



REGULAR MEETING AGENDA

March 17, 2016 at 2:00 p.m.

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

Telephonic Locations:

709 Portwalk Place
Redwood City, CA 94061

County of Butte
7 County Drive, Oroville, CA 9596

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

County of Monterey
168 Alisal Street, Salinas, CA 93901

A. OPENING AND PROCEDURAL ITEMS

1. Roll Call.

_____ Dan Harrison, Chair	_____ Tim Snellings, Member
_____ Larry Combs, Vice Chair	_____ Dan Mierzwa, Member
_____ Kevin O'Rourke, Treasurer	_____ Ron Holly, Alt. Member
_____ Terry Schutten, Secretary	_____ Brian Moura, Alt. Member
_____ Irwin Bornstein, Member	
2. Consideration of the minutes of the March 3, 2016 Regular Meeting.
3. Consideration of the Consent Calendar.
4. Public Comment.

B. ITEMS FOR CONSIDERATION

5. Consideration of the issuance of revenue bonds or other obligations to finance or refinance the following projects, the execution and delivery of related documents, and other related actions:
 - a. LIH Casa Blanca LP (Casa Blanca Apartments), City of Antioch, County of Contra Costa, up to \$17,000,000 in multi-family housing revenue bonds.

This ___ page agenda was posted at 1100 K Street, Sacramento, California on _____, 2016 at ___: ___ m, Signed _____. Please email signed page to info@cscda.org

6. Consideration of resolution abandoning proceedings for proposed Assessment District No. 16-01 (City of Petaluma, County of Sonoma) relating to the Statewide Community Infrastructure Program.
7. Consider resolution increasing CaliforniaFirst residential PACE authorization to \$400,000,000.
8. Consider resolution deeming special services covenant satisfied by Dignity Health.

C. STAFF ANNOUNCEMENTS, REPORTS ON ACTIVITIES OR REQUESTS

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

NEXT MEETING: Thursday, April 7, 2016 at 2:00 p.m.
League of California Cities
1400 K Street, 3rd Floor, Sacramento, CA 95814

CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY

CONSENT CALENDAR

1. Consent Calendar

- a. Inducement of Kore Infrastructure, LLC (Rialto Project), City of Rialto, County of San Bernardino; issue up to \$50 million in solid waste disposal revenue bonds.
- b. Approve South Placer Municipal Utility District as a new CSCDA program participant.

March 17, 2016



TABLE OF CONTENTS

MARCH 17, 2016

Item 2	March 3, 2016 Regular Meeting Minutes	Page	5
Item 3	Consent Calendar	Page	8
Item 5a	Casa Blanca Apartments	Page	14
Item 6	SCIP Abandonment Proceedings	Page	22
Item 7	CaliforniaFIRST Increased Authorization	Page	25
Item 8	Dignity Health	Page	37

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

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

March 3, 2016

MINUTES

Commission chair Dan Harrison called the meeting to order at 2:00 pm.

1 Roll Call.

Commission members present: Dan Harrison. Dan Mierzwa; Tim Snellings, and Kevin O'Rourke participated by conference telephone.

CSCDA Executive Director, Catherine Bando was also present.

Others present included: Norman Coppinger and Perry Stottlemeyer, League of California Cities; Jon Penkower and James Hamill, Bridge Strategic Partners; and Mark Paxson, State Treasurer's Office. Tricia Ortiz, Richards Watson & Gershon; Patricia Eichar, Erin Pham and Mayling Leong, Orrick Herrington & Sutcliffe participated by conference telephone.

2 Approval of the minutes of the February 18, 2016 regular meeting.

Motion to approve by Mierzwa; second by O'Rourke; unanimously approved by roll-call vote.

3 Approval of consent calendar:

- a Induce Bernardo Avenue Family Apartments, LP (Evelyn Family Apartments), City of Mountain View, County of Santa Clara; issue up to \$35 million in multi-family revenue bonds.
- b Induce St. Anton Communities, LLC (Innovia Apartments), City of Fremont, County of Alameda; issue up to \$60 million in multi-family housing revenue bonds.
- c Induce KDF Communities, LLC (Emerald Gardens Apartments), City of Buena Park, County of Orange; issue up to \$25 million in multi-family housing revenue bonds.
- d Induce KDF Communities, LLC (Heninger Village Apartments), City of Santa Ana, County of Orange; issue up to \$14 million in multi-family housing revenue bonds.

Motion to approve by O'Rourke; second by Snellings; unanimously approved by roll-call vote.

4 Public comment.

None.

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

- a Rady Children's Hospital; City of San Diego, County of San Diego; issue up to \$64.32 million in refunding revenue bonds.

Executive Director Bando explained that this project is a refinance of 2006 bonds that will result in a net present value savings of \$6.9 million. Bando indicated that the financing complies with CSCDA policies and she recommends approval.

Motion to approve Executive Director Bando's recommendation by Snellings; second by Mierzwa; unanimously approved by roll-call vote.

6 Statewide Community Infrastructure Program (SCIP):

- a Conduct proceedings with respect to SCIP 2016A (seven projects listed in agenda packet materials):

- 1 Assessment Districts Public Hearing opened at 2:08 pm.

- 2 Assessment District No. 16-01 (City of Petaluma, County of Sonoma) continued to March 17, 2016.

- 3 No comments from the public, so Assessment Districts Public Hearing for remaining Assessment Districts closed at 2:08 pm.

- 4 Assessment ballots and results are as follows: the waiver and ballots for Assessment District No. 16-01 were received from City of Brentwood (County of Contra Costa), El Dorado Irrigation District (County of El Dorado), City of Gardena (County of Los Angeles), City of Manteca (County of San Joaquin), and City of Santa Rosa (County of Sonoma). All ballots received were in favor.

- b Approve the following resolutions for SCIP:

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

Motion to approve by Mierzwa; second by O'Rourke; unanimously approved by roll-call vote.

