



CSCDA
CALIFORNIA STATEWIDE COMMUNITIES
DEVELOPMENT AUTHORITY



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

March 26, 2015

10:00 a.m.

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

- I. Call the Roll (alternates designate which member they are representing).
- II. Consideration of the Minutes of the March 12th Regular Meeting.
- III. Staff Updates.
- IV. Election of Officers. (Larry Combs)
- V. 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. Northgate Terrace Community Partners, L.P. (Northgate Terrace Apartments), City of Oakland, County of Alameda; up to \$29,500,000 in multifamily revenue bonds. (Scott Carper)
 - b. UHC 00670 Escondido, L.P. (The Crossings at Escondido Manor), City of Escondido, County of San Diego; up to \$7,200,000 in multifamily housing revenue bonds. (Scott Carper)
- VI. Consideration of a Resolution supplementing the Authority's prior approval of the issuance of a tax-exempt obligation and authorizing the issuance of a portion of taxable bonds for Mills College. (Scott Carper)
- VII. Telecommunications Asset Monetization Program Presentation. (Jeffries Team)

This ___ page agenda was posted at 1100 K Street, Sacramento, California on _____, 2015 at __: __ m,
Signed _____. Please fax signed page to (925) 933-8457.

- VIII. Consideration of an award to Jefferies for the development of a Telecommunication Asset Monetization Program. (Scott Carper)
- IX. Consideration of the engagement of Citi for the Tobacco bonds refunding. (Cathy Bando and representatives from Citi)
- X. Open PACE Update (Cathy Bando):
 - a. CaliforniaFIRST – Renewable Funding
 - b. AllianceNRG – Deutsche Bank and Montague DeRose & Associates
- XI. SCIP Program Update. (RBC Capital)
- XII. Presentation on Homeownership Protection Program. (CSG Advisors)
- XIII. CSCDA 2014-15 YTD Overview of projects completed and projections for 2015. (Scott Carper)
- XIV. New Markets Tax Credit Program Update. (Scott Carper)
- XV. Legislative Update. (Cathy Bando, Gene Erbin and Dan Carrigg)
- XVI. Consideration of Termination and Transition of Services Agreement between CSCDA and HB Capital Resources (Cathy Bando)
- XVII. Public Comment.
- XVIII. Adjourn.

II. Consideration and approval of the minutes from the March 12th, 2015 Regular meeting.

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

League of California Cities
1400 K Street, Sacramento, California

March 12, 2015

MINUTES

Commissioner Terry Schutten called the meeting to order at 10:02 am.

I. Roll Call.

Commission members present: Terry Schutten and Dan Harrison. Irwin Bornstein, Dan Mierzwa, Alternate Commissioner Ron Holly, representing Tim Snellings, and Alternate Commissioner Brian Moura, representing Kevin O'Rourke, participated by conference telephone.

CSCDA Executive Director, Catherine Bando was present.

Others present included: Perry Stottlemeyer, League of California Cities; Caitlin Lanctot, GPM Municipal Advisors; Jean Hurst, CSAC; and Mark Paxson, State Treasurer's Office. Amy Stoneham and Mercedes Baumbach, GPM Municipal Advisors; and Tricia Ortiz, Richards Watson & Gershon, participated by conference telephone.

II. Approval of minutes—February 26, 2015.

The commission approved the minutes for the regular meeting held February 26, 2015.

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

III. Staff Updates.

Caitlin Lanctot reminded commissioners that the annual meeting will be held on March 26 at the League's office.

IV. Approval of Consent Calendar.

1. Induce the following project:

- a. IC Savannah West Sac (The Savannah at Southport), City of West Sacramento, County of Yolo; issue up to \$35 million in multifamily housing revenue bonds.

Motion to approve by Harrison; second by Holly; unanimously approved by roll-call vote.

V. Approve 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. Front Porch Communities and Services (Wesley Palms), City of San Diego, County of San Diego; issue up to \$72 million in revenue bonds.

Front Porch is seeking to finance the renovation of the Wesley Palms campus in a six-year phased approach. The project is located on approximately 35 acres overlooking Mission Bay, providing services to more than 3,000 senior residents.

The variable rate tax-exempt bonds will mature in no less than 25 years. BBVA Compass, Denver is the lender.

Executive Director Bando has reviewed the transaction, and based on the project's public benefit, as well as compliance with CSCDA's issuance policies, recommends that the Commission approve the project as submitted.

Motion to approve the project, as recommended by Executive Director Bando, by Mierzwa; second by Bornstein; unanimously approved by roll-call vote.

- b. Portola Irvine, LP (Anton Portola Apartments), City of Irvine, County of Orange; up to \$35 million in multifamily housing revenue bonds.

Portola Irvine, LP is seeking to finance the acquisition of the site, which is currently vacant land, plus the construction of 150 one bedroom units and 106 two-bedroom units for low income families. Construction is expected to begin in April, 2015. The 4.5% fixed rate bonds will be placed with Citi Community Capital, N.A., San Francisco.

Based on the overall public benefits as outlined in the California Debt Limit Allocation Committee resolution, approval of the bond issuance by City of Irvine, and conformance with CSCDA issuance policies, Executive Director Bando recommends approval of the project, subject to CDLAC approval,.

Motion to approve the project, subject to CDLAC approval, as recommended by Executive Director Bando, by Harrison; second by Mierzwa; unanimously approved by roll-call vote.

VI. Approval of 2014-15 CSCDA Budget.

Executive Director Bando explained the budget and then fielded a few questions from commissioners.

Motion to approve by Holly; second by Harrison; unanimously approved by roll-call vote.

VII. Public comment.

None.

VIII. Adjournment.

Commissioner Schutten adjourned the meeting at 10:22 am.

Submitted by: Perry Stottlemeyer, League of California Cities staff

*The next regular meeting of the commission is scheduled for
Thursday, March 26, at 10:00 a.m.
in the League of California Cities' office at 1400 K Street, Sacramento, California.*

V. 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. Northgate Terrace Community Partners, L.P. (Northgate Terrace Apartments), City of Oakland, County of Alameda; up to \$29,500,000 in multifamily revenue bonds. (Scott Carper)

SUMMARY AND APPROVALS

DATE: MARCH 26, 2015

APPLICANT: NORTHGATE TERRACE COMMUNITY PARTNERS, L.P. /WNC COMMUNITY PRESERVATION PARTNERS

AMOUNT: UP TO \$29,500,000 OF MULTI-FAMILY HOUSING REVENUE BONDS

PURPOSE: FINANCE THE ACQUISITION AND REHABILITATION OF NORTHGATE TERRACE APARTMENTS LOCATED AT 550 24TH STREET IN OAKLAND, CA

CSCDA PROGRAM: HOUSING

Background:

The proposed project, Northgate Terrace Apartments (the “Project”), is a 201-unit property located in Oakland, California. The Project application was filed on October 31, 2014 and induced on November 6, 2014.

Summary:

Northgate Terrace Community Partners, L.P. (the “Borrower”) has requested CSCDA to issue and deliver multifamily housing revenue obligations in the anticipated principal amount of \$29,500,000 (the “Bonds”) for the purpose of financing the acquisition and rehabilitation of the Project. The Project will continue to provide 180 studio units, 20 one-bedroom units and 1 two-bedroom manager’s unit to low-income seniors in Oakland.

The Project, built in 1969, is an 11-story midrise building located on 1.14 acres in a mixed-use area of the city of Oakland. 155 of the units at Northgate Terrace are subject to an existing HAP contract; the remaining 44 units are non-Section 8 units. A transfer of the property is planned and all of the 200 units will be LIHTC-restricted to senior households with income levels at or below the 50 and 60 percent AMI levels.

The Project includes surface parking as well as a picnic area and perimeter fencing. Internal amenities include elevators, a community room with a kitchen and a lounge area, library room, and laundry facilities. The Subject has a service coordinator and provides van transportation. Emergency call pull cord systems are in each unit.

The rehabilitation program will address health and safety issues, ADA, deferred maintenance, and energy efficiency when possible. Currently, the Borrower is planning on replacing all countertops and cabinetry in units, replacing the windows, painting the kitchen and baths, addressing parking lot deferred maintenance, and replacing and upgrading building systems as necessary. The renovation of the Project will positively impact the neighborhood and the availability of affordable senior housing in Oakland. The neighborhood is well suited for this type of housing.

Construction is scheduled to start in May 2015 and be completed by August 2016. CSCDA has financed 27 previous apartment buildings for the Borrower.

Public Benefit:

- Project Affordability
 - 100% of the Project's units will be income restricted:
 - 20 units reserved for tenants whose income is at or below 50% AMI
 - 180 units reserved for tenants whose income is at or below 60% AMI
 - 1 manager unit
 - 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 Public Transit Corridor
 - The Project is located within ½ mile of a park
 - The Project is located within ¼ mile of a market
 - The Project is located within ½ mile of health services
- Economic Benefits
 - Based upon \$47,068,418 Project costs using a 1.8 multiplier the Project produces approximately \$84,723,152 total economic activity, and at 2.1 jobs per unit produces approximately 422 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: December 2, 2014, County of Alameda, unanimous approval

CDLAC Approval: March 18, 2015

Estimated Sources and Uses:

Sources:

Tax Exempt Bond Proceeds	\$29,500,000	62.67%
Developer Equity	\$2,500,000	5.31%
LIHTC Equity	\$12,980,431	27.58%
Capitalized Interest; Replacement Reserve	<u>\$2,087,987</u>	<u>4.44%</u>
Total Sources	\$47,068,418	100.00%

Uses:

Acquisition Cost	\$27,843,750	59.16%
Hard Construction Costs	\$9,677,419	20.56%
Architect & Engineering Fees	\$440,000	0.93%
Contractor Overhead & Profit	\$1,354,838	2.88%
Developer Fee	\$2,500,000	5.31%
Relocation	\$281,638	0.60%
Cost of Issuance	\$442,800	0.94%
Capitalized Interest	\$850,000	1.81%
Other Soft Costs (Marketing, Etc.)	<u>\$3,677,973</u>	<u>7.81%</u>
Total Uses	\$47,068,418	100.00%

Finance Team:

- Bond Counsel: Orrick, Herrington & Sutcliffe, LLP, San Francisco
- Authority Counsel: Orrick, Herrington & Sutcliffe, LLP, Sacramento
- Lender: Citibank, N.A., San Francisco

Financing Structure:

The Bonds will be privately placed with Citibank for a construction period of 30 months. Interest on the bonds will be fixed at approximately 4.5%. At the completion of construction, the Bonds will be converted to a permanent loan with Citibank for 30 years.

