophisticated investor letter in form acceptable to California Communities.
2. The offering material/disclosure document, if any, shall prominently indicate on the cover that Bonds can only be sold to qualified institutional buyers or accredited investors, as applicable.
3. The face of each Bond shall contain a legend stating to the effect that such Bond can only be sold to qualified institutional buyers or accredited investors, as applicable.
4. The bond documents shall contain provisions that restrict the ability to transfer the Bonds to only qualified institutional buyers or accredited investors, as applicable.
5. Bonds may be issued and sold through a private placement or limited public offering with appropriate disclosure or offering materials.
6. Bonds sold to "qualified institutional buyers" as specified above shall be sold in minimum denominations of \$25,000 or greater.
7. Bonds sold to "accredited investors" as specified above shall be sold in minimum denominations of \$100,000 or greater.
8. Bonds shall be delivered in book-entry form, if delivered to a broker or dealer subject to MSRB Rule G-15, and otherwise shall be physically delivered.

Effective Date

California Communities' Financing Policy as set forth herein shall be effective immediately upon its adoption. (January 22, 2002; as revised on September 16, 2003, and as further revised on August 17, 2006, January 27, 2010 and November 23, 2010.)

CSCDA K-12 Private School Policy

It is the policy of the California Statewide Communities Development Authority (the "Authority") to consider favorably the issuance of bonds, notes or other evidences of indebtedness (the "Bonds") for the financing or refinancing of K-12 educational facilities to be utilized by a non-profit organization (the "Applicant") provided that the Applicant does not discriminate on the basis of a student's national or ethnic origin, disability, race, creed, color, sexual preference or religion in the administration of its admission policies and is able to demonstrate that the community will receive a public benefit as a result of the financing or refinancing of the Applicant's facilities, including, but not limited to, one or more of the following:

- a. The Applicant undertakes community outreach programs providing educational, cultural or philanthropic benefits to the community.
- b. The Applicant permits public access to its athletic fields, recreational facilities or other school facilities.
- c. The Applicant can demonstrate to the Authority that it provides reasonable financial assistance to those students in need by outlining the following: (1) total number of students receiving financial assistance; (2) total amount of financial assistance provided to individual students or entire student population; (3) other financial assistance offered to students.

The requirements as listed above will apply to the financing or refinancing of facilities that will be used for educating children in the elementary, middle and/or upper grade levels (pre-school to the twelfth grade). The Authority will consider each request for approval of projects not adhering to the Authority's requirements as described above on a case-by-case basis.

The Authority may review the requirements as listed above from time to time and at such time will make any modifications to such requirements as the Authority deems appropriate.

Effective Date: April 20, 2011.

Benefit Guidelines for 501(c)(3) Nonprofit Healthcare Facilities

In 1991, CSCDA adopted economic development benefit guidelines based upon the finding that the nonprofit facility promotes economic development within the jurisdiction of a CSCDA Program Participant. Effective March 1, 2006, the CSCDA Commission adopted health care benefit guidelines to be considered in conjunction with the CSCDA economic development guidelines with respect to proposed bond issues for 501(c)(3) nonprofit healthcare facilities.

Economic Development Benefit*

A significant and growing opportunity for the creation and retention of employment to the California economy and the enhancement of the quality of life of local Program Participant residents;

The facility being a significant factor in the economic development of an area, promoting residential, commercial and industrial development and increasing the tax base; or

The facility providing the educational background and vocational training which is a necessary element to the development and retention of a capable work force.

Health Care Benefit*

Health care resource – consideration given to quality of life for Program Participant and other area residents for access to quality medical care in general;

Emergency care – consideration given to quality of life for Program Participant and other area residents; whether the health care facility provides 24-hour emergency care to all individuals, regardless of ability to pay;

Facility upgrades and increased patient capacity - consideration given to quality of life for Program Participant patients, health facility employees, physicians and staff for new, improved or expanded medical facilities;

SB1953 compliance - consideration given to quality of life for Program Participant patients, health facility employees, physicians and staff for medical facilities being rehabilitated or constructed in compliance with SB1953 and that provide a safer acute health care environment;

Public health facility assistance - consideration given to quality of life for Program Participant owned or operated public health facilities for healthcare applicants that identify programs, contracts or practices where facilities link with or otherwise assist or ease the burden on area public health facilities;

Community outreach – consideration given to quality of life for Program Participant residents from efforts of health facility physicians and staff (such as free health screenings, immunizations for the elderly and disadvantaged, toy drives, holiday events, etc.);

Research – consideration given to medical advancements by way of research that benefit Program Participant residents and others;