- 2 Resolution providing for the issuance of six separate series of SCIP limited obligation for improvement bonds and approving the form and substance of a trust agreement.

Motion to approve by Mierzwa; second by O'Rourke; unanimously approved by roll-call vote.

- 3 Resolution authorizing the issuance, sale and delivery of SCIP Revenue Bonds Series 2016A and approving the forms of a trust agreement, a bond purchase agreement, a continuing

disclosure agreement, and a preliminary official statement and authorizing certain other actions.

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

7 Approve revisions to CSCDA's issuance policy for non-related/below investment-grade bonds.

Executive Director Bando explained that this item is a revision to CSCDA's issuance policy, which is in response to some confusion relating to the current policy. The revised policy clarifies the types of investor-buyers that are allowed. CSCDA's issuer counsel, Orrick Herrington & Sutcliffe, has reviewed the modification and recommends adoption. Accordingly, Bando recommends adoption.

Motion to approve Executive Director Bando's recommendation by O'Rourke; second by Mierzwa; unanimously approved by roll-call vote.

8 Approve financial hardship fee waivers for KDF Communities.

Executive Director Bando explained that KDF Communities has two projects in Hesperia that are experiencing financial distress. They have asked relief, which is consistent with recent policy change adopted by the Commissioners (Dec 2015). Bando recommends approval of the hardship fee waivers as requested.

Motion to approve Executive Director Bando's recommendation by Mierzwa; second by O'Rourke; unanimously approved by roll-call vote.

9 Executive Director update.

Executive Director Bando expressed her pleasure that the consent calendar includes four new housing projects (two new projects and two refinancings).

10 Staff updates.

None.

11 Chair Dan Harrison adjourned the meeting at 2:19 pm.

Submitted by: Perry Stottlemeyer, League of California Cities staff

*The next regular meeting of the commission is scheduled for
Thursday, March 17, at 2:00 pm
in California Association of Counties' office at 1100 K Street, 1st Floor, Sacramento, California.*

RESOLUTION NO. 16-__

A RESOLUTION OF THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY SETTING FORTH THE AUTHORITY'S OFFICIAL INTENT TO ISSUE SOLID WASTE DISPOSAL REVENUE BONDS TO FINANCE THE CONSTRUCTION, IMPROVEMENT, RENOVATION AND EQUIPPING OF CERTAIN SOLID WASTE DISPOSAL FACILITIES FOR KORE INFRASTRUCTURE, LLC AND RELATED ACTIONS

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

WHEREAS, the Authority is authorized by its Agreement to issue bonds, notes or other evidences of indebtedness, or certificates of participation in leases or other agreements for all purposes permitted by the Act and described in the Agreement; and

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

WHEREAS, Kore Infrastructure, LLC, a Delaware limited liability company (the "Borrower") has requested that the Authority issue and sell solid waste disposal revenue bonds (the "Bonds") pursuant to the Act for the purpose of financing the acquisition and rehabilitation or construction of facilities to convert and treat sewage sludge into a variety of renewable energy products, including heat, power, a renewable natural gas equivalent, compressed natural gas, and liquid fuels, in Rialto, California (collectively, the "Project"); and

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

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

WHEREAS, the Authority wishes to declare its intention to authorize the issuance of Bonds for the purpose of financing costs of the Project (including reimbursement of the Reimbursement Expenditures, when so requested by the Borrower upon such terms and condition as may then be agreed upon by the Authority, the Borrower and the purchaser of the Bonds) in an aggregate principal amount not to exceed \$50,000,000; and

WHEREAS, Section 146 of the Internal Revenue Code of 1986 limits the amount of solid waste disposal revenue bonds that may be issued on behalf of for-profit borrowers in any calendar

year by entities within a state and authorizes the governor or the legislature of a state to provide the method of allocation within the state; and

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

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

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

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

Section 2. The Authority hereby determines that it is necessary and desirable to provide financing for the Project (including reimbursement of the Reimbursement Expenditures) by the issuance and sale of Bonds pursuant to the Act, as shall be authorized by resolution of the Authority at a meeting to be held for such purpose, in aggregate principal amounts not to exceed \$50,000,000. This action is taken expressly for the purpose of inducing the Borrower to undertake the Project, and nothing contained herein shall be construed to signify that the Project comply with the planning, zoning, subdivision and building laws and ordinances applicable thereto or to suggest that the Authority or any program participant, officer or agent of the Authority will grant any such approval, consent or permit that may be required in connection with the acquisition and construction or rehabilitation of the Project, or that the Authority will make any expenditures, incur any indebtedness, or proceed with the financing of the Project.

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

Section 4. The officers and/or the program managers of the Authority are hereby authorized and directed to apply to the Committee for an allocation from the state ceiling of private activity bonds to be issued by the Authority for each of the Project in an amount not to exceed \$50,000,000, and to take any and all other actions as may be necessary or appropriate in connection with such application, including but not limited to the payment of fees, the posting of deposits and the provision of certificates, and any such actions heretofore taken by such officers and program managers are hereby ratified, approved and confirmed.

PASSED AND ADOPTED by the California Statewide Communities Development Authority this March 17, 2016.

The undersigned, an Authorized Signatory of the California Statewide Communities Development Authority, DOES HEREBY CERTIFY that the foregoing resolution was duly adopted by the Commission of said Authority at a duly called meeting of the Commission of said Authority held in accordance with law on March 17, 2016.

By: _____
Authorized Signatory

RESOLUTION NO. 16R-21

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

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

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

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

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

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

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

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

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

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

PASSED AND ADOPTED by the California Statewide Communities Development Authority on March 17, 2016.

* * * * *

I, the undersigned, a duly appointed, and qualified Authorized Signatory of the Commission of the California Statewide Communities Development Authority, DO HEREBY CERTIFY that the foregoing resolution was duly adopted by the Commission of said Authority at a duly called meeting of the Commission of said Authority held in accordance with law on March 17, 2016.