Policy Compliance:

The Project complies with the following policies:

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

Executive Director 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 County of Alameda, 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

Applicant Information

Primary Contact E-mail: sgellis@wncinc.com

Name of Developer: **Northgate Terrace Preservation Developer, LLC**

TIN or EIN: **1111111**

Primary Contact

First Name: **Seth**

Last Name: **Gellis**

Title: **Sr. Project Manager**

Address:

Street: **17782 Sky Park Circle**

City: **Irvine**

State: **California**

Suite:

Zip: **92604**

Phone: **949-236-8280**

Ext:

Fax: **714-662-4412**

Email: **sgellis@wncinc.com**

Borrower Description:

☐ Same as developer ?

Name of Borrowing Entity: **Northgate Terrace Community Partners, LP**

Type of Entity:

☐ For-profit Corporation

☐ Non-profit Corporation

☒ Partnership

☐ Other (specify)

☐ Will you be applying for State Volume Cap?

Date Organized: **10/31/2014**

No. of Multi-Family Housing Projects Completed in the Last 10 Years: **59**

No. of Low Income Multi-Family Housing Projects Completed in the Last 10 Years: **59**

Secondary Contact

First Name:

Last Name:

Title:

Address:

Street :

Suite:

City:

State:

Zip:

Phone:

Ext:

Fax:

Email:

Primary Billing Contact

Organization: **WNC Community Preservation Partners**

First Name: **Seth**

Last Name: **Gellis**

Title: **Sr. Project Manager**

Address

Street: **17782 Sky Park Circle**

Suite:

City: **Irvine**

State: **California**

Zip: **92604**

Phone: **949-236-8280**

Ext:

Fax: **714-662-4412**

Email: **sgellis@wncinc.com**

Project Information

Project Information

Project Name: **Northgate Terrace Apartments**

New Project Name(optional):

Facility Information

Facility #1

Facility Name: **Northgate Terrace**

Facility Bond Amount: \$32,000,000.00

Project Address:

Street or general location: **550 24th St**

City: **Oakland**

State: **California**

Zip: **94612**

County: **Alameda**

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

Total Number of Units:

Market: **0**

Restricted: **201**

Total: **201**

Lot size: **1.14**

Amenities:

- 4. Refrigerators/Microwaves
- 5. Vinyl flooring in Kitchen and Bath
- 6. Mini/Blinds Vertical Blinds
- 7. Air Conditioner
- 8. Elevators
- 2. Controlled Access
- 3. Lounges
- 4. TV and Library Room
- 5. Clubhouse

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

11 Story Type 1 Tower with:

- 1. Two Hour Fire Walls
- 2. Reinforced Framing in the hallways for the handrails
- 3. Emergency Call systems located in the bathroom and bedroom

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:

Name of Agency:

First Name:

Last Name:

Title:

Phone:

Ext:

Fax:

Email:

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
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1.	Studio	60	162	966.00	2,000.00	1,034.00
2.	Studio	50	18	805.00	2,000.00	
3.	1 Bedroom	60	18	1,035.00	2,000.00	
4.	1 Bedroom	50	2	862.00	2,000.00	

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 #:
13	9	18

Financing Information

Financing Information

Maturity **18** 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 Funding

Tax-Exempt Bond Proceeds:	<u>\$32,000,000.00</u>
Taxable Bond Proceeds:	<u>\$</u>
Projected Tax Credits:	<u>\$6,858,241.00</u>
Developer Equity:	<u>\$</u>
Other Funds (Describe):	
Free Cashflow through Construction	<u>\$1,091,736.00</u>
Capitalized Interest	<u>\$613,269.00</u>
Seller Reserves	<u>\$1,237,987.00</u>
Deferred Developer Fee	<u>\$1,756,746.00</u>
	<u>\$</u>
Total Sources:	<u>\$43,557,979.00</u>

Uses:

Land Acquisition:	<u>\$</u>
Building Acquisition:	<u>\$27,775,000.00</u>
Construction or Remodel:	<u>\$10,494,555.00</u>
Cost of Issuance:	<u>\$584,000.00</u>
Capitalized Interest:	<u>\$613,269.00</u>
Reserves:	<u>\$864,000.00</u>
Other Uses (Describe):	
Third Party Reports	<u>\$132,000.00</u>
Accounting	<u>\$15,000.00</u>
Legal & Org	<u>\$150,000.00</u>
Other Fees & Costs	<u>\$430,155.00</u>
Developer Fee	<u>\$2,500,000.00</u>
Total Uses:	<u>\$43,557,979.00</u>

Financing Team Information

Bond Counsel

Firm Name: ORRICK, HERRINGTON & SUTCLIFFE LLP

Primary Contact

First Name: Tom

Last Name: Downey

Title: Special Counsel

Address:

Street: 405 Howard Street

City: San Francisco

State: California

Suite:

Zip: 94105

Phone: 415-773-5965

Ext:

Fax:

Email: tdowney@orrick.com

Bank/Underwriter/Bond Purchaser

Firm Name:

Primary Contact

First Name:

Last Name:

Title:

Address:

Street:

Suite:

City:

State: California

Zip:

Phone:

Ext:

Fax:

Email:

Financial Advisor

Firm Name:

Primary Contact

First Name:

Last Name:

Title:

Address:

Street:

Suite:

City:

State:

Zip:

Phone:

Ext:

Fax:

Email:

Rebate Analyst

Firm Name:

Primary Contact

First Name:

Last Name:

Title:

Address:

Street:

Suite:

City:

State:

Zip:

Phone:

Ext:

Fax:

Email:

RESOLUTION NO. 15H-__

A RESOLUTION OF THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY AUTHORIZING THE EXECUTION AND DELIVERY OF A MULTIFAMILY HOUSING REVENUE NOTE IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$29,500,000 FOR THE FINANCING OF A MULTIFAMILY RENTAL HOUSING PROJECT TO BE GENERALLY KNOWN AS NORTHGATE TERRACE 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 NOTE.

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, Northgate Terrace Community Partners, 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 Note (Northgate Terrace Apartments) 2015 Series H (the “Note”) to assist in the financing of the acquisition, rehabilitation and development of a 210-unit multifamily senior housing rental development located in the City of Oakland, California, and known as Northgate Terrace Apartments (the “Project”);

WHEREAS, the Authority received an allocation in the amount of \$29,500,000 (the “Allocation Amount”) from the California Debt Limit Allocation Committee in connection with the Project on March 18, 2015;

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

WHEREAS, the Authority is willing to execute and deliver the Note in an aggregate principal amount not to exceed \$29,500,000, provided that the portion of such Note 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 Note will be executed and delivered to Citibank, N.A. (the “Funding Lender”), as the initial holder of the Note;

WHEREAS, there have been prepared and made available to the members of the Commission of the Authority (the “Commission”) the following documents required for the execution and delivery of the Note, and 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; and

(3) Regulatory Agreement and Declaration of Restrictive Covenants (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 Funding Loan Agreement, and in accordance with the Housing Law, the Authority is hereby authorized to execute and deliver the Note in one or more series. The Note shall be designated as “California Statewide Communities Development Authority Multifamily Housing Revenue Note (Northgate Terrace Apartments) 2015 Series H” 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 \$29,500,000; provided that the aggregate principal amount of any tax-exempt Note executed and delivered shall not exceed the Allocation Amount. The Note shall be executed and delivered in the form set forth in and otherwise in accordance with the Funding Loan Agreement, and shall be executed on behalf of the Authority by the manual signature of any Authorized Signatory. The Note 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 Note shall be made solely from amounts pledged thereto under the Funding Loan Agreement, and the Note 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. 14R-58 of the Authority, adopted on November 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 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 April 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 Note 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 Authority is hereby authorized to execute and deliver the Note to the Funding Lender pursuant to the terms and conditions of the Funding Loan Agreement.

Section 7. 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 Note 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 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 Note 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 8. All consents, approvals, notices, orders, requests and other actions permitted or required by any of the documents authorized by this Resolution, whether before or after the execution and delivery of the Note, 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 Note or any prepayment of the Note, 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 9. This Resolution shall take effect upon its adoption.

[Remainder of Page Intentionally Left Blank]

PASSED AND ADOPTED by the California Statewide Communities Development Authority this March 26, 2015.

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 26, 2015.

By _____
Authorized Signatory

- b. UHC 00670 Escondido, L.P. (The Crossings at Escondido Manor), City of Escondido, County of San Diego; up to \$7,200,000 in multifamily housing revenue bonds. (Scott Carper)

SUMMARY AND APPROVALS

DATE: MARCH 26, 2015

APPLICANT: UHC 00670 ESCONDIDO, L.P. /UHC

AMOUNT: UP TO \$7,200,000 OF MULTI-FAMILY HOUSING REVENUE BONDS

PURPOSE: FINANCE THE ACQUISITION AND REHABILITATION OF THE CROSSINGS AT ESCONDIDO MANOR LOCATED AT 1150-1166 NORTH ESCONDIDO BLVD IN ESCONDIDO, CA

CSCDA PROGRAM: HOUSING

Background:

The proposed project, The Crossings at Escondido Manor (the “Project”), is a 44-unit property located in Escondido, California. The Project application was filed on November 7, 2014 and induced on November 17, 2014.

Summary:

UHC 00670 Escondido, L.P. (the “Borrower”) has requested CSCDA to issue and deliver multifamily housing revenue obligations in the anticipated principal amount of \$7,200,000 (the “Bonds”) for the purpose of financing the acquisition and rehabilitation of the Project. The Project will provide 44 two-bedroom units to low-income families in Escondido.

The Project is an existing four-building multifamily rental project that was originally constructed in 1978 and located on an urban in-fill site. The units are presently occupied and a relocation plan will be implemented addressing the permanent relocation of current residents who may not qualify to remain and the temporary relocation, if any, of current residents who will qualify to continue residing at the project. Construction will be scheduled on a rolling basis whereby most or all of the qualified residents will have the opportunity to remain on site during construction.

The building exterior is stucco, which will be patched or repaired as needed and painted. Fascia board and trim pieces will be repaired or replaced, as needed, and all will be painted. Windows will be replaced. The asphalt shingles and underlayment will be replaced, while any wood materials will be replaced as needed. Asphalt pavement will be repaired as needed and slurry sealed. Replacement and realignment of the curb ramps connecting the accessible site path will be addressed. Existing landscaping is mostly grass and will be removed. A landscaping plan will be designed to incorporate drought tolerant species from local suppliers and will be compatible with the neighborhood plantings. An existing swimming pool will be removed and a tot-lot play area and covered table and outdoor seating area will be constructed in this location.