Medi-Cal and Medicare acceptance - consideration given to quality of life for Program Participant residents for health care providers that serve Medi-Cal and / or Medicare patients; special consideration should be given to disproportionate share hospitals (a government measure for how much care hospitals provide to designated low-income patients);

Non-reimbursed community benefit costs for the poor and the broader community - consideration given to quality of life for Program Participant and other area residents that include:

- a. Charity care and uncompensated care
- b. Unpaid cost of Medi-Cal services
- c. Unpaid cost of Medicare services
- d. Education
- e. Research
- f. Low or negative margin services
- g. Nonbilled services
- h. Cash and in-kind donations
- i. Other benefits to the poor or broader community, as defined by the applicant

* Although any one of these listed benefits may demonstrate a clear public benefit, the absence of other benefits does not mean that there is a lack of public benefit associated with a project. There may be other benefits not listed which can also be considered to demonstrate public benefit.

Effective March 1, 2006.

CSCDA Public Access to Records Policy

It is the intention of the California Statewide Communities Development Authority ("California Communities") to make records accessible to the public in an expedient and reasonable manner under the terms of the California Public Records Act (California Government Code Section 6250 and following). Accordingly, the following policy has been adopted by the Commission of the California Communities.

Requests

California Communities prefers that all records requests be submitted in writing. However, should a request be made orally, the request will be recorded as accurately as possible and California Communities will address the request in accordance with the manner in which it was recorded.

Requests for the right to inspect and / or for copies of California Communities records that are disclosable under the Act may be made in writing to:

Document Request:

VIA REGULAR MAIL:

**California Statewide Communities Development Authority
1100 K Street
Sacramento, CA 95814**

VIA FAX:

**(916) 441-5507
(Attention: California Communities® Document Request)**

VIA EMAIL:

docrequest@cacommunities.org

Provided that if a member of the public appears in person during normal office hours at any facility where California Communities® public records are maintained requesting the right to inspect disclosable documents located at such facility, such person shall be presented with such documents for inspection as soon as practicable after making such a request following determination by the Authority officers or staff as to any applicable exemptions. Hard copies of records and documents requested will be provided to the member of the public making the written or oral request for such documents upon payment of the costs described below.

Records will be made available in an electronic format if requested in such a format and if they are currently maintained in such a format. If a particular kind of format such as CD or DVD is requested, records requested in that format will be made available in that format if California Communities has used that format to create copies for its own use or for provision to other

agencies. California Communities will not release a record in an electronic format if to do so would jeopardize or compromise the security or integrity of the original record or of any proprietary software in which it is maintained. California Communities® is not obligated to reconstruct a record in an electronic format if the record is no longer available in that form.

Timing of the Response

Each request for California Communities records shall be reviewed as soon as possible by Authority officers or staff to determine (i) whether the documents are exempt under the Act, (ii) where the documents are located and (iii) if to be copied by the California Communities®, an estimation of the time required for duplicating and shipping the requested documents and the cost of duplication and shipping (as required below). This determination will be provided to the person requesting documents not more than 10 days after the California Communities® has received such request unless "unusual circumstances" exist, in which case, the person requesting documents shall be provided in writing, the date that the determination will be made available (which date shall be not be extended more than 14 days thereafter) and the unusual circumstance causing the delay.

Upon receipt of payment of costs, California Communities shall promptly make the requested copies of documents available to the person requesting such documents.

Costs

Person requesting copies of California Communities records shall, prior to the duplications of such records, pay the costs of duplication and shipping as follows:

Duplicating/production costs:

\$.25 per page	8.5x11 or 8.5x14 page
\$.25 per page	computer printouts
\$5.00 each	photograph reproduction
actual costs, plus \$5.00	copies that require special equipment or special technique
No charges	Person requesting documents makes own arrangements for documents to be copied on site

Shipping costs:

Actual postage	first class mail
Actual cost plus \$5.00	overnight delivery or messenger service
No charges	documents picked up by person requesting them

Costs shall be paid by check or money order made payable to CSAC Finance Corporation and delivered to the Secretary at the same address as written requests for documents noted above.

Distribution of Policy

The California Communities shall post this policy at www.cacommunities.org and shall make a copy of this policy, at no cost, to any person requesting the policy.

NOTICE OF INTENTION TO ADOPT REVISED
CONFLICT OF INTEREST CODE

The Political Reform Act (the "Act"), Government Code sections 81000, et seq., requires every state or local government agency to adopt and promulgate a Conflict of Interest Code. California Statewide Communities Development Authority ("CSCDA") proposes to adopt a new conflict of interest code that will supersede any conflict of interest codes previously adopted by CSCDA. A copy of the proposed code is attached to this Notice.