By _____
Authorized Signatory

EXHIBIT A

ADDITION OF NEW CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY PROGRAM PARTICIPANT(S)

- 1. City of Sonoma**
- 2. South Placer Municipal Utility District**



Agenda Item No. 5a

Agenda Report

DATE: March 17, 2016

TO: CSCDA COMMISSIONERS

FROM: Cathy Bando, Executive Director

PROJECT: Casa Blanca Apartments

PURPOSE: Approve the Financing of Rental Affordable Housing Project Located in the City of Antioch, County of Contra Costa

AMOUNT: Not to Exceed \$17,000,000

EXECUTIVE SUMMARY:

Casa Blanca Apartments (the “Project”) is an acquisition and rehabilitation of a 115-unit rental affordable housing project located in the City of Antioch. 100% of the units will remain rent restricted for low-income tenants.

PROJECT DESCRIPTION:

- Acquisition and rehabilitation of 115-unit affordable rental housing facility located at 1000 Claudia Court in the City of Antioch.
- 6.17 acre site.
- Two-story wood frame buildings.
- Consists of 71 one-bedroom units, 43 two-bedroom units and a manager’s unit.

PROJECT ANALYSIS:

Background on Applicant:

Levy Affiliated is a California-based real estate company that acquires and manages assets throughout the United States with an emphasis on the California and the Southwest. Levy Affiliated was founded in 1988 by Shaoul J. Levy. Over the last 15 years, Levy Affiliated has sourced, negotiated and executed 90 transactions totaling nearly \$900 million across various property types and financing structures. The Company’s current portfolio of 50 properties has an estimated market value of over \$700 million, containing a mix of retail centers, office buildings and apartment complexes, ranging from Hawaii to North Carolina, but largely concentrated in Southern California. This is Levy’s 4th financing with CSCDA.

Public Agency Approval:

TEFRA Hearing: February 9, 2016 – City of Antioch – unanimous approval

CDLAC Approval: Expected at CDLAC’s March 16, 2016 meeting. CSCDA staff will confirm CDLAC’s approval at CSCDA’s meeting on March 17th.

Public Benefits:

- 100% of the units will be rent restricted for 55 years.
 - 90% (103 units) restricted to 60% or less of area median income households.
 - 10% (11 units) restricted to 50% or less of area median income households.
 - 1 manager unit
- The Project is in close proximity to recreational facilities, grocery stores and public K-12 schools.

Sources and Uses:

Sources of Funds:

Tax-Exempt Bonds:	\$ 14,023,016
Tax Credits:	<u>\$ 2,841,700</u>
Total Sources:	\$ 16,864,716

Uses of Funds:

Acquisition:	\$ 7,903,350
Construction Costs:	\$ 4,600,000
Contingency:	\$ 460,000
Financing Costs:	\$ 366,652
Capitalized Interest:	\$ 368,245
Developer Fee:	\$ 2,647,406
Cost of Issuance:	\$ 218,500
Soft Costs:	<u>\$ 300,563</u>
Total Uses:	\$ 16,864,716

Finance Partners:

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

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

Private Placement Purchaser: Citibank

Finance Terms:

Rating: Unrated
Term: 35 years at a fixed interest rate
Structure: Private Placement
Closing: April 1, 2016

CSCDA Policy Compliance:

The financing for Casa Blanca Apartments complies with CSCDA's general and issuance policies for unrated debt.

DOCUMENTS: (as attachments)

1. Photographs of Casa Blanca Apartments (Attachment A)
2. CSCDA Resolution (Attachment B)

COMMISSION ACTION RECOMMENDED BY THE EXECUTIVE DIRECTOR:

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

ATTACHMENT A

Casa Blanca Apartments



ATTACHMENT B

RESOLUTION NO. 16N-__

A RESOLUTION OF THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY AUTHORIZING THE EXECUTION AND DELIVERY OF MULTIFAMILY HOUSING REVENUE NOTES IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$17,000,000 FOR THE FINANCING OF A MULTIFAMILY RENTAL HOUSING PROJECT GENERALLY KNOWN AS CASA BLANCA 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 NOTES.

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

WHEREAS, LIH Casa Blanca Antioch, LP, a California limited partnership, and entities related thereto (collectively, the “Borrower”), has requested that the Authority execute and deliver its California Statewide Communities Development Authority Multifamily Housing Revenue Construction/Permanent Note (Casa Blanca Apartments) 2016 Series C-1 and its California Statewide Communities Development Authority Multifamily Housing Revenue Construction Note (Casa Blanca Apartments) 2016 Series C-2 (collectively, the “Notes”) to assist in the financing of the acquisition, rehabilitation and development of a 115-unit multifamily housing rental development located in the City of Antioch, California, and known as Casa Blanca Apartments (the “Project”);

WHEREAS, on March 16, 2016, the Authority received an allocation in the amount of \$14,500,000 (the “Allocation Amount”) from the California Debt Limit Allocation Committee in connection with the Project;

WHEREAS, the City of Antioch (the “City”) is a Program Participant (as defined in the Agreement) of the Authority and has authorized the execution and delivery of the Notes;

WHEREAS, the Authority is willing to execute and deliver the Notes in an aggregate principal amount not to exceed \$17,000,000, provided that the portion of such Notes executed and delivered as federally tax-exempt obligations shall not exceed the Allocation Amount, and to loan the proceeds thereof to the Borrower to assist in providing financing for the Project, which will allow the Borrower to reduce the cost of the Project and to assist in providing housing for low income persons;

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

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

(1) Funding Loan Agreement (the “Funding Loan Agreement”) to be entered into between the Funding Lender and the Authority;

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

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

(4) Contingency Draw-Down Agreement (the “Contingency Draw-Down Agreement”) to be entered into by the Funding Lender and the Borrower;