Unit interiors will be painted. New Energy Star appliances will replace the existing appliances. Kitchen cabinets and countertops will be replaced. Unit interiors will be further upgraded with new laminate flooring in the living/dining/bedroom areas and tile flooring in kitchens and baths. Bathroom fixtures and toilets will be replaced with new. Smoke alarms will be installed outside of

each bedroom and carbon-monoxide detectors will be installed. Electrical upgrades will include installation of properly grounded GFCI outlets at all wet locations, including kitchens and bathrooms.

Construction is scheduled to start in April 2015. CSCDA has financed 5 previous apartment buildings for the Borrower.

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 50% AMI
 - 38 units reserved for tenants whose income is at or below 60% AMI
 - 1 manager unit
 - 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 Public Transit Corridor
 - The Project is located within ½ mile of a grocery store
 - The Project is located within ½ mile of a public school
 -
- Economic Benefits
 - Based upon \$11,805,549 Project costs using a 1.8 multiplier the Project produces approximately \$84,723,152 total economic activity, and at 2.1 jobs per unit produces approximately 92 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: January 7, 2015, City of Escondido, unanimous approval

CDLAC Approval: March 18, 2015

Estimated Sources and Uses:

Sources:

Tax Exempt Bond Proceeds	\$6,140,000	52.01%
Direct & Indirect Public Funds	\$4,100,000	34.73%
Deferred Costs	\$838,558	7.10%
LIHTC Equity	<u>\$726,991</u>	<u>6.16%</u>
Total Sources	\$11,805,549	100.00%

Uses:

Acquisition Cost	\$6,600,000	55.91%
Hard Construction Costs	\$2,425,238	20.54%
Architect & Engineering Fees	\$112,800	0.96%
Contractor Overhead & Profit	\$165,264	1.40%
Relocation	\$211,000	1.79%
Developer Fee	\$1,200,000	10.16%
Capitalized Interest	\$225,600	1.91%

Cost of Issuance	\$181,000	1.53%
Soft Costs	<u>\$684,647</u>	<u>5.80%</u>
Total Uses	\$11,805,549	100.00%

Finance Team:

- Bond Counsel: Orrick, Herrington & Sutcliffe, LLP, San Francisco
- Authority Counsel: Orrick, Herrington & Sutcliffe, LLP, Sacramento
- Lender: Citibank, N.A., San Francisco

Financing Structure:

The Bonds will be privately placed with Citibank for a construction period of 24 months. Interest on the bonds will be floating at LIBOR + 1.8%. At the completion of construction, the Bonds will be converted to a permanent loan with Citibank for 30 years at an estimated rate of 4.49%.

Policy Compliance:

The Project complies with the following policies:

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

Executive Director 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 Escondido, 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

Applicant Information

Primary Contact E-mail: kmondell@uhcllc.net

Name of Developer: **UHC 00670 Escondido Development LLC**

TIN or EIN:

Primary Contact

First Name: **Kaye**

Last Name: **Mondell**

Title: **Vice President**

Address:

Street: **2000 E 4th Street**

Suite: **205**

City: **Santa Ana**

State: **California**

Zip: **92705**

Phone: **714 835-3955**

Ext: **103**

Fax: **714 835-3275**

Email: **kmondell@uhcllc.net**

Borrower Description:

☐ Same as developer ?

Name of Borrowing Entity: **UHC 00670 Escondido, L.P.**

Type of Entity:

☐ For-profit Corporation

☐ Non-profit Corporation

☒ Partnership

☐ Other (specify)

☐ Will you be applying for State Volume Cap?

Date Organized: **5/21/2009**

No. of Multi-Family Housing Projects Completed in the Last 10 Years: **13**

No. of Low Income Multi-Family Housing Projects Completed in the Last 10 Years: **13**

Secondary Contact

First Name:

Last Name:

Title:

Address:

Street :

Suite:

City:

State:

Zip:

Phone:

Ext:

Fax:

Email:

Primary Billing Contact

Organization: **UHC 00670 Escondido, L.P.**

First Name: **Melissa**

Last Name: **Matthews**

Title: **Accounting**

Address

Street: **2000 E. 4th Street**

Suite: **205**

City: **Santa Ana**

State: **California**

Zip: **92705**

Phone: **714 835-3955**

Ext: **126**

Fax: **714 835-3275**

Email: **MMatthews@uhcllc.net**

Project Information

Project Information

Project Name: **The Crossings at Escondido Manor**

New Project Name(optional):

Facility Information

Facility #1

Facility Name: **The Crossings at Escondido Manor**

Facility Bond Amount: \$6,500,000.00

Project Address:

Street or general location: **1150-1166 N. Escondido Blvd**

City: **Escondido**

State: **California**

Zip: **92026**

County: **San Diego**

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

Total Number of Units:

Market:

Restricted: **44**

Total: **44**

Lot size: **129,809**

Amenities:

Community Room

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

existing one and two-story wood frame - 4 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:

Name of Agency: **City of Escondido**

First Name: Karen

Last Name: Youel

Title: Management Analyst Housing Division

Phone: 760 839-4518

Ext:

Fax: 760 741-0619

Email: KYouel@ci.escondido.ca.us

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.	2 Bedrooms	50	5	835.00	1,354.00	519.00
2.	2 Bedrooms	60	17	1,013.00	1,354.00	341.00
3.	2 Bedrooms	60	21	972.00	1,354.00	382.00

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 #:

50

State Senate District #:

38

State Assembly District #:

75

Financing Information

Financing Information

Maturity 35 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 Funding

Tax-Exempt Bond Proceeds:	<u>\$6,150,000.00</u>
Taxable Bond Proceeds:	<u>\$</u>
Projected Tax Credits:	<u>\$735,650.00</u>
Developer Equity:	<u>\$</u>
Other Funds (Describe):	
City of Escondido - HOME + CRA Funds	<u>\$4,100,000.00</u>
Deferred Developer Fee	<u>\$837,630.00</u>
	<u>\$</u>
	<u>\$</u>
	<u>\$</u>
Total Sources:	<u>\$11,823,280.00</u>

Uses:

Land Acquisition:	<u>\$1,324,400.00</u>
Building Acquisition:	<u>\$5,275,600.00</u>
Construction or Remodel:	<u>\$2,503,523.00</u>
Cost of Issuance:	<u>\$226,000.00</u>
Capitalized Interest:	<u>\$315,532.00</u>
Reserves:	<u>\$114,000.00</u>
Other Uses (Describe):	
Relocation	<u>\$272,800.00</u>
Design & Engineering	<u>\$117,200.00</u>
Other Construction Interest	<u>\$33,900.00</u>
Other Soft Costs	<u>\$440,325.00</u>
Developer Fee	<u>\$1,200,000.00</u>
Total Uses:	<u>\$11,823,280.00</u>

Financing Team Information

Bond Counsel

Firm Name: Orrick, Herrington & Sutcliffe

Primary Contact

First Name: Tom

Last Name: Downey

Title: Bond Counsel

Address:

Street: 405 Howard Street

Suite:

City: San Francisco

State: California

Zip: 94105

Phone: 415 773-5965

Ext:

Fax: 415 773-5759

Email: tdowney@orrick.com

Bank/Underwriter/Bond Purchaser

Firm Name: Citi Community Capital

Primary Contact

First Name: Sonia

Last Name: Rahm

Title: Vice President

Address:

Street: 787 W. 5th Street

Suite: 29th Floor

City: Los Angeles

State: California

Zip: 90071

Phone: 213 239-1726

Ext:

Fax: 213 239-1933

Email:

Financial Advisor

Firm Name:

Primary Contact

First Name:

Last Name:

Title:

Address:

Street:

Suite:

City:

State:

Zip:

Phone:

Ext:

Fax:

Email:

Rebate Analyst

Firm Name:

Primary Contact

First Name:

Last Name:

Title:

Address:

Street:

Suite:

City:

State:

Zip:

Phone:

Ext:

Fax:

Email:

RESOLUTION NO. 15H-__

A RESOLUTION OF THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY AUTHORIZING THE EXECUTION AND DELIVERY OF A MULTIFAMILY HOUSING REVENUE NOTE IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$7,200,000 FOR THE FINANCING OF A MULTIFAMILY RENTAL HOUSING PROJECT TO BE GENERALLY KNOWN AS THE CROSSINGS AT ESCONDIDO MANOR; 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 NOTE.

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, UHC 00670 Escondido L.P., a California limited partnership, and entities related thereto (collectively, the “Borrower”), has requested that the Authority execute and deliver its California Statewide Communities Development Authority Multifamily Housing Revenue Note (The Crossings at Escondido Manor Project) 2015 Series G (the “Note”) to assist in the financing of the acquisition, rehabilitation and development of a 44-unit multifamily housing rental development located in the City of Escondido, County of San Diego, California, and known or to be known as The Crossings at Escondido Manor (the “Project”);

WHEREAS, on March 18, 2015, the Authority received an allocation in the amount of \$6,140,000 (the “Allocation Amount”) from the California Debt Limit Allocation Committee in connection with the Project;

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

WHEREAS, the Authority is willing to execute and deliver the Note in an aggregate principal amount not to exceed \$7,200,000, provided that the portion of such Note 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 Note will be executed and delivered to Citibank, N.A. (the “Funding Lender”), as the initial holder of the Note;

WHEREAS, there have been prepared and made available to the members of the Commission of the Authority (the “Commission”) the following documents required for the execution and delivery of the Note, and 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 Note in one or more series. The Note shall be designated as “California Statewide Communities Development Authority Multifamily Housing Revenue Note (The Crossings at Escondido Manor Project) 2015 Series G” 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 \$7,200,000; provided that the aggregate principal amount of any tax-exempt Note executed and delivered shall not exceed the Allocation Amount. The Note shall be executed and delivered in the form set forth in and otherwise in accordance with the Funding Loan Agreement, and shall be executed on behalf of the Authority by the manual signature of any Authorized Signatory. The Note 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 Note shall be made solely from amounts pledged thereto under the Funding Loan Agreement, and the Note 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. 14R-58 of

the Authority, adopted on November 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 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 April 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 Note 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 Note 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 Note 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, an 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 Note 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 Note, 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 Note or any prepayment of the Note, 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.

[Remainder of Page Intentionally Left Blank]

PASSED AND ADOPTED by the California Statewide Communities Development Authority this March 26, 2015.

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 26, 2015.