Written comments concerning the proposed Code may be submitted to James Hamill, Program Manager, California Communities, 2033 N. Main Street, Suite 700, Walnut Creek, California 94596. A public hearing to consider this proposed Code shall be held at 10:00 a.m. on February 18, 2009, at the League of California Cities, 1400 K Street, Sacramento, CA 95814.

Inquires regarding this proposed Code may be directed to James Hamill, Program Manager, California Communities, 2033 N. Main Street, Suite 700, Walnut Creek, California 94596.

CSCDA has prepared a written explanation of the reasons for the designations and the disclosure responsibilities and such explanation is available for review by the public and may be obtained by contacting James Hamill, Program Manager, California Communities, 2033 N. Main Street, Suite 700, Walnut Creek, California 94596, by phone at 925-933-9229 or by e-mail at info@cacommunities.org.

CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY

CONFLICT OF INTEREST CODE

The Political Reform Act, Government Code section 81000, et. Seq., requires state and local government agencies to adopt and promulgate Conflict of Interest Codes. The Fair Political Practices Commission has adopted a regulation, California Code of Regulations, 2 Cal. Admin. Code section 18730, which contains the terms of a standard Conflict of Interest Code, which can be incorporated by reference, and which may be amended by the Fair Political Practices Commission to conform to amendments in the Political Reform Act after public notice and hearings. Therefore, the terms of California Code of Regulations, 2 Cal. Admin. Code section 18730 and any amendments to it duly adopted by the Fair Political Practices Commission, along with the attached Appendix in which officials and employees are designated and disclosure categories are set forth, are hereby incorporated by reference and constitute the Conflict of Interest Code of the California Statewide Communities Development Authority.

APPENDIX

Designated Employees	Disclosure Category
Board members of CSCDA	1
Program Manager	1
Controller	1
Housing Compliance Director	1
Consultants*	1*

Category 1

Designated employees assigned to this category shall disclose all business entities and non-profit organizations in which they have an investment or in which they are a director, officer, partner, trustee, employee or hold any position of management; all interests in real property; and all sources of income, including gifts, loans and travel payments.

Category 2

Designated employees assigned to this category shall disclose business entities and non-profit organizations in which they have an investment or in which they are a director, officer, partner, trustee, employee or hold any position of management; and income, including gifts, loans and travel payments; if the business entity, non-profit organization or source of income manufactures, distributes, sells or otherwise provides goods or services of the type utilized by the division or program to which the designated employee is assigned.

*Definition of Consultants and Note Regarding Disclosure Categories for Consultants: This category of designated employees includes consultants who make (not just recommend) governmental decisions, such as whether to approve a rate, rule, or regulation, whether to issue, deny, suspend, or revoke any permit, license, application, certificate or similar authorization, adopt or grant CSCDA approval to a plan, design, report, study, or adopt or grant CSCDA approval of policies, standards, or guidelines for CSCDA. Such consultants shall disclose in Category 1. This category also includes consultants who act in a staff capacity with CSCDA, and in that capacity perform the same or substantially all the same duties for CSCDA that would otherwise be performed by an individual holding a designated position in CSCDA's Conflict of Interest Code. Such consultants shall disclose at the same level as the comparable designated position identified elsewhere in the Code.

(Regulations of the Fair Political Practices Commission, Title 2, Division 6, California Code of Regulations.)

§ 18730. Provisions of Conflict of Interest Codes.

(a) Incorporation by reference of the terms of this regulation along with the designation of employees and the formulation of disclosure categories in the Appendix referred to below constitute the adoption and promulgation of a conflict of interest code within the meaning of Government Code section 87300 or the amendment of a conflict of interest code within the meaning of Government Code section 87306 if the terms of this regulation are substituted for terms of a conflict of interest code already in effect. A code so amended or adopted and promulgated requires the reporting of reportable items in a manner substantially equivalent to the requirements of article 2 of chapter 7 of the Political Reform Act, Government Code sections 81000, et seq. The requirements of a conflict of interest code are in addition to other requirements of the Political Reform Act, such as the general prohibition against conflicts of interest contained in Government Code section 87100, and to other state or local laws pertaining to conflicts of interest.

(b) The terms of a conflict of interest code amended or adopted and promulgated pursuant to this regulation are as follows:

(1) Section 1. Definitions.

The definitions contained in the Political Reform Act of 1974, regulations of the Fair Political Practices Commission (2 Cal. Code of Regs. sections 18110, et seq.), and any amendments to the Act or regulations, are incorporated by reference into this conflict of interest code.

(2) Section 2. Designated Employees.

The persons holding positions listed in the Appendix are designated employees. It has been determined that these persons make or participate in the making of decisions which may foreseeably have a material effect on economic interests.

(3) Section 3. Disclosure Categories.