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

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

Section 2. Pursuant to the JPA Law and the Funding Loan Agreement, and in accordance with the Housing Law, the Authority is hereby authorized to execute and deliver the Notes in one or more series. The Notes shall be designated as “California Statewide Communities Development Authority Multifamily Housing Revenue Construction/Permanent Note (Casa Blanca Apartments) 2016 Series C-1” and “California Statewide Communities Development Authority Multifamily Housing Revenue Construction Note (Casa Blanca Apartments) 2016 Series C-2” 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 \$17,000,000; provided that the aggregate principal amount of any tax-exempt Notes executed and delivered shall not exceed the Allocation Amount. The Notes shall be executed and delivered in the form set forth in and otherwise in accordance with the Funding Loan Agreement, and shall be executed on behalf of the Authority by the manual signature of any Authorized Signatory. The Notes shall be secured in accordance with the terms of the Funding Loan Agreement presented to this meeting, as hereinafter approved. Payment of the principal and purchase price of, and prepayment premium, if any, and interest on, the Notes shall be made solely from amounts pledged thereto under the Funding Loan Agreement, and the Notes shall not be deemed to constitute a debt or liability of the Authority or any Program Participant or Member of the Commission of the Authority (each, a “Member”).

Section 3. The Funding Loan Agreement in the form presented at this meeting is hereby approved. Any Member, or any other person as may be designated and authorized to sign for the Authority pursuant to a resolution adopted thereby (including, without limitation, the administrative delegates duly authorized pursuant to Resolution No. 15R-53 of the Authority, adopted on October 22,

2015) (together with the Members, each such person is referred to herein individually as an “Authorized Signatory”), acting alone, is authorized to execute by manual signature and deliver the Funding Loan Agreement, with such changes and insertions therein as may be necessary to cause the same to carry out the intent of this Resolution and as are approved by counsel to the Authority, such approval to be conclusively evidenced by the delivery thereof. The date, maturity date or dates (which shall not extend beyond June 1, 2060), interest rate or rates (which shall not exceed 12%), interest payment dates, denominations, form, registration privileges, manner of execution, place of payment, terms of prepayment and other terms of the Notes shall be as provided in the Funding Loan Agreement as finally executed.

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

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

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

Section 7. The Authority is hereby authorized to execute and deliver the Notes to the Funding Lender pursuant to the terms and conditions of the Funding Loan Agreement.

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

Section 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 execution and delivery of the Notes, including without limitation any of the foregoing that may be necessary or desirable in connection with any default under or amendment of such documents, any transfer or other disposition of the Project, any addition or substitution of security for the Notes or any prepayment of the Notes, may be given or taken by any Authorized Signatory, as appropriate, without further authorization by the Commission, and each such officer is hereby authorized and directed to give any such consent, approval, notice, order or request and to take any such action that such officer may deem necessary or desirable to further the purposes of this Resolution and the financing of the Project;

provided such action shall not create any obligation or liability of the Authority other than as provided in the Funding Loan Agreement 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 March 17, 2016.

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 March 17, 2016.

By _____
Authorized Signatory



Agenda Item No. 6

Agenda Report

DATE: March 17, 2016

TO: CSCDA COMMISSIONERS

FROM: Cathy Bando, Executive Director

PURPOSE: Consideration of resolution abandoning proceedings for proposed Assessment District No. 16-01 (City of Petaluma, County of Sonoma) relating to the Statewide Community Infrastructure Program.

BACKGROUND AND SUMMARY:

At its January 7, 2016 meeting, CSCDA adopted a resolution of intention to establish a proposed assessment district in the City of Petaluma for an industrial building project as part of the SCIP 2016A pooled financing. After further discussion with the developer of the project it was determined that the SCIP financing would not be beneficial to the project. Therefore, the action being requested today is to abandon the proceedings for proposed Assessment District 16-01 (City of Petaluma, County of Sonoma).

RECOMMENDED ACTION:

CSCDA's Executive Director recommends adoption of the resolution abandoning proceedings for proposed Assessment District No. 16-01 (City of Petaluma, County of Sonoma) relating to the Statewide Community Infrastructure Program.

RESOLUTION NO. 16R-_____

**RESOLUTION ABANDONING PROCEEDINGS FOR THE PROPOSED
ASSESSMENT DISTRICT NO. 16-01 (CITY OF PETALUMA, COUNTY OF
SONOMA)**

WHEREAS, the Commission of the California Statewide Communities Development Authority (the “Commission”), on January 7, 2016, adopted a Resolution of Intention No. 16R-13 (“Resolution No. 16R-13”), by which the Commission established the proposed boundaries for a proposed assessment district to be known as the “Statewide Community Infrastructure Program Assessment District No. 16-01 (City of Petaluma, County of Sonoma, California)” (the “Proposed Assessment District”); and

WHEREAS, the Commission approved the proposed boundary map of the Assessment District and directed the Secretary of the Authority to file a copy of the map in the office of the County Recorder of the County of Sonoma within fifteen (15) days of the adoption of Resolution No. 16R-13; and

WHEREAS, the Commission designated a registered, professional engineer as Engineer of Work and directed the preparation of a report containing the matters prescribed by Sections 2961(b) and 10204 of the California Streets and Highways Code (the “Code”), as supplemented by Section 4 of Article XIID of the California Constitution; and

WHEREAS, the owners of certain real property situated in the City (the “Developers”) have requested that the Commission abandon these proceedings for the Proposed Assessment District, and this Commission, by this resolution wishes to do so;

NOW, THEREFORE, BE IT RESOLVED that the Commission of the California Statewide Communities Development Authority hereby finds, determines and resolves as follows:

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

Section 2. The proceedings for the Proposed Assessment District are hereby abandoned.

Section 3. The Superintendent of Streets is hereby authorized and directed to cause the preparation and recordation of a Notice of Discharge of Assessment Liens with the Sonoma County Recorder, said notice to include the information specified by Section 3117 of the Streets and Highways Code as follows:

- (a) The date of adoption of this resolution.