By: _____
Authorized Signatory

- VI. Consideration of a Resolution supplementing the Authority's prior approval of the issuance of a tax-exempt obligation and authorizing the issuance of a portion of taxable bonds for Mills College. (Scott Carper)

SUMMARY AND APPROVALS

DATE:	MARCH 26, 2015
APPLICANT:	MILLS COLLEGE
AMOUNT:	UP TO \$32 MILLION OF OBLIGATIONS
PURPOSE:	CONSIDERATION OF A RESOLUTION SUPPLEMENTING THE AUTHORITY'S PRIOR APPROVAL OF THE ISSUANCE OF A TAX-EXEMPT OBLIGATION AND AUTHORIZING THE ISSUANCE OF A PORTION OF TAXABLE BONDS FOR MILLS COLLEGE
PRIMARY ACTIVITY:	HIGHER EDUCATION
LEGAL STRUCTURE:	501(C)(3) CORPORATION

Background:

Mill's College (the "Borrower" or "Mills") was founded in 1852 as the Young Ladies' Seminary in Benicia, California. The Young Ladies' Seminary was established by nine citizens in what became the state capital, and it gained a strong reputation under the direction of Oberlin graduate Mary Atkins. With a vision of equal education and opportunity for women, missionaries Cyrus and Susan Mills bought the Seminary in 1865 for \$5,000, renamed it Mills College, and moved it in 1871 to its current 135-acre oasis in Oakland.

Mills College boasts a rich history as a leader in women's education. Over the decades, Mills "firsts" have been numerous: the first women's college west of the Rockies (chartered 1885); the first laboratory school west of the Mississippi for aspiring teachers (1926); the first women's college to offer a computer science major (1974) and a bachelor's to master's BA/MBA accelerated degree program (2001); the first business school in the West for women (2005); and the first MFA program in book art and creative writing in the nation (2009).

The Borrower has requested that CSCDA issue up to \$32 million in obligations to refinance and/ or defease the College's Series 1997, Series 2005A, and 2005B Bonds. Proceeds of the 1997 bonds were used to advance refund \$9,995,000 outstanding principal amount of California Educational Facilities Authority ("CEFA") Revenue Bonds (Mills College) Series 1992. The 1992 Bonds were issued on behalf of the College by CEFA to finance and refinance the acquisition, construction and rehabilitation of certain educational facilities, including the renovation of certain student housing (Olney Hall and Prospect Hill Apartments), and improvements to the College's computer, utility and telecommunications systems. The 2005A Bonds were issued on behalf of the College by CEFA to finance and refinance the cost of the acquisition, construction, expansion, rehabilitation, remodeling, and renovation and/or equipping of the educational facilities including construction of: (A) five new multi-unit, two-story student apartments expected to house 80 students in an area of approximately 24,000 square feet to be located on the College's campus; and (B) a new two-story science addition of approximately 25,000 square feet to the College's existing life science building, which will create a new home for the Chemistry and Physics departments. The 2005B Bonds were issued for the purpose of (i) refunding a portion of certain revenue bonds previously issued by the CEFA on behalf of the College, which were issued to finance and refinance the cost of the construction, acquisition and rehabilitation of certain educational facilities and equipment of the College, and (ii) paying certain costs of issuance of the Bonds.

Public Benefit:

Mills has been setting the standard for quality in liberal arts undergraduate education for women for more than 160 years. Mills educates nearly 1000 undergraduate women and over 600 graduate men and women at the Oakland campus. The refinancing will provide the campus with net present value savings with which to enhance the quality of life and educational opportunities for the student body.

Mills provides financial assistance to approximately 95% of its enrolled students, including graduate students, with an average award of \$39,482. For the fiscal year 2014, Mills funded \$18.4 million in aid for undergraduate students.

Additionally, Mills is a job generator for Oakland, employing nearly 200 faculty and staff members.

TEFRA Information:

A TEFRA hearing was held by the County of Alameda on February 3, 2015 and received unanimously approval.

Finance Team:

- Bond Counsel: Hawkins, Delafield & Wood LLP, San Francisco
- Authority Counsel: Orrick, Herrington & Sutcliffe, LLP, Sacramento
- Lender: First Republic Bank, San Francisco

Financing Structure:

The unrated obligations will mature in no more than 31 years and bear a fixed interest rate of approximately 3.5%. The obligations will be privately placed with First Republic Bank, in accordance with CSCDA's issuance policies. Assuming (i) a matched-maturity refinancing and (ii) a true interest cost of 3.50%, the net present value savings to the College are approximately \$4 million.

Estimated Sources and Uses:

Sources:	Series 1997 Refunding	Series 2005A Refunding	Series 2005B Refunding	Total
Bond Proceeds:				
Par Amount	4,899,802.30	25,561,469.95	1,385,175.91	31,846,448.16
Original Issue Discount	-24,499.00	-127,807.45	-6,925.91	-159,232.36
	4,875,303.30	25,433,662.50	1,378,250.00	31,687,215.80
Uses:	Series 1997 Refunding	Series 2005A Refunding	Series 2005B Refunding	Total
Refunding Escrow Deposits:				
Cash Deposit	4,825,303.30	25,183,662.50	1,353,250.00	31,362,215.80
Delivery Date Expenses:				
Cost of Issuance	50,000.00	250,000.00	25,000.00	325,000.00
	4,875,303.30	25,433,662.50	1,378,250.00	31,687,215.80

Executive Director Review and Recommendation:

The Executive Director has reviewed the Mills College transaction and based on the overall Project public benefit and finance related considerations detailed above and compliance with CSCDA's general and issuance policies, the Executive Director recommends that the Commission approve of the Resolution as submitted to the Commission, which:

1. Approves the granting of the Obligations;
2. Approves all necessary actions and documents in connection with the refinancing; and
3. Authorizes any member of the Commission or Authorized Signatory to sign all necessary documents.

Attachment:

1. Original application

Applicant Information

Primary Contact E-mail: sachin.karamchandani@prager.com

Organization

Name of Organization: **Mills College**

TIN or EIN:

Primary Contact

First Name: **Robert**

Last Name: **Allison**

Title: **Interim Vice President for Finance and Administration**

Street: **5000 MacArthur Boulevard**

Suite: **Sage Hall 134**

City: **Oakland**

State: **California**

Zip: **94613**

Phone: **510-430-3322**

Ext:

Fax:

Email: **rallison@mills.edu**

Secondary Contact

First Name: **Jamie**

Last Name: **Nickel**

Title: **Associate Vice President for Finance**

Address:

Street : **5000 MacArthur Boulevard**

Suite: **Sage Hall 134**

City: **Oakland**

State: **California**

Zip: **94613**

Phone: **510-430-2223**

Ext:

Fax:

Email: **jamien@mills.edu**

Primary Billing Contact

Organization: **Mills College**

First Name: **Robert**

Last Name: **Allison**

Title: **Interim Vice President for Finance and Administration**

Address:

Street: **5000 MacArthur Boulevard**

Suite: **Sage Hall 134**

City: **Oakland**

State: **California**

Zip: **94613**

Phone: **510-430-3322**

Ext:

Fax:

Email: **rallison@mills.edu**

Project Information

Project type: **Education: College/Universities**

Other:

Project Name: **Mills College, Refinancing of Series 1997 and Series 2005A Revenue Bonds**

☐ Small Issue Public Benefit Project?

Facility #1

Facility Name: **Five new student apartments and a new two-story science addition of the College's existing life science building**

Facility Bond Amount: **\$25,561,469.90**

Project Address:

Street or general location: **On campus - 5000 MacArthur Boulevard, Oakland, CA 94613**

City: **Oakland**

State: **California**

Zip: **94613**

County: **Alameda County**

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

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:

Name of Agency:

First Name:

Last Name:

Title:

Phone:

Ext:

Fax:

Email:

Public Benefit Info

For Private School Facility Only:

Tuition assistance:

Total tuition:

Part reimbursed:

% students receiving 50% tuition assistance:

Government Information

Project/Facility is in:

Congressional District #:

State Senate District #:

State Assembly District #:

Facility #2

Facility Name: **Renovation of Olney Hall and Prospect Hill Apartments and improvements to the College's computer and utility systems**

Facility Bond Amount: **\$4,869,741.93**

Project Address:

Street or general location: **On campus - 5000 MacArthur Boulevard, Oakland, CA 94613**

City: **Oakland**

State: **California**

Zip: **94613**

County: **Alameda County**

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

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:

Name of Agency:

First Name:

Last Name:

Title:

Phone:

Ext:

Fax:

Email:

Public Benefit Info

For Private School Facility Only:

Tuition assistance:

Total tuition:

Part reimbursed:

% students receiving 50% tuition assistance:

Government Information

Project/Facility is in:

Congressional District #:

State Senate District #:

State Assembly District #:

Financing Information

Financing Information

Tax Exempt: \$ 31,157,025.74
Taxable: \$
Total Principal Amount: \$ 31,157,025.74
Maturity 21Years

Interest Rate Mode:

☒ Fixed ☐ Variable

Denominations: 0.01

Type of Offering:

☐ Public Offering ☒ Private Placement
☒ New Construction ☐ Acquisition of Existing Facility
☒ Refunding

Financing:

☐ Credit Enhancement ☐ Letter of Credit
☒ None
☐ Other

Name of Credit Enhancement Provider or Private Placement Purchaser:

Expected Rating:

☒ Unrated

Moody's:

S&P:

Fitch:

Financing Team Information

Bond Counsel

Firm Name: Law Office of Rossi Russell

Primary Contact

First Name: Rossi

Last Name: Russell

Title: Partner

Address:

Street: 10880 Wilshire Blvd.