This code does not establish any disclosure obligation for those designated employees who are also specified in Government Code section 87200 if they are designated in this code in that same capacity or if the geographical jurisdiction of this agency is the same as or is wholly included within the jurisdiction in which those persons must report their economic interests pursuant to article 2 of chapter 7 of the Political Reform Act, Government Code sections 87200, et seq.

In addition, this code does not establish any disclosure obligation for any designated employees who are designated in a conflict of interest code for another agency, if all of the following apply:

(A) The geographical jurisdiction of this agency is the same as or is wholly included within the jurisdiction of the other agency;

(B) The disclosure assigned in the code of the other agency is the same as that required under article 2 of chapter 7 of the Political Reform Act, Government Code section 87200; and

(C) The filing officer is the same for both agencies.¹

¹ Designated employees who are required to file statements of economic interests under any other agency's conflict of interest code, or under article 2 for a different jurisdiction, may expand their statement of economic interests to cover reportable interests in both jurisdictions, and file copies of this expanded statement with both entities in lieu of filing separate and distinct statements, provided that each copy of such expanded statement filed in place of an, original is signed and verified by the designated employee as if it were an original. See Government

Such persons are covered by this code for disqualification purposes only. With respect to all other designated employees, the disclosure categories set forth in the Appendix specify which kinds of economic interests are reportable. Such a designated employee shall disclose in his or her statement of economic interests those economic interests he or she has which are of the kind described in the disclosure categories to which he or she is assigned in the Appendix. It has been determined that the economic interests set forth in a designated employee's disclosure categories are the kinds of economic interests which he or she foreseeably can affect materially through the conduct of his or her office.

(4) Section 4. Statements of Economic Interests: Place of Filing.

The code reviewing body shall instruct all designated employees within its code to file statements of economic interests with the agency or with the code reviewing body, as provided by the code reviewing body in the agency's conflict of interest code.²

(5) Section 5. Statements of Economic Interests: Time of Filing.

(A) Initial Statements. All designated employees employed by the agency on the effective date of this code, as originally adopted, promulgated and approved by the code reviewing body, shall file statements within 30 days after the effective date of this code. Thereafter, each person already in a position when it is designated by an amendment to this code shall file an initial statement within 30 days after the effective date of the amendment.

(B) Assuming Office Statements. All persons assuming designated positions after the

Code section 81004.

² See Government Code section 81010 and 2 Cal. Code of Regs. section 18115 for the duties of filing officers and persons in agencies who make and retain copies of statements and forward the originals to the filing officer.

effective date of this code shall file statements within 30 days after assuming the designated positions, or if subject to State Senate confirmation, 30 days after being nominated or appointed.

(C) Annual Statements. All designated employees shall file statements no later than April 1.

(D) Leaving Office Statements. All persons who leave designated positions shall file statements within 30 days after leaving office.

(5.5) Section 5.5. Statements for Persons Who Resign Prior to Assuming Office.

Any person who resigns within 12 months of initial appointment, or within 30 days of the date of notice provided by the filing officer to file an assuming office statement, is not deemed to have assumed office or left office, provided he or she did not make or participate in the making of, or use his or her position to influence any decision and did not receive or become entitled to receive any form of payment as a result of his or her appointment. Such persons shall not file either an assuming or leaving office statement.

(A) Any person who resigns a position within 30 days of the date of a notice from the filing officer shall do both of the following:

(1) File a written resignation with the appointing power; and

(2) File a written statement with the filing officer declaring under penalty of perjury that during the period between appointment and resignation he or she did not make, participate in the making, or use the position to influence any decision of the agency or receive, or become entitled to receive, any form of payment by virtue of being appointed to the position.

(6) Section 6. Contents of and Period Covered by Statements of Economic Interests.

(A) Contents of Initial Statements.

Initial statements shall disclose any reportable investments, interests in real property and

business positions held on the effective date of the code and income received during the 12 months prior to the effective date of the code.

(B) Contents of Assuming Office Statements.

Assuming office statements shall disclose any reportable investments, interests in real property and business positions held on the date of assuming office or, if subject to State Senate confirmation or appointment, on the date of nomination, and income received during the 12 months prior to the date of assuming office or the date of being appointed or nominated, respectively.

(C) Contents of Annual Statements. Annual statements shall disclose any reportable investments, interests in real property, income and business positions held or received during the previous calendar year provided, however, that the period covered by an employee's first annual statement shall begin on the effective date of the code or the date of assuming office whichever is later, or for a board or commission member subject to Government Code section 87302.6, the day after the closing date of the most recent statement filed by the member pursuant to 2 Cal. Code Regs. section 18754.

(D) Contents of Leaving Office Statements.

Leaving office statements shall disclose reportable investments, interests in real property, income and business positions held or received during the period between the closing date of the last statement filed and the date of leaving office.