(b) The date of adoption of the resolution of intention for the Proposed Assessment District, Resolution No. 16R-13, was January 7, 2016.

(c) The boundary map for the Proposed Assessment District was filed for record in the office of the County Recorder of Sonoma County on January 22, 2016, in Book 775 of Maps of Assessment and Community Facilities Districts, at Page 7.

Section 4. This resolution shall become effective immediately upon adoption.

PASSED AND ADOPTED by the California Statewide Communities Development Authority this March 17, 2016.

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 March 17, 2016.

By _____
Authorized Signatory
California Statewide Communities
Development Authority



Agenda Item No. 7

Agenda Report

DATE: March 17, 2016

TO: CSCDA COMMISSIONERS

FROM: Cathy Bando, Executive Director

PURPOSE: Consideration of Resolution Authorizing Increased Bond Issuance Capacity in connection with CaliforniaFIRST PACE Program

EXECUTIVE SUMMARY:

On August 20, 2015, the CSCDA Commission adopted a resolution which authorized the issuance of bonds “not to exceed” \$150 million for the CaliforniaFIRST PACE Program (the “Program”). As of March 17, 2016 the Program will have issued \$121 million in PACE Bonds and is issuing an average of \$4.5 million per week. Therefore, the Program is requesting the “not to exceed” amount be increased from \$150 million to \$400 million.

RECOMMENDED ACTION:

CSCDA’s Executive Director recommends approval of the increased not to exceed amount of PACE Bonds for the CaliforniaFIRST Program from \$150 million to \$400 million pursuant to the attached resolution.

RESOLUTION NO. _____

**A RESOLUTION AUTHORIZING ISSUANCE OF LIMITED OBLIGATION
IMPROVEMENT BONDS UNDER THE SECOND AMENDED AND RESTATED
MASTER INDENTURE FOR CALIFORNIAFIRST WITH RESPECT TO
RESIDENTIAL PROPERTY AND APPROVING RELATED DOCUMENTS
AND ACTIONS**

ALL COVERED JURISDICTIONS

WHEREAS, the California Statewide Communities Development Authority (“California Communities”) is authorized under the authority granted to California Communities pursuant to Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (beginning with Section 6500) in accordance with Chapter 29 of Part 3 of Division 7 of the Streets & Highways Code of the State of California (beginning with Section 5898.10) (“Chapter 29”) to levy contractual assessments to finance the installation of certain improvements; and

WHEREAS, this Commission previously adopted the resolutions shown in Appendix 1 for the counties, and cities in Los Angeles County, listed at Appendix 1 (each, a “Covered Jurisdiction,” and collectively, the “Covered Jurisdictions”), each entitled “Resolution Declaring Intention to Finance Installation of Distributed Generation Renewable Energy Sources, Energy Efficiency and Water Efficiency Improvements” (collectively, the “Resolutions of Intention”), to initiate proceedings under Chapter 29 in and for the territory within each Covered Jurisdiction (the “Program Area”) to establish the CaliforniaFIRST program (the “Program”), pursuant to which California Communities would enter into contractual assessments to finance distributed generation renewable energy sources and energy efficiency and water efficiency improvements that are permanently fixed to real property (“Authorized Improvements”); and

WHEREAS, by the Resolutions of Intention, the Commission provided that one or more series of bonds would be issued under the Improvement Bond Act of 1915, Division 10 of the California Streets and Highways Code (as amended, the “Bond Law”), and reference to the Resolutions of Intention is hereby expressly made for further particulars; and

WHEREAS, after holding a duly noticed public hearing at which interested persons were allowed to object to or inquire about the proposed Program within the Program Area or any of the Program’s particulars, the Commission adopted the resolutions listed in Appendix 1 for the Covered Jurisdictions, each entitled “Resolution Confirming Report Relating to the Financing of the Installation of Distributed Generation Renewable Energy Sources, Energy Efficiency and Water Efficiency Improvements and Approving and Ordering Other Related Matters” (collectively, the “Initial Resolutions Confirming Program Report”), pursuant to which the Commission, among other things, (i) confirmed and approved a report (as subsequently amended, the “Program Report”) addressing all the matters required by Chapter 29, including a draft agreement between California Communities and property owners participating in the Program providing for payment of contractual assessments, (ii) established the Program, and (iii) authorized Authorized Officers (as defined therein) to execute agreements (“Assessment Contracts”) with the owners of property in the Program Area to provide for the levy of contractual assessments to finance installation of Authorized Improvements; and

WHEREAS, the Commission subsequently amended the Program Reports by adopting the resolutions listed in Appendix 1 under the heading “Resolutions Amending Program Report” for the related Covered Jurisdictions (such resolutions, together with the Initial Resolutions Confirming Program Report, the “Resolutions Confirming Program Report”); and

WHEREAS, under Chapter 29 and the Bond Law, the Commission adopted the resolutions listed in Appendix 1 under the heading “Original Resolutions of Issuance” for the Covered Jurisdictions, each entitled “A Resolution Authorizing Issuance of Limited Obligation Improvement Bonds, Approving and Directing the Execution of Related Documents and Approving Related Documents and Actions,” which among other matters, authorized the issuance of one or more series of improvement bonds of California Communities upon the security of assessments levied on the participating parcels within the Program Area under Chapter 29 and the Bond Law, and provided that the issuance of the bonds would be in accordance with the Bond Law and an indenture and authorized the execution thereof; and

WHEREAS, in connection with the Program, California Communities obtained the following default judgments:

(i) a default judgment rendered on August 17, 2012, by the Superior Court of the State of California, County of Sacramento, in the validation action entitled “California Statewide Communities Development Authority v. All Persons Interested in the Matter of California Communities’ ‘CaliforniaFIRST’ Property Assessed Clean Energy (‘PACE’) Program Established in Certain Counties and Cities, Including the Adoption of Resolutions and the Authorization of the Matters Therein, and all Bonds, Contracts, Contractual Assessments, and other Matters and Proceedings Related Thereto,” Case No. 34-2012-00121447;