City: Los Angeles

State: California

Suite: 1050

Phone: 310-470-3255

Ext:

Zip: 90024

Email: ra.russell@att.net

Fax:

Bank/Underwriter/Bond Purchaser

Firm Name:First Republic Bank

Primary Contact

First Name: Dirk ten

Last Name: ten Grotenhuis

Title: Managing Director

Address:

Street: 111 Pine Street, 9th Floor

City: San Francisco

State: California

Suite:

Phone: 415-262-2428

Ext:

Zip: 94111

Email: DTENG@FIRSTREPUBLIC.COM

Fax:

Financial Advisor

Firm Name:Prager & Co., LLC

Primary Contact

First Name: Saul

Last Name: Rosenbaum

Title: Managing Director

Address:

Street: One Maritime Plaza

City: San Francisco

State: California

Suite: Suite 1000

Phone: (415) 403-1913

Ext:

Zip: 94111

Email: saul.rosenbaum@prager.com

Fax: (415) 956-4789

Rebate Analyst

Firm Name:

Primary Contact

First Name:

Last Name:

Title:

Address:

Street:

Suite:

City:

State:

Zip:

Phone:

Ext:

Fax:

Email:

RESOLUTION NO. ____ NP-____

**CALIFORNIA STATEWIDE COMMUNITIES
DEVELOPMENT AUTHORITY**

**A RESOLUTION SUPPLEMENTING THE AUTHORITY'S PRIOR APPROVAL OF
THE ISSUANCE OF A TAX-EXEMPT OBLIGATION BENEFITTING MILLS
COLLEGE TO AUTHORIZE THE ISSUANCE OF A PORTION OF SUCH
OBLIGATION ON A TAXABLE BASIS AND THE APPLICATION OF SUCH
TAXABLE PORTION TO DEFEASE CERTAIN OUTSTANDING BONDS OF THE
CALIFORNIA EDUCATIONAL FACILITIES AUTHORITY**

WHEREAS, the California Statewide Communities Development Authority (the "Authority") approved on February 12, 2015, in its Resolution No. 15NP-2, a copy of which is attached as Exhibit A hereto ("Resolution No. 15NP-2"), the issuance of a tax-exempt loan to Mills College, a California nonprofit public benefit (the "Corporation"), in a principal amount not exceeding \$32,000,000 (the "Obligation") for the purposes of financing and/or refinancing the Project, as defined in Resolution No. 15NP-2;

WHEREAS, the Corporation desires that a portion of the Obligation accrue interest a taxable basis (the "Taxable Portion");

WHEREAS, the Corporation desires to apply the proceeds of the Taxable Portion to defease the California Educational Facilities Authority Refunding Revenue Bonds (Mills College), Series 2005B (the "Series 2005B Bonds") in accordance with the requirements of the Indenture pursuant to which the Series 2005B Bonds were issued;

WHEREAS, the Corporation is requesting the assistance of the Authority in financing, on a taxable basis, the defeasance of the Series 2005B Bonds;

WHEREAS, there has been made available to the Commissioners of the Authority a proposed revised form of the Master Loan Agreement previously submitted to the Commissioners (as revised, the "Master Loan Agreement"), to be executed by First Republic Bank (the "Lender"), the Authority and the Corporation, which Master Loan Agreement provides for the issuance of the Taxable Portion and the application of the Taxable Portion to the defeasance of the Series 2005B Bonds.

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

Section 1. This Resolution supplements Resolution No. 15NP-2 of the Authority. Pursuant to the Act and the Master Loan Agreement, the Authority is hereby authorized to issue the Obligation in an aggregate principal amount not to exceed Thirty-Two Million Dollars (\$32,000,000), a portion of which may be issued on a taxable basis. The Obligation shall be issued and secured in accordance with the terms of the Master Loan Agreement.

Section 2. The proposed form of Master Loan Agreement, as made available to the Commissioners, is hereby approved. Any member of the Commission of the Authority or their administrative delegates duly authorized pursuant to Resolution No. 14R-58 of the Authority, adopted on November 6, 2014 (each an "Authorized Signatory") is hereby authorized and directed, for and on behalf of the Authority, to execute and deliver the Master Loan Agreement in substantially said form, with such changes and insertions therein as any member of the Commission, with the advice of counsel to the Authority, may approve, such approval to be conclusively evidenced by the execution and delivery thereof. The dated date, maturity date or dates, interest rate or rates, methods of determining rates, interest payment dates, denominations, forms, registration privileges, manner of execution, place or places of payment, terms of redemption, tender provisions, and other terms of the Obligation shall be as provided in the Master Loan Agreement, as finally executed.

Section 3. The Chair, the Vice Chair, the Secretary, the Treasurer, any other members of the Commission of the Authority and other appropriate officers and agents of the Authority are hereby authorized and directed, jointly and severally, for and in the name and on behalf of the Authority, to execute and deliver any and all documents, including, without limitation, any and all documents and certificates to be executed in connection with securing credit support, if any, for the Obligation, and to do any and all things and take any and all actions which may be necessary or advisable, in their discretion, to effectuate the actions which the Authority has approved in this resolution and to consummate by the Authority the transactions contemplated by the documents approved hereby, including any subsequent amendments, waivers or consents entered into or given in accordance with such documents.

Section 4. All actions heretofore taken by the Chair, the Vice Chair, the Secretary, the Treasurer, any other members of the Commission of the Authority and other appropriate officers and agents of the Authority with respect to the issuance of the Obligation are hereby ratified, confirmed and approved.

Section 5. This resolution shall take effect from and after its adoption.

Section 6. Other than as hereby amended, Resolution No. 15NP-2 remains in full force and effect.

PASSED AND ADOPTED by the California Statewide Communities Development Authority this ____ day of _____, 2015.

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 _____, 2015.

By: _____
Authorized Signatory
California Statewide Communities
Development Authority

VII. Telecommunications Asset Monetization Program Presentation. (Jeffries Team)



Proposal to Develop and Implement a Municipal Telecommunications Asset Monetization Program

October 24, 2014 / Confidential

Jefferies' Team & Capabilities

Jefferies' Team Dedicated to the State of California

Municipal Securities Group

California Banking Coverage Team

San Francisco



Mark Curran
Managing Director
35+ Years Experience



Matt Challis
Senior Vice President
17+ Years Experience



Anant Sitaram
Vice President
7+ Years Experience



Michael Libera
Associate
4+ Years Experience



Sacramento



Los Angeles



Sam Smalls
Managing Director
20+ Years Experience



Vanessa Eckert
Vice President
10+ Years Experience



Atlanta



Mark Widener
Managing Director
20+ Years Experience



David Moffett
Managing Director
20+ Years Experience



The core California banking team marketing the Program will be supported by experts who specialize in asset monetization for municipal clients

Jefferies' CA Staffing

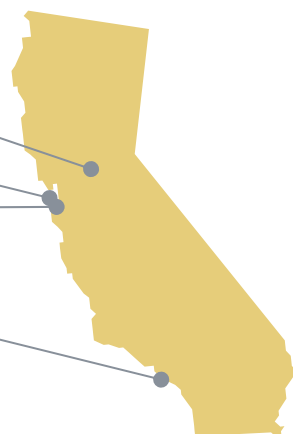
Sacramento – 1

San Francisco – 48

Silicon Valley – 30

Los Angeles – 143

Total CA Staffing – 222



Global Media & Telecommunications Investment Banking

Prem Parameswaran
Global Head of Media & Telecom Banking



John Fargis
Managing Director
Head of Media



Jason Gredell
Managing Director
Telecom – Americas



Michael Herbst
Managing Director
Telecom – Europe



Alexander Kellof
Managing Director
Telecom – Americas



Craig Mineard
Managing Director
Media



Mohit Pande
Managing Director
Telecom – Americas



Kareem Chin
Senior Vice President
Americas



Ian Paterson
Senior Vice President
Europe



Marc-Olaf Hilgenfeldt
Senior Vice President
Europe



Boris Matz
Vice President
Americas











































Jason Miller
Vice President
Americas



Leading Global Media And Telecommunications Franchise

Substantial Momentum Across Multiple Sectors In The Media And Telecommunications Industries Covering M&A Advisory, Debt Capital Markets And Equity Capital Markets