(7) Section 7. Manner of Reporting.

Statements of economic interests shall be made on forms prescribed by the Fair Political Practices Commission and supplied by the agency, and shall contain the following information:

(A) Investment and Real Property Disclosure.

When an investment or an interest in real property³ is required to be reported,⁴ the statement shall contain the following:

1. A statement of the nature of the investment or interest;
2. The name of the business entity in which each investment is held, and a general description of the business activity in which the business entity is engaged;
3. The address or other precise location of the real property;
4. A statement whether the fair market value of the investment or interest in real property equals or exceeds two thousand dollars (\$2,000), exceeds ten thousand dollars (\$10,000), exceeds one hundred thousand dollars (\$100,000), or exceeds one million dollars (\$1,000,000).

(B) Personal Income Disclosure. When personal income is required to be reported,⁵ the statement shall contain:

1. The name and address of each source of income aggregating five hundred dollars (\$500) or more in value, or fifty dollars (\$50) or more in value if the income was a gift, and a

³ For the purpose of disclosure only (not disqualification), an interest in real property does not include the principal residence; of the filer.

⁴ Investments and interests in real property which have a fair market value of less than \$2,000 are not investments and interests in real property within the meaning of the Political Reform Act. However, investments or interests in real property of an individual include those held by the individual's spouse and dependent children as well as a pro rata share of any investment or interest in real property of any business entity or trust in which the individual, spouse and dependent children own, in the aggregate, a direct, indirect or beneficial interest of 10 percent or greater.

⁵ A designated employee's income includes his or her community property interest in the income of his or her spouse but does not include salary or reimbursement for expenses received from a state, local or federal government agency.

general description of the business activity, if any, of each source;

2. A statement whether the aggregate value of income from each source, or in the case of a loan, the highest amount owed to each source, was one thousand dollars (\$1,000) or less, greater than one thousand dollars (\$1,000), greater than ten thousand dollars (\$10,000), or greater than one hundred thousand dollars (\$100,000);

3. A description of the consideration, if any, for which the income was received;

4. In the case of a gift, the name, address and business activity of the donor and any intermediary through which the gift was made; a description of the gift; the amount or value of the gift; and the date on which the gift was received;

5. In the case of a loan, the annual interest rate and the security, if any, given for the loan and the term of the loan.

(C) Business Entity Income Disclosure. When income of a business entity, including income of a sole proprietorship, is required to be reported,⁶ the statement shall contain:

1. The name, address, and a general description of the business activity of the business entity;

2. The name of every person from whom the business entity received payments if the filer's pro rata share of gross receipts from such person was equal to or greater than ten thousand dollars (\$10,000).

(D) Business Position Disclosure. When business positions are required to be reported, a

⁶ Income of a business entity is reportable if the direct, indirect or beneficial interest of the filer and the filer's spouse in the business entity aggregates a 10 percent or greater interest. In addition, the disclosure of persons who are clients or customers of a business entity is required only if the clients or customers are within one of the disclosure categories of the filer.

designated employee shall list the name and address of each business entity in which he or she is a director, officer, partner, trustee, employee, or in which he or she holds any position of management, a description of the business activity in which the business entity is engaged, and the designated employee's position with the business entity.

(E) Acquisition or Disposal During Reporting Period. In the case of an annual or leaving office statement, if an investment or an interest in real property was partially or wholly acquired or disposed of during the period covered by the statement, the statement shall contain the date of acquisition or disposal.

(8) Section 8. Prohibition on Receipt of Honoraria.

(A) No member of a state board or commission, and no designated employee of a state or local government agency, shall accept any honorarium from any source, if the member or employee would be required to report the receipt of income or gifts from that source on his or her statement of economic interests. This section shall not apply to any part-time member of the governing board of any public institution of higher education, unless the member is also an elected official.

Subdivisions (a), (b), and (c) of Government Code Section 89501 shall apply to the prohibitions in this section.

This section shall not limit or prohibit payments, advances, or reimbursements for travel and related lodging and subsistence authorized by Government Code section 89506.

(8.1) Section 8.1. Prohibition on Receipt of Gifts in Excess of \$390.

(A) No member of a state board or commission, and no designated employee of a state or local government agency, shall accept gifts with a total value of more than \$390 in a calendar year from any single source, if the member or employee would be required to report the receipt

of income or gifts from that source on his or her statement of economic interests. This section shall not apply to any part-time member of the governing board of any public institution of higher education, unless the member is also an elected official.

Subdivisions (e), (f), and (g) of Government Code section 89503 shall apply to the prohibitions in this section.

(8.2) Section 8.2. Loans to Public Officials.