(ii) a default judgment rendered on March 4, 2014, by the Superior Court of the State of California, County of Sacramento, in the validation action entitled “California Statewide Communities Development Authority v. All Persons Interested in the Matter of California Communities’ ‘CaliforniaFIRST’ Property Assessed Clean Energy (‘PACE’) Program Established in Certain Counties and Cities, Including the Adoption of Resolutions and the Authorization of the Matters Therein, and all Bonds, Contracts, Contractual Assessments, and other Matters and Proceedings Related Thereto,” Case No. 34-2013-00153863; and

(iii) a default judgment rendered on October 17, 2014, by the Superior Court of the State of California, County of Sacramento, in the validation action entitled “California Statewide Communities Development Authority v. All Persons Interested in the Matter of California Communities’ ‘CaliforniaFIRST’ Property Assessed Clean Energy (‘PACE’) Program Established in Certain Counties and Cities, Including the Adoption of Resolutions and the Authorization of the Matters Therein, and all Bonds, Contracts, Contractual Assessments, and other Matters and Proceedings Related Thereto,” Case No. 34-2014-00166647; and

WHEREAS, this Commission adopted its Resolution No. 14R-24 on May 22, 2014, entitled “A Resolution Authorizing Issuance of Limited Obligation Improvement Bonds, Approving and Directing the Execution of Related Documents and Approving Related Documents and Actions,” pursuant to which, among other things, it (i) approved execution of a master indenture (the “Original Master Indenture”) to be supplemented from time to time by one or more supplemental indentures and (ii) authorized the issuance of bonds (“Bonds”) in one or more series initially in an aggregate principal amount not to exceed \$50,000,000 (the “2014 Bond Authorization”), in each case in connection with the financing of Authorized Improvements on residential property containing less than four units; and

WHEREAS, this Commission adopted its Resolution No. 15R-2 on January 15, 2015, entitled, “Resolution Approving an Amended and Restated Master Indenture for the CaliforniaFIRST Program Reflecting the 2014 Program Expansion and to Make Certain Other Modifications to Reflect Operational Matters; a Consolidated Notice of Assessment and Payment of Contractual Assessment for the CaliforniaFIRST Program; and Ordering Other Related Matters,” in which, among other things, it

approved execution of an amended and restated master indenture (the “Amended and Restated Master Indenture”), which amended and restated the Original Master Indenture, to be supplemented from time to time by one or more supplemental indentures; and

WHEREAS, the Commission adopted Resolution No. 15R-9 on February 12, 2015, entitled “A Resolution Authorizing Issuance of Limited Obligation Improvement Bonds Pursuant to an Amended and Restated Master Indenture, Approving and Directing the Execution of Related Documents and Approving Related Documents and Actions,” pursuant to which, among other matters, it approved the issuance of Bonds pursuant to the Amended and Restated Master Indenture in accordance with the parameters of the 2014 Bond Authorization (the “February 2015 Bond Authorization”); and

WHEREAS, the Commission adopted Resolution No. 15R-48 on August 20, 2015, entitled “A Resolution Authorizing Issuance of Limited Obligation Improvement Bonds and Approving Related Documents and Actions,” pursuant to which, among other matters, it approved the increase of the aggregate principal amount of Bonds authorized under the February 2015 Bond Authorization, from not to exceed \$50,000,000, to not to exceed \$150,000,000 (the “August 2015 Bond Authorization”); and

WHEREAS, this Commission adopted its Resolution No. 15R-51 on September 10, 2015, entitled “Resolution Approving and Directing Execution of a Second Amended and Restated Master Indenture; Approving a Form of Assessment Contract that Allows for Multiphase Installations of Authorized Improvements; Authorizing Collection of Contractual Assessments by Hand-Billing in Connection with Financings for Residential and Non-Residential Property; and Approving Related Documents and Actions,” pursuant to which, among other things, it (i) approved execution of a second amended and restated master indenture (the “Second Amended and Restated Master Indenture”), which amended and restated the Amended and Restated Master Indenture, to be supplemented from time to time by one or more supplemental indentures and (ii) authorized the issuance of Bonds pursuant to the Second Amended and Restated Master Indenture in accordance with the parameters of the August 2015 Bond Authorization (the “Existing Bond Authorization”); and

WHEREAS, California Communities desires to increase the aggregate principal amount of Bonds authorized under the Existing Bond Authorization from not to exceed \$150,000,000, to not to exceed \$400,000,000; and

WHEREAS, all conditions, things and acts required to exist, to have happened and to have been performed precedent to and in the issuance of the Bonds exist, have happened and have been performed in due time, form and manner as required by the laws of the State of California, including the Act and the Bond Law;

NOW THEREFORE, BE IT RESOLVED that the Commission of the California Statewide Communities Development Authority hereby finds, determines and resolves as follows:

1. The Commission hereby authorizes the increase of the aggregate principal amount of Bonds authorized under the Existing Bond Authorization, from not to exceed \$150,000,000, to not to exceed \$400,000,000.

2. All actions heretofore taken by the officers and agents of California Communities with respect to the matters contemplated by this Resolution are hereby approved, confirmed and ratified, and the proper officers of California Communities, including an Authorized Signatory, are hereby authorized, for and in the name and on behalf of California Communities, to do any and all things and take any and all actions and execute and deliver any and all documents that they, or any of them, may deem necessary or advisable in order to consummate the matters contemplated by this Resolution.

3. This Resolution shall take effect immediately upon its adoption.

* * * * *

PASSED AND ADOPTED by the California Statewide Communities Development Authority this 17th day of March 2016.

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 California Communities at a duly called meeting of the Commission of California Communities held in accordance with law on March 17, 2016.