Select Transaction Experience

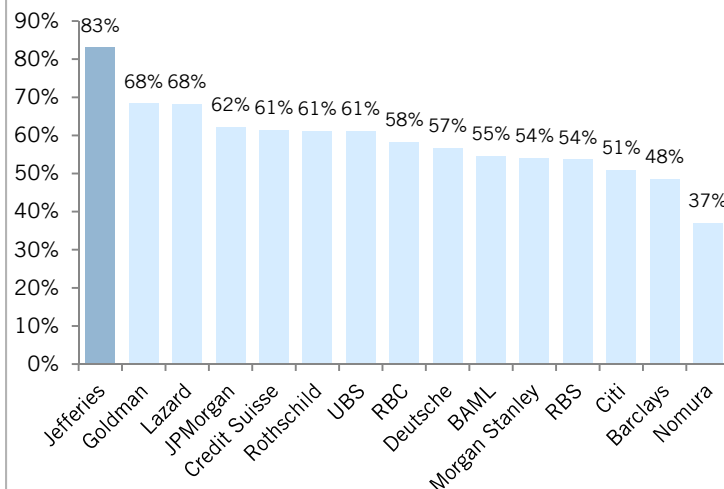
<p>On File</p>  <p>\$125,000,000</p> <p>Initial Public Offering Joint Bookrunner</p>	<p>On File</p>  <p>\$114,000,000</p> <p>Common Stock Offering Joint Bookrunner</p>	<p>Pending</p>  <p>Undisclosed</p> <p>Sale to Wasserstein & Co., LP Sole Financial Advisor</p>	<p>Pending</p>  <p>\$500,000,000</p> <p>Senior Secured Credit Facilities to Finance Acquisition of Cleveland Joint Lead Arranger</p>	<p>June 2014</p>  <p>\$190,000,000</p> <p>Credit Facility Joint Bookrunner</p>	<p>June 2014</p>  <p>Undisclosed</p> <p>Sale to Oak Hill Capital Partners Sole Financial Advisor</p>	<p>June 2014</p>  <p>\$1,283,000,000</p> <p>Initial Public Offering Joint Bookrunner</p>	<p>June 2014</p>  <p>\$240,000,000</p> <p>Senior Secured Notes Offering Sole Bookrunner</p>
<p>June 2014</p>  <p>\$226,000,000</p> <p>Plus 15% equity of the combined company</p> <p>Acquisition of Fuse Networks Joint Financial Advisor</p>	<p>June 2014</p>  <p>\$150,000,000</p> <p>Senior Secured Notes Offering Sole Bookrunner</p>	<p>June 2014</p>  <p>\$515,000,000</p> <p>Credit Facility to Finance Acquisition by GI Partners Joint Lead Arranger</p>	<p>April 2014</p>  <p>\$361,600,000</p> <p>Credit Facility Joint Lead Arranger</p>	<p>April 2014</p>  <p>\$115,000,000</p> <p>Senior Secured Term Loan Sole Arranger</p>	<p>March 2014</p>  <p>\$688,000,000</p> <p>Term Loan Joint Bookrunner</p>	<p>March 2014 Pending</p>  <p>Undisclosed</p> <p>Acquisition of DTK Deutsche Telekom Sole Financial Advisor</p>	<p>February 2014</p>  <p>Undisclosed</p> <p>Sale to GTCR, LLC Sole Financial Advisor</p>
<p>February 2014</p>  <p>\$2,200,000,000</p> <p>Senior Notes Co-manager</p>	<p>January 2014</p>  <p>\$220,000,000</p> <p>Senior Secured Notes Joint Bookrunner</p>	<p>January 2014</p>  <p>\$279,000,000</p> <p>Term Loan Joint Bookrunner</p>	<p>January 2014</p>  <p>\$41,000,000</p> <p>Sale of Wireless Tower Portfolio to Crown Castle International Sole Financial Advisor</p>	<p>November 2013</p>  <p>€2,000,000,000</p> <p>Sale of 70% stake in Scout24 to Hellman & Friedman Joint Financial Advisor</p>	<p>November 2013</p>  <p>\$350,000,000</p> <p>Senior Secured Credit Facilities Lead Left Arranger</p>	<p>November 2013</p>  <p>\$145,000,000</p> <p>Acquisition of iWeb Group Inc. Exclusive Financial Advisor to Internap Network Services Corp.</p>	<p>November 2013</p>  <p>\$55,000,000</p> <p>Initial Public Offering Joint Bookrunner</p>
<p>October / November 2013</p>  <p>\$300,000,000</p> <p>Senior Notes Joint Bookrunner</p> <p>\$640,000,000</p> <p>Senior Notes Joint Bookrunner</p>	<p>October 2013</p>  <p>\$253,000,000</p> <p>Initial Public Offering Co-Manager</p>	<p>October 2013</p>  <p>\$296,000,000</p> <p>Initial Public Offering Joint Lead Bookrunner</p>	<p>October 2013</p>  <p>\$260,000,000</p> <p>Initial Public Offering Joint Bookrunner</p>	<p>October 2013</p>  <p>\$1,200,000,000</p> <p>Term Loan Joint Bookrunner</p>	<p>September 2013</p>  <p>\$668,000,000</p> <p>Credit Facility to Finance Acquisition of Aztec Joint Lead Arranger</p>	<p>September 2013</p>  <p>\$370,000,000</p> <p>Senior Secured Notes Joint Bookrunner</p>	<p>September 2013</p>  <p>\$500,000,000</p> <p>Senior Notes Joint Bookrunner</p>
<p>September 2013</p>  <p>\$317,400,000</p> <p>Common Stock Offering Joint Bookrunner</p>	<p>August 2013</p>  <p>Undisclosed</p> <p>Sale of Minority Stake to Hellman & Friedman Sole Financial Advisor</p>	<p>August 2013</p>  <p>\$595,500,000</p> <p>Tranche B Term Loan Joint Bookrunner</p> <p>\$815,000,000</p> <p>Tranche B-III Term Loan Joint Bookrunner</p>	<p>August 2013</p>  <p>\$65,000,000</p> <p>Senior Secured Notes Joint Bookrunner</p>	<p>July 2013</p>  <p>\$129,000,000</p> <p>Sale of North America Telecom to York Capital Management Sole Financial Advisor to Primus Telecommunications Group, Inc.</p>	<p>June 2013</p>  <p>€3,300,000,000</p> <p>Acquisition of Springer Science Business+Media Financial Advisor to BC Partners</p>	<p>May 2013</p>  <p>Undisclosed</p> <p>Sale to EQT Partners AB Sole Financial Advisor</p>	<p>May 2013</p>  <p>\$2,600,000,000</p> <p>Senior Notes Joint Bookrunner</p>

Sell-Side M&A Franchise is Jefferies' Core Business

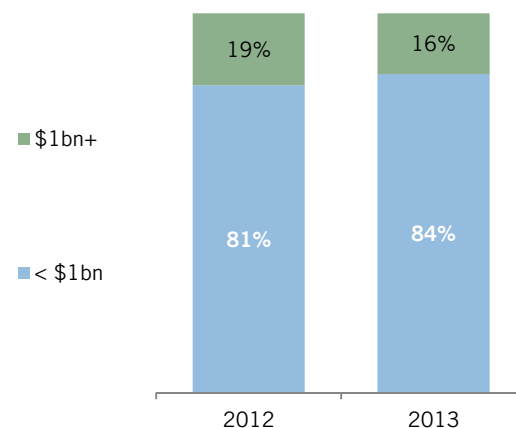
Key Points

- While routinely executing larger \$1bn+ mandates, Jefferies remains focused on the sweet spot of the M&A market
- \$1bn+ transactions represent <20% of deal activity, but comprise the majority of our competitors' focus by sector

Sellside Revenue as a % of Total M&A Revenue⁽¹⁾

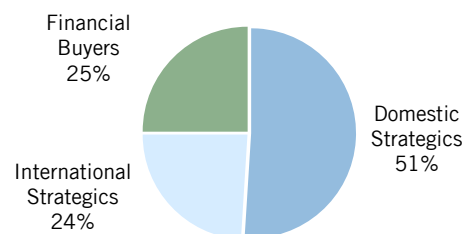


Jefferies' M&A Franchise is focused on the Sweet Spot of the Market⁽²⁾

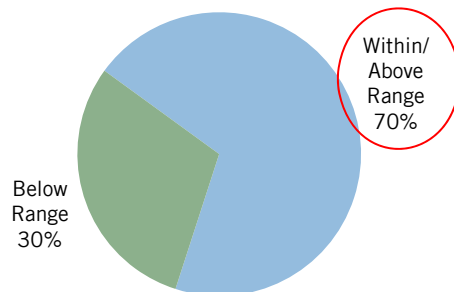


Breakdown of Recent Buyers

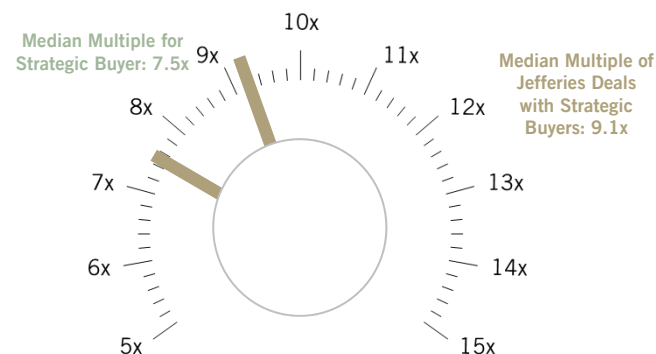
- Since 2010, over 75% of sell-side transactions completed by Jefferies have been with strategic acquirers
 - Over 35% are cross-border



Transactions Priced At or Above the Preliminary Valuation Range⁽³⁾



Premium Valuations for Our Sell-side Clients⁽⁴⁾



(1) For 2010 to 2013.

(2) Source: Thomson and Jefferies M&A databases; excludes deals below \$50 million.

(3) Source: Jefferies sellside M&A transactions completed since 2010 where applicable.

(4) For 2013 based on EV / EBITDA multiples.

Overview of the Telecom Market

Key Growth Trends & Themes

Explosive Growth in IP Traffic

- Projected 34%+ CAGR for global Internet traffic from 2009A – 2014E
- Constant emergence of new bandwidth hungry internet content, business models, applications and services (e.g. online video, online gaming, social networking, mobile web and 4G wireless)
 - The typical broadband connection speed is expected to be 20 Mbps by the end of 2011
 - Online video usage up 44.5% year-over-year as of January 2011⁽¹⁾ with 60% of Internet traffic represented by consumer streaming video
 - Mobile data, while currently a small portion of global IP traffic, is expected to grow 108% per year ⁽²⁾

Increased Mobile Data Usage

- Demand for wireless broadband and mobile data increasing; carriers upgrading backhaul networks from copper to fiber
- Mobile data usage causing looming “Spectrum Crunch” as traditional wireless carriers, which support 95% of all subs, hold only 53% of available spectrum; further, only VZ and AT&T hold >20 MHz of spectrum across entire footprint that is free & clear support to LTE
- Increases in demand for data driving interest in concept of offloading cell traffic to Wi-Fi or DAS networks
- Demand and resulting capex requirements of wireless carriers expected to provide significant growth for fiber operators
- Fiber backhaul to cell sites growing significantly faster than other mediums and capable of handling higher bandwidth

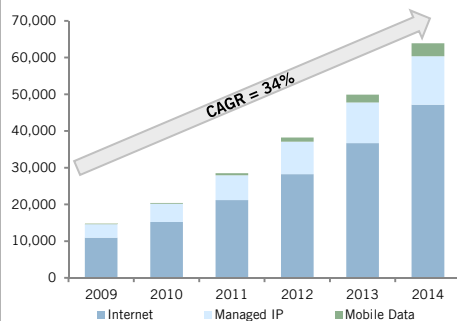
Global Adoption of Cloud Computing

- The increasing enterprise acceptance of cloud computing is driving demand for hosted applications
 - Telcos, IT services and hosting companies are all clamoring to offer cloud services as part of their enterprise packages and at the very least it is a requirement to demonstrate a path to the roll-out of services
- Recently, enterprise purchasing decisions have lengthened as CFOs and CTOs assess LT technology purchase decisions to ensure flexibility and growth going forward
- “Big Data” ecosystems will increasingly be adopted to drive productivity and reduce costs
 - Data centers to benefit as they provide the “home” of the ecosystems
 - Provides partnering opportunities for telecom firms

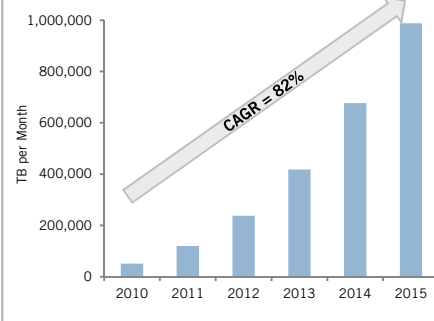
Increased Adoption of Ethernet Services

- Explosive growth in bandwidth demand
 - Information (news, sports and email)
 - Entertainment (gaming, video and social media)
- Ethernet demand surging as enterprises and carriers transition from TDM networks to Ethernet to accommodate increasing bandwidth and latency requirements
- Increasing go-to-market “verticalization” of sales and marketing resources within telecom companies to pursue opportunities within industries which consume significant telecommunications services, particularly bandwidth services
 - Government
 - Healthcare
 - Consumer
 - Finance
 - Media

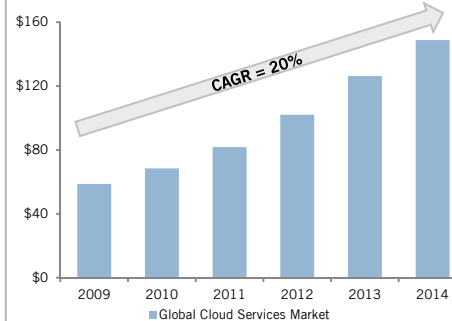
Global IP Traffic (Petabytes per month)⁽²⁾



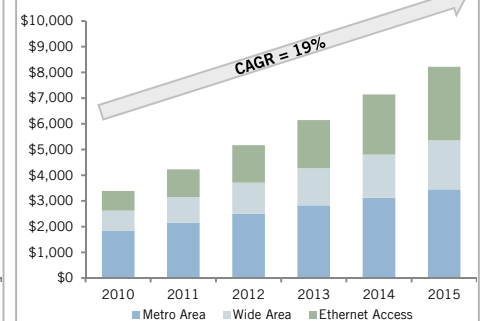
North America Mobile Data Traffic⁽³⁾



Global Cloud Services Market (\$B)⁽⁴⁾



U.S. Ethernet Services Revenue (\$M)⁽⁵⁾



(1) Source: The Nielsen Company.