(A) No elected officer of a state or local government agency shall, from the date of his or her election to office through the date that he or she vacates office, receive a personal loan from any officer, employee, member, or consultant of the state or local government agency in which the elected officer holds office or over which the elected officer's agency has direction and control.

(B) No public official who is exempt from the state civil service system pursuant to subdivisions (c), (d), (e), (f), and (g) of Section 4 of Article VII of the Constitution shall, while he or she holds office, receive a personal loan from any officer, employee, member, or consultant of the state or local government agency in which the public official holds office or over which the public official's agency has direction and control. This subdivision shall not apply to loans made to a public official whose duties are solely secretarial, clerical, or manual.

(C) No elected officer of a state or local government agency shall, from the date of his or her election to office through the date that he or she vacates office, receive a personal loan from any person who has a contract with the state or local government agency to which that elected officer has been elected or over which that elected officer's agency has direction and control. This subdivision shall not apply to loans made by banks or other financial institutions or to any indebtedness created as part of a retail installment or credit card transaction, if the loan is made

or the indebtedness created in the lender's regular course of business on terms available to members of the public without regard to the elected officer's official status.

(D) No public official who is exempt from the state civil service system pursuant to subdivisions (c), (d), (e), (f), and (g) of Section 4 of Article VII of the Constitution shall, while he or she holds office, receive a personal loan from any person who has a contract with the state or local government agency to which that elected officer has been elected or over which that elected officer's agency has direction and control. This subdivision shall not apply to loans made by banks or other financial institutions or to any indebtedness created as part of a retail installment or credit card transaction, if the loan is made or the indebtedness created in the lender's regular course of business on terms available to members of the public without regard to the elected officer's official status. This subdivision shall not apply to loans made to a public official whose duties are solely secretarial, clerical, or manual.

(E) This section shall not apply to the following:

1. Loans made to the campaign committee of an elected officer or candidate for elective office.

2. Loans made by a public official's spouse, child, parent, grandparent, grandchild, brother, sister, parent-in-law, brother-in-law, sister-in-law, nephew, niece, aunt, uncle, or first cousin, or the spouse of any such persons, provided that the person making the loan is not acting as an agent or intermediary for any person not otherwise exempted under this section.

3. Loans from a person which, in the aggregate, do not exceed five hundred dollars (\$500) at any given time.

4. Loans made, or offered in writing, before January 1, 1998.

(8.3) Section 8.3. Loan Terms.

(A) Except as set forth in subdivision (B), no elected officer of a state or local government agency shall, from the date of his or her election to office through the date he or she vacates office, receive a personal loan of five hundred dollars (\$500) or more, except when the loan is in writing and clearly states the terms of the loan, including the parties to the loan agreement, date of the loan, amount of the loan, term of the loan, date or dates when payments shall be due on the loan and the amount of the payments, and the rate of interest paid on the loan.

(B) This section shall not apply to the following types of loans:

1. Loans made to the campaign committee of the elected officer.
2. Loans made to the elected officer by his or her spouse, child, parent, grandparent, grandchild, brother, sister, parent-in-law, brother-in-law, sister-in-law, nephew, niece, aunt, uncle, or first cousin, or the spouse of any such person, provided that the person making the loan is not acting as an agent or intermediary for any person not otherwise exempted under this section.

3. Loans made, or offered in writing, before January 1, 1998.

(C) Nothing in this section shall exempt any person from any other provision of Title 9 of the Government Code.

(8.4) Section 8.4. Personal Loans.

(A) Except as set forth in subdivision (B), a personal loan received by any designated employee shall become a gift to the designated employee for the purposes of this section in the following circumstances:

1. If the loan has a defined date or dates for repayment, when the statute of limitations for filing an action for default has expired.
2. If the loan has no defined date or dates for repayment, when one year has elapsed from

the later of the following:

- a. The date the loan was made.
- b. The date the last payment of one hundred dollars (\$100) or more was made on the loan.
- c. The date upon which the debtor has made payments on the loan aggregating to less than two hundred fifty dollars (\$250) during the previous 12 months.

(B) This section shall not apply to the following types of loans:

1. A loan made to the campaign committee of an elected officer or a candidate for elective office.
2. A loan that would otherwise not be a gift as defined in this title.
3. A loan that would otherwise be a gift as set forth under subdivision (A), but on which the creditor has taken reasonable action to collect the balance due.
4. A loan that would otherwise be a gift as set forth under subdivision (A), but on which the creditor, based on reasonable business considerations, has not undertaken collection action. Except in a criminal action, a creditor who claims that a loan is not a gift on the basis of this paragraph has the burden of proving that the decision for not taking collection action was based on reasonable business considerations.

5. A loan made to a debtor who has filed for bankruptcy and the loan is ultimately discharged in bankruptcy.

(C) Nothing in this section shall exempt any person from any other provisions of Title 9 of the Government Code.