By: _____
Authorized Signatory
California Statewide
Communities Development
Authority

APPENDIX 1

1. Counties:

Alpine	Placer
Alameda	Plumas
Amador	Riverside
Butte	Sacramento
Calaveras	San Benito
Colusa	San Bernardino
Contra Costa	San Diego
Del Norte	San Francisco
El Dorado	San Joaquin
Fresno	San Luis Obispo
Glenn	San Mateo
Humboldt	Santa Barbara
Imperial	Santa Clara
Inyo	Santa Cruz
Kern	Shasta
Kings	Sierra
Lake	Siskiyou
Lassen	Sonoma
Madera	Solano
Marin	Stanislaus
Mariposa	Sutter
Mendocino	Tehama
Merced	Trinity
Modoc	Tulare
Monterey	Tuolumne
Mono	Ventura
Nevada	Yolo
Napa	Yuba
Orange	

2. Cities in Los Angeles County

Agoura Hills	Gardena	Paramount
Alhambra	Glendale	Pasadena
Arcadia	Glendora	Pico Rivera
Artesia	Hawaiian Gardens	Pomona
Avalon	Hawthorne	Rancho Palos Verdes
Azusa	Hermosa Beach	Redondo Beach
Baldwin Park	Huntington Park	Rolling Hills Estates
Bell	Industry	San Dimas
Bell Gardens	Inglewood	San Gabriel
Bellflower	La Mirada	San Marino
Beverly Hills	La Verne	Santa Clarita
Burbank	Lakewood	Santa Fe Springs
Calabasas	Lancaster	Santa Monica
Carson	Lomita	South Gate
Claremont	Long Beach	South Pasadena
Commerce	Los Angeles	Temple City
Compton	Lynwood	Torrance
Covina	Maywood	Vernon
Cudahy	Monrovia	Walnut
Culver City	Montebello	West Covina
Downey	Monterey Park	West Hollywood
Duarte	Norwalk	Westlake Village
El Monte	Palmdale	Whittier
El Segundo	Palos Verdes Estates	

3. Resolutions of Intention:

Covered Jurisdiction(s)	Resolution of Intention #	Date
Alameda	10R-15	1/27/2010
Fresno	10R-2	1/27/2010
Kern	10R-3	1/27/2010
Marin	13R-21	9/20/2013
Monterey	10R-4	1/27/2010
Napa	13R-22	9/20/2013
Sacramento	10R-5	1/27/2010
San Benito	10R-6	1/27/2010
San Diego	10R-7	1/27/2010
San Luis Obispo	10R-8	1/27/2010
San Mateo	10R-9	1/27/2010
Santa Clara	10R-10	1/27/2010
Santa Cruz	10R-11	1/27/2010
Solano	10R-12	1/27/2010
Tulare	13R-23	9/20/2013
2014 Program Expansion*	14R-18	4/17/2014
Ventura	10R-13	1/27/2010
Yolo	10R-14	1/27/2010
All Covered Jurisdictions	15R-59	10/8/15

* Consists of Covered Jurisdictions shown in this Appendix 1, Pages 1 and 2, that are not otherwise shown in this table.

4. Initial Resolutions Confirming Report:

Covered Jurisdiction(s)	Resolution Confirming Report #	Date
Alameda	10R-45	3/10/2010
Fresno	10R-46	3/10/2010
Kern	10R-47	3/10/2010
Marin	13R-29	10/24/2013
Monterey	10R-48	3/10/2010
Napa	13R-30	10/24/2013
Sacramento	10R-51	3/10/2010
San Benito	10R-52	3/10/2010
San Diego	10R-53	3/10/2010
San Luis Obispo	10R-54	3/10/2010
San Mateo	10R-55	3/10/2010
Santa Clara	10R-49	3/10/2010
Santa Cruz	10R-50	3/10/2010
Solano	10R-56	3/10/2010
Tulare	13R-28	10/24/2013
2014 Program Expansion*	14R-32	7/17/2014
Ventura	10R-57	3/10/2010
Yolo	10R-58	3/10/2010

* Consists of Covered Jurisdictions shown in this Appendix 1, Pages 1 and 2, that are not otherwise shown in this table.

5. Resolutions Amending Program Report:

Covered Jurisdiction(s)	Resolution Confirming Report #	Date
Alameda	12H-10	2/02/2012
Fresno	12H-9	2/02/2012
Kern	12H-11	2/02/2012
Monterey	12H-12	2/02/2012
Sacramento	12H-13	2/02/2012
San Benito	12H-14	2/02/2012
San Diego	12H-15	2/02/2012
San Luis Obispo	12H-16	2/02/2012
San Mateo	12H-17	2/02/2012
Santa Clara	12H-18	2/02/2012
Santa Cruz	12H-19	2/02/2012
Solano	12H-20	2/02/2012
Ventura	12H-21	2/02/2012
Yolo	12H-22	2/02/2012
All Covered Jurisdictions	14R-23	5/22/2014
All Covered Jurisdictions	15R-64	11/19/2015

6. Original Resolutions of Issuance:

Covered Jurisdiction	Resolution #	Date
Alameda	10R-29	3/10/2010
Fresno	10R-30	3/10/2010
Kern	10R-31	3/10/2010
Marin	13R-35	10/24/2013
Monterey	10R-32	3/10/2010
Napa	13R-36	10/24/2013
Sacramento	10R-35	3/10/2010
San Benito	10R-36	3/10/2010
San Diego	10R-37	3/10/2010
San Luis Obispo	10R-38	3/10/2010
San Mateo	10R-39	3/10/2010
Santa Clara	10R-33	3/10/2010
Santa Cruz	10R-34	3/10/2010
Solano	10R-40	3/10/2010
Tulare	13R-34	10/24/2013
2014 Program Expansion*	14R-31	7/17/2014
Ventura	10R-41	3/10/2010
Yolo	10R-42	3/10/2010

* Consists of Covered Jurisdictions shown in this Appendix 1 to this Agreement that are not otherwise shown in this table.