(2) Source: Vertical Systems Group, October 2010.

(3) Source: Cisco “VNI Global Mobile Data Forecast,” 2011.

(4) Source: Gartner, May 2010. Cloud services include cloud-based business process services, applications, application infrastructure and systems infrastructure.

(5) Source: IDC U.S. Carrier Ethernet Services 2011-2014 Forecast, November 2011.

Industry Thesis: Wireless Usage is Driving Infrastructure Demand

Increasing Subscriber Growth and Wireless Penetration

- US wireless subscriber growth is expected to continue, but at a slower rate given existing penetration
- Minutes of use (“MOU”) of voice traffic is expected to continue rising at a healthy rate
 - Less expensive plans with increased buckets of minutes (“all you can eat” voice / data) plans and improved data services
 - In 2001 there were 128 million wireless subscribers in the U.S.; by 2012, the U.S. had reached 326 million users for a 10-year CAGR of 9.8%

Technology / Mobile Handset Evolution

- A single laptop can generate as much traffic as 450 basic-feature phones, and a high-end handset such as an iPhone or Blackberry device creates as much traffic as 30 basic feature phones
- Innovation in handsets with advanced data capabilities has generated demand for mobile internet applications
 - “[W]atching a YouTube video on a mobile phone or wireless enabled laptop consumes almost 100x the data bandwidth of a mobile voice call.” ⁽¹⁾
 - In 2008, 60 million tablets and smartphones were being used in the U.S.; by 2012, that figure had increased to 174 million devices

Carrier Focus on Network Quality and Service Innovation

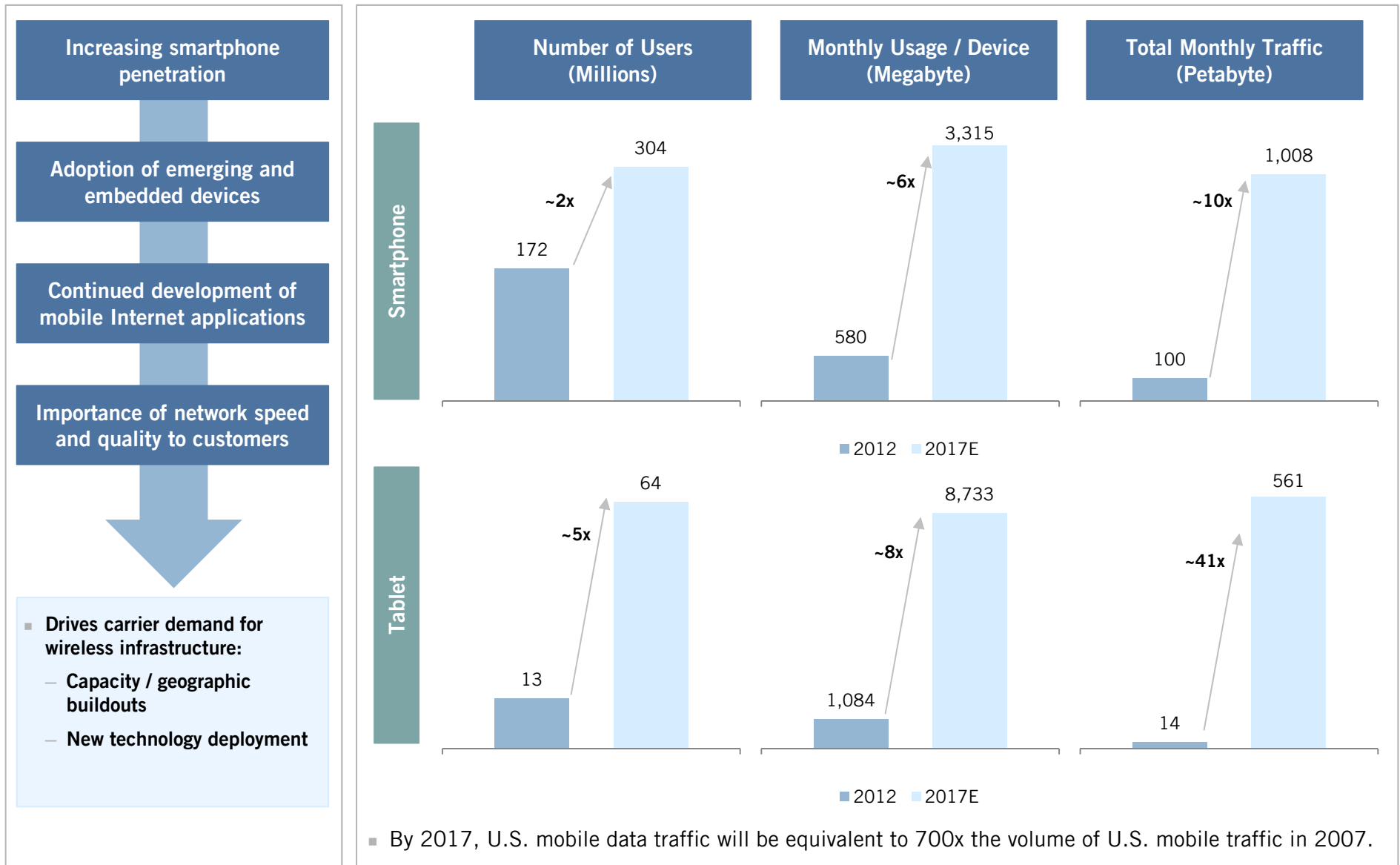
- Carriers increasingly focused on quality of service to acquire new and retain existing subs
 - Robust capital budgets to deploy national 4G networks
- Network technology advancements (WiMax and 4G / LTE) allow wireless service providers to provide more capacity for voice traffic and higher speed data access at lower prices
- US wireless carriers expected to spend \$90 billion over the next 3 years on network upgrades and service roll-outs

Increase in Wireless Infrastructure Demand

- **To meet this demand, wireless carriers continue to outsource their communication infrastructure needs as means of accelerating access to their markets and more efficiently use their capital, rather than constructing and operating their own sites**
- **Subscriber growth, MOUs per subscriber, and the further adaptation of 3G / 4G wireless data applications are driving wireless carriers to augment networks and construct networks in new markets, which in turn drives incremental cell site demand**
 - **AT&T has committed \$14 billion to 4G / LTE capex over the next few years; Sprint has committed \$18 billion over the next three years**

(1) Mobile Broadband Spectrum Demand. Rysavy Research. December 2008.
Jefferies LLC / October 24, 2014

Dramatic Changes in U.S. Consumer Behavior Driving Demand for Wireless Infrastructure

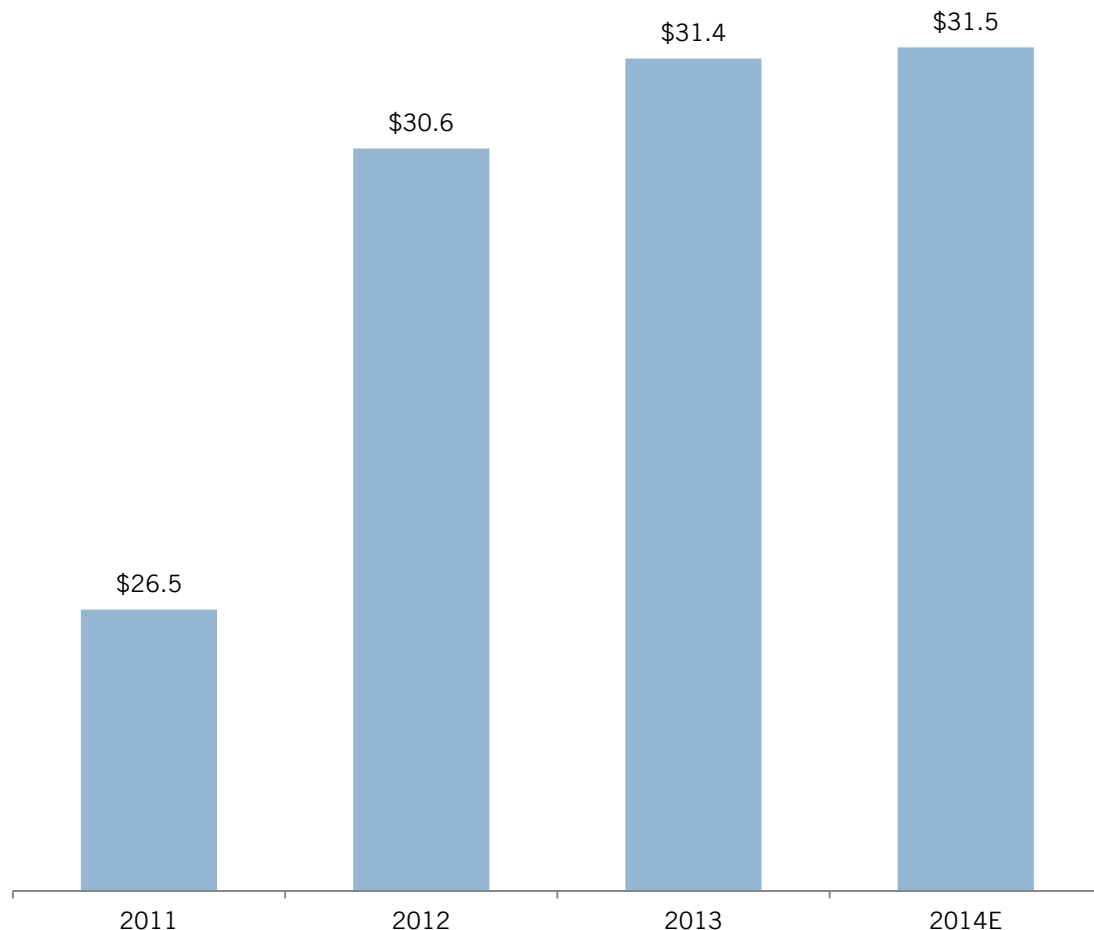


Source: Cisco VNI 2013

Carriers are Investing in Networks to Address Growing Consumption...