(9) Section 9. Disqualification.

No designated employee shall make, participate in making, or in any way attempt to use

his or her official position to influence the making of any governmental decision which he or she knows or has reason to know will have a reasonably foreseeable material financial effect, distinguishable from its effect on the public generally, on the official or a member of his or her immediate family or on:

(A) Any business entity in which the designated employee has a direct or indirect investment worth two thousand dollars (\$2,000) or more;

(B) Any real property in which the designated employee has a direct or indirect interest worth two thousand dollars (\$2,000) or more;

(C) Any source of income, other than gifts and other than loans by a commercial lending institution in the regular course of business on terms available to the public without regard to official status, aggregating five hundred dollars (\$500) or more in value provided to, received by or promised to the designated employee within 12 months prior to the time when the decision is made;

(D) Any business entity in which the designated employee is a director, officer, partner, trustee, employee, or holds any position of management; or

(E) Any donor of, or any intermediary or agent for a donor of, a gift or gifts aggregating \$390 or more provided to, received by, or promised to the designated employee within 12 months prior to the time when the decision is made.

(9.3) Section 9.3. Legally Required Participation.

No designated employee shall be prevented from making or participating in the making of any decision to the extent his or her participation is legally required for the decision to be made. The fact that the vote of a designated employee who is on a voting body is needed to break a tie does not make his or her participation legally required for purposes of this section.

(9.5) Section 9.5. Disqualification of State Officers and Employees.

In addition to the general disqualification provisions of section 9, no state administrative official shall make, participate in making, or use his or her official position to influence any governmental decision directly relating to any contract where the state administrative official knows or has reason to know that any party to the contract is a person with whom the state administrative official, or any member of his or her immediate family has, within 12 months prior to the time when the official action is to be taken:

(A) Engaged in a business transaction or transactions on terms not available to members of the public, regarding any investment or interest in real property; or

(B) Engaged in a business transaction or transactions on terms not available to members of the public regarding the rendering of goods or services totaling in value one thousand dollars (\$1,000) or more.

(10) Section 10. Disclosure of Disqualifying Interest.

When a designated employee determines that he or she should not make a governmental decision because he or she has a disqualifying interest in it, the determination not to act may be accompanied by disclosure of the disqualifying interest.

(11) Section 11. Assistance of the Commission and Counsel.

Any designated employee who is unsure of his or her duties under this code may request assistance from the Fair Political Practices Commission pursuant to Government Code section 83114 and 2 Cal. Code Regs. sections 18329 and 18329.5 or from the attorney for his or her agency, provided that nothing in this section requires the attorney for the agency to issue any formal or informal opinion.

(12) Section 12. Violations.

This code has the force and effect of law. Designated employees violating any provision of this code are subject to the administrative, criminal and civil sanctions provided in the Political Reform Act, Government Code sections 81000-91014. In addition, a decision in relation to which a violation of the disqualification provisions of this code or of Government Code section 87100 or 87450 has occurred may be set aside as void pursuant to Government Code section 91003.

Note: Authority cited: Section 83112, Government Code. Reference: Sections 87103(e), 87300-87302, 89501, 89502 and 89503, Government Code.

HISTORY

1. New section filed 4-2-80 as an emergency; effective upon filing (Register 80, No. 14).

Certificate of Compliance included.

2. Editorial correction (Register 80, No. 29).

3. Amendment of subsection (b) filed 1-9-81; effective thirtieth day thereafter (Register 81, No. 2).

4. Amendment of subsection (b)(7)(B)1. filed 1-26-83; effective thirtieth day thereafter (Register 83, No. 5).

5. Amendment of subsection (b)(7)(A) filed 11-10-83; effective thirtieth day thereafter (Register 83, No. 46).

6. Amendment filed 4-13-87; operative 5-13-87 (Register 87, No. 16).

7. Amendment of subsection (b) filed 10-21-88; operative 11-20-88 (Register 88, No. 46).

8. Amendment of subsections (b)(8)(A) and (b)(8)(B) and numerous editorial changes filed 8-28-90; operative 9-27-90 (Reg. 90, No. 42).

9. Amendment of subsections (b)(3), (b)(8) and renumbering of following subsections and

amendment of Note filed 8-7-92; operative 9-7-92 (Register 92, No. 32).

10. Amendment of subsection (b)(5.5) and new subsections (b)(5.5)(A)-(A)(2) filed 2-4-93; operative 2-4-93 (Register 93, No. 6).

11. Change without regulatory effect adopting Conflict of Interest Code for California Mental Health Planning Council filed 11-22-93 pursuant to title 1, section 100, California Code of Regulations (Register 93, No. 48). Approved by Fair Political Practices Commission 9-21-93.