Agenda Item No. 8

Agenda Report

DATE: March 17, 2016

TO: CSCDA COMMISSIONERS

FROM: Cathy Bando, Executive Director

PURPOSE: Consideration of resolution deeming special services covenant satisfied by Dignity Health

BACKGROUND AND SUMMARY:

In 2007 and 2008, CSCDA issued \$852,500,000 in bonds (the “Bonds”) for Dignity Health (“Dignity”), formerly known as Catholic Healthcare West, to finance certain health facilities, including St. Joseph’s Medical Center of Stockton (the “Stockton Facilities”). Dignity and Kaiser Foundation Hospitals (“Kaiser”), have formed a new entity, Port City Operating Company LLC (“Port City”) which will now own the Stockton Facilities. Kaiser will purchase a 20% ownership interest in Port City and Dignity will have an 80% ownership interest in Port City.

The loan agreements for the Bonds contain a covenant (the “Special Services Covenant”) that requires Dignity to maintain a health care facility providing health care services to patients within the territorial limits of the City of Stockton, as long as any Bonds remain outstanding, unless CSCDA deems the Special Services Covenant to be satisfied in whole or in part. Port City will enter into an Affiliation Agreement that requires it to comply with the Special Services Covenant. Given that Port City will comply with the Special Services Covenant, Dignity Health has requested that CSCDA deem the Special Services Covenant satisfied.

The proposed resolution has been reviewed and approved by Dignity Health, its counsel, bond counsel at Sidley Austin, and CSCDA’s Issuer Counsel, Orrick, Herrington & Sutcliffe.

RECOMMENDED ACTION:

CSCDA’s Executive Director recommends approval of the resolution in the form of Attachment A, deeming the special services covenant satisfied by Dignity Health.

ATTACHMENT A

RESOLUTION NO. 16NP-__

A RESOLUTION DEEMING SPECIAL SERVICES COVENANT SATISFIED BY DIGNITY HEALTH AND OTHER MATTERS RELATING THERETO

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

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

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

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

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

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

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

WHEREAS, the Authority previously issued for the benefit of Dignity Health, formerly known as Catholic Healthcare West, a California nonprofit public benefit corporation (the "Corporation"), its (i) \$626,250,000 Insured Health Facility Revenue Bonds (Catholic Healthcare West), 2007 Series A-L (the "2007 Bonds") and (ii) \$226,250,000 Revenue Bonds (Catholic Healthcare West), 2008 Series A-E (the "2008 Bonds"), a portion of which were used to finance and refinance the acquisition, construction, equipping and improvement of certain health facilities of the Corporation consisting of St. Joseph's Medical Center of Stockton (the "Stockton Assets") owned and operated by the Corporation and located in the City;

WHEREAS, the proceeds of the 2007 Bonds and the 2008 Bonds were loaned to the Corporation

pursuant to a Loan Agreement for each of the 2007 Bonds and the 2008 Bonds, respectively (collectively, the “Loan Agreements”), between the Authority and the Corporation;

WHEREAS, the Corporation and Kaiser Foundation Hospitals, a California nonprofit public benefit corporation (“Kaiser”), jointly have formed a limited liability company, Port City Operating Company LLC (“Port City”), to which the Corporation intends to transfer the Stockton Assets. Kaiser will purchase a 20% ownership interest in Port City, based on the value of the Stockton Assets. The Corporation will have an 80% ownership interest in Port City. In addition, Port City will enter into an agreement (the “Affiliation Agreement”) with the Corporation under which it will agree to reimburse the Corporation for debt service payments due on the 2007 Bonds and the 2008 Bonds that are attributable to the Stockton Assets, such transfer and reimbursement arrangement being referred to herein as the “Asset Transfer”;

WHEREAS, pursuant to the Asset Transfer, Port City will operate the Stockton Assets;

WHEREAS, the Loan Agreements include a covenant (the “Special Services Covenant”) that requires the Corporation to maintain a health care facility providing health care services to patients within the territorial limits of the City, as long as any Bonds remain Outstanding, unless the Authority, upon review of such facts as it deems relevant, deems the Special Services Covenant to be satisfied in whole or in part;

WHEREAS, each of the Corporation, Kaiser and Port City (i) is an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the “Code”), and as such has been determined by the Internal Revenue Service to be exempt from federal income taxation under Section 501(a) of the Code, and (ii) has been determined by the Franchise Tax Board of the State of California to be exempt from taxation under Section 23701d of the Revenue and Taxation Code of the State of California;

WHEREAS, the Affiliation Agreement will require that Port City comply with the Special Services Covenant with respect to the Stockton Assets;

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

Section 1. Assuming that the Affiliation Agreement contains this pledge of Port City to comply with the Special Services Covenant contained in the Loan Agreements, the Authority will deem those Special Services Covenants satisfied by Dignity Health with respect to the Stockton Assets, in connection with the Asset Transfer and the execution of the Affiliation Agreement.

Section 2. The Chair, the Vice Chair, the Secretary, the Treasurer, any other members of the Commission of the Authority and other appropriate officers and agents of the Authority are hereby authorized and directed, jointly and severally, for and in the name and on behalf of the Authority, to execute and deliver any and all documents, and to do any and all things and take any and all actions which may be necessary or advisable, in their discretion, to effectuate the actions which the Authority has approved in this Resolution, including any subsequent amendments, waivers or consents entered into or given in accordance with such documents.

Section 3. All actions heretofore taken by the Chair, the Vice Chair, the Secretary, the Treasurer, any other members of the Commission of the Authority and other appropriate officers and agents of the Authority with respect to the Asset Transfer are hereby ratified, confirmed and approved.

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

PASSED AND ADOPTED by the California Statewide Communities Development Authority
this ____ day of March, 2016.

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 March ___, 2016.

By: _____
California Statewide Communities
Development Authority