Carriers Continue to Invest in Their Networks to Meet Demand

- Carrier Capital Expenditures⁽¹⁾ (\$ billions)



Source: Wall Street research

(1) Includes AT&T (PF for Leap acquisition), Clearwire, Sprint, T-Mobile (PF for Metro-PCS acquisition), U.S. Cellular, and Verizon.

(2) Comments made by Ralph de la Vega, President and CEO of AT&T Mobility, at UBS Global Media and Communications Conference on December 5, 2012.

AT&T

- Project VIP calls for LTE covering 300 million people by year-end 2014 as well as an extensive network densification, including DAS deployment
- Greater than 225 million POP's today, covering 328 markets
- Approximately 270 million POP's by year end 2013, covering 400 markets
- Connected Cars
 - By 2016, more than 53% of cars are expected to have wireless connectivity⁽²⁾
 - Agreements with GM, Nissan and SiriusXM Radio

Verizon

- LTE footprint covers 89% of U.S. population and is scheduled to completely overlap its 3G network by mid-year 2013

Sprint

- Network Vision initiative includes nationwide rollout of 4G LTE
- Currently deployed in 88 cities with plans to launch in 170 more in the coming months

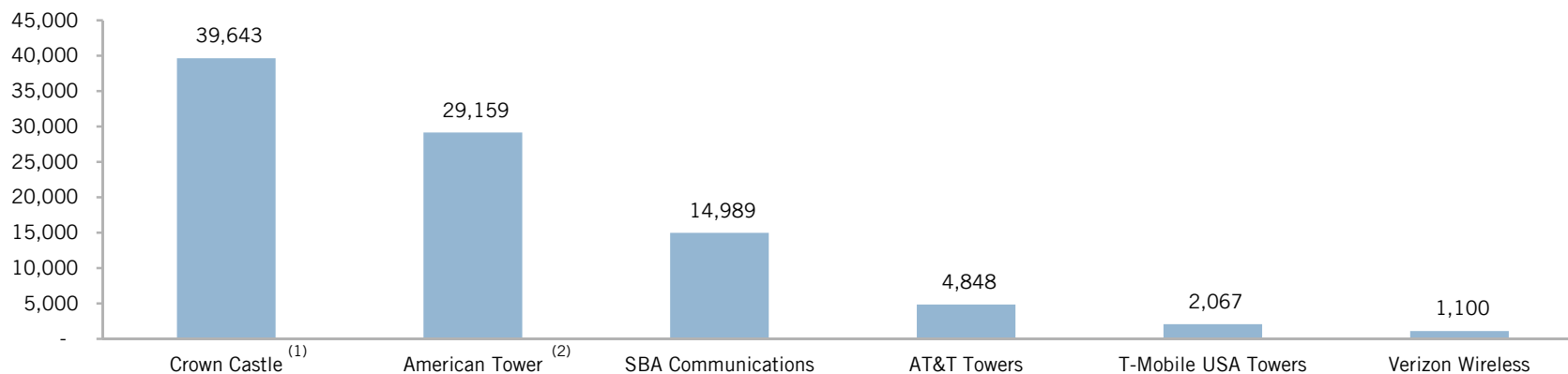
T-Mobile

- Stated it will deploy 4G LTE in 200 markets by the end of 2013
- > 200 million POP's

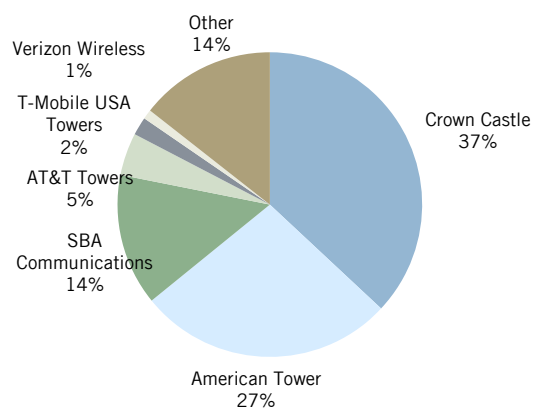
A Handful of Tower Companies Control the Majority of the Market

Over time, tower companies have built their portfolios through acquisitions (from carriers and other tower companies) and organically

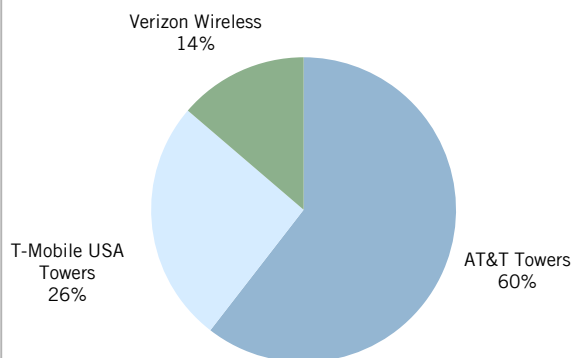
Largest Holders of Domestic Towers



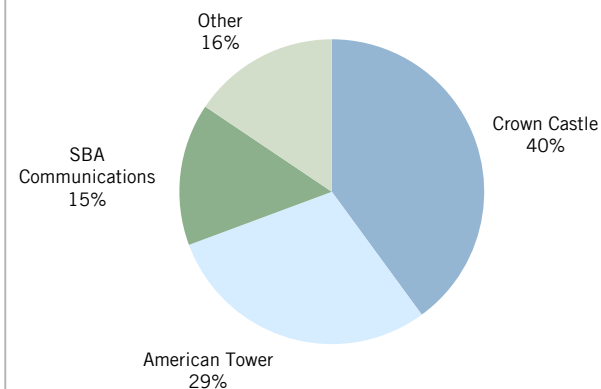
U.S. Tower Market Share



U.S. Towers Owned by Wireless Carriers



U.S. Towers Owned by 3rd Parties



Source: Jefferies research estimates and company filings.

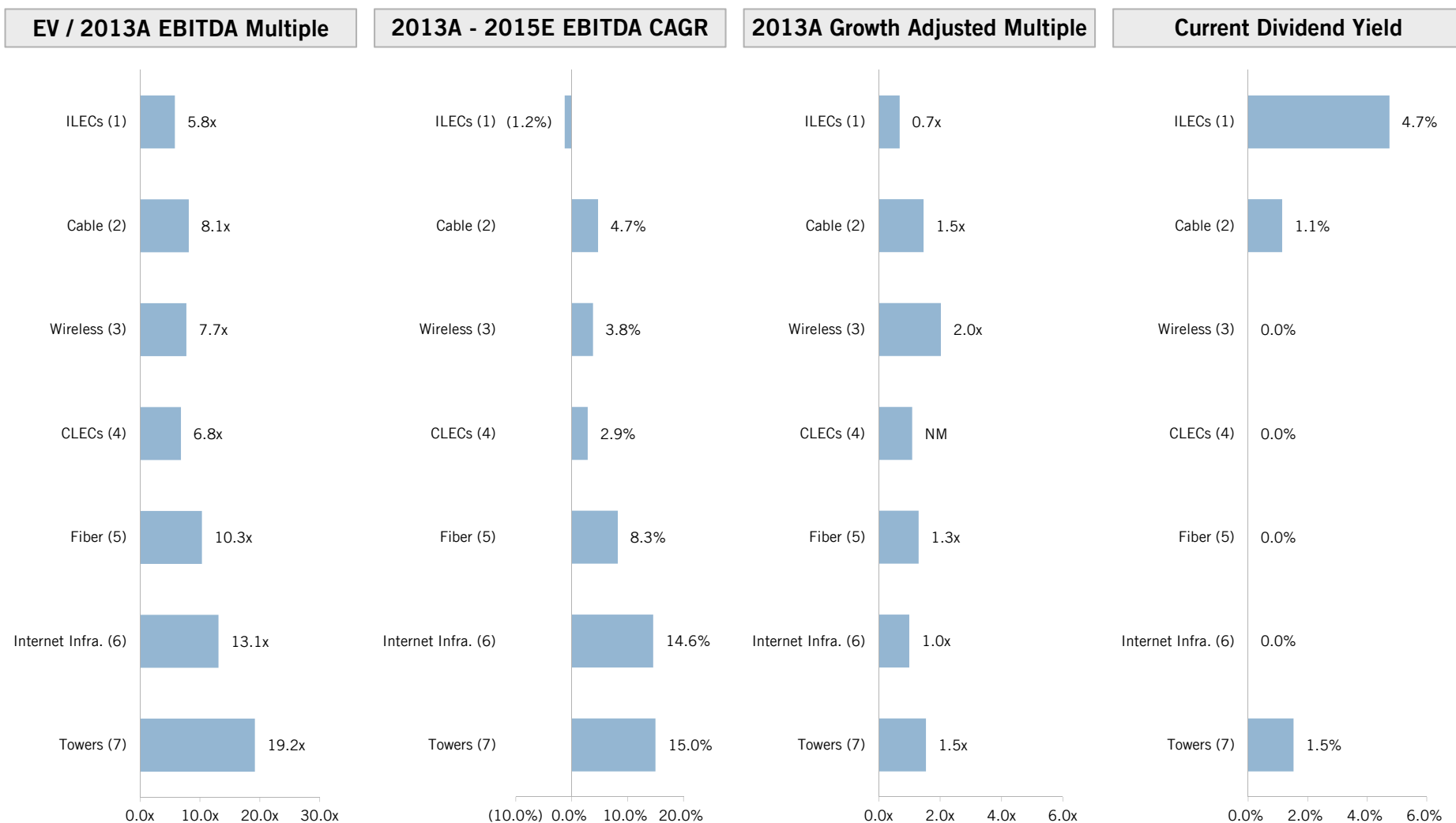
Note: DAS sites include indoor and outdoor nodes/sites.

(1) Pro forma acquisition of AT&T and CPS.

(2) Pro forma for acquisition of GTP.

Communications Sector Valuation Update

Relative Subsector Valuation and Growth



Note: Each sub-sector's multiple calculated using median of composite companies.

(1) ILECs include: Alaska Communications, CenturyLink, Cincinnati Bell, Consolidated Communications, FairPoint Communications, Frontier, Hawaiian Telecom, Hickory