12. Change without regulatory effect redesignating Conflict of Interest Code for California Mental Health Planning Council as chapter 62, section 55100 filed 1-4-94 pursuant to title 1, section 100, California Code of Regulations (Register 94, No. 1).

13. Editorial correction adding History 11 and 12 and deleting duplicate section number (Register 94, No. 17).

14. Amendment of subsection (b)(8), designation of subsection (b)(8)(A), new subsection (b)(8)(B), and amendment of subsections (b)(8.1)-(b)(8.1)(B), (b)(9)(E) and Note filed 3-14-95; operative 3-14-95 pursuant to Government Code section 11343.4(d) (Register 95, No. 11).

15. Editorial correction inserting inadvertently omitted language in footnote 4 (Register 96, No. 13).

16. Amendment of subsections (b)(8)(A)-(B) and (b)(8.1)(A), repealer of subsection (b)(8.1)(B), and amendment of subsection (b)(12) filed 10-23-96; operative 10-23-96 pursuant to Government Code section 11343.4(d) (Register 96, No. 43).

17. Amendment of subsections (b)(8.1) and (9)(E) filed 4-9-97; operative 4-9-97 pursuant to Government Code section 11343.4(d) (Register 97, No. 15).

18. Amendment of subsections (b)(7)(B)5., new subsections (b)(8.2)-(b)(8.4)(C) and amendment of Note filed 8-24-98; operative 8-24-98 pursuant to Government Code section 11343.4(d)

(Register 98, No. 35).

19. Editorial correction of subsection (a) (Register 98, No. 47).

20. Amendment of subsections (b)(8.1), (b)(8.1)(A) and (b)(9)(E) filed 5-11-99; operative 5-11-99 pursuant to Government Code section 11343.4(d) (Register 99, No. 20).

21. Amendment of subsections (b)(8.1)-(b)(8.1)(A) and (b)(9)(E) filed 12-6-2000; operative 1-1-2001 pursuant to the 1974 version of Government Code section 11380.2 and Title 2, California Code of Regulations, section 18312(d) and; (e) (Register 2000, No. 49).

22. Amendment of subsections (b)(3) and (b)(10) filed 1-10-2001; operative 2-1-2001.

Submitted to OAL for filing pursuant to *Fair Political Practices Commission v. Office of Administrative Law*, 3 Civil C010924, California Court of Appeal, Third Appellate District, nonpublished decision, April 27, 1992 (FPPC regulations only subject to 1974 Administrative Procedure Act rulemaking requirements) (Register 2001, No. 2).

23. Amendment of subsections (b)(7)(A)4., (b)(7)(B)1.-2., (b)(8.2)(E)3., (b)(9)(A)-(C) and footnote 4. filed 2-13-2001. Submitted to OAL for filing pursuant to *Fair Political Practices Commission v. Office of Administrative Law*, 3 Civil C010924, California Court of Appeal, Third Appellate District, nonpublished decision, April 27, 1992 (FPPC regulations only subject to 1974 Administrative Procedure Act rulemaking requirements) (Register 2001, No. 7).

24. Amendment of subsections (b)(8.1)-(b)(8.1)(A) filed 1-16-2003; operative 1-1-2003.

Submitted to OAL for filing pursuant to *Fair Political Practices Commission v. Office of Administrative Law*, 3 Civil C010924, California Court of Appeal, Third Appellate District, nonpublished decision, April 27, 1992 (FPPC regulations only subject to 1974 Administrative Procedure Act rulemaking requirements) (Register 2003, No. 3).

25. Editorial correction of 24 (Register 2003, No. 12).

26. Editorial correction removing extraneous phrase in subsection (b)(9.5)(B) (Register 2004, No. 33).

27. Amendment of subsections (b)(2)-(3), (b)(3)(C), (b)(6)(C), (b)(8.1)-(b)(8.1)(A), (b)(9)(E) and (b)(11)-(12) filed 1-4-2005; operative 1-1-2005 pursuant to Government Code section 11343.4 (Register 2005, No. 1).

28. Amendment of subsection (b)(7)(A)4. filed 10-11-2005; operative 11-10-2005 (Register 2005, No. 41).

29. Amendment of subsections (a), (b)(1), (b)(3), (b)(8.1), (b)(8.1)(A) and (b)(9)(E) filed 12-18-2006; operative 1-1-2007. Submitted to OAL pursuant to *Fair Political Practices Commission v. Office of Administrative Law*, 3 Civil C010924, California Court of Appeal, Third Appellate District, nonpublished decision, April 27, 1992 (FPPC regulations only subject to 1974 Administrative Procedure Act rulemaking requirements) (Register 2006, No. 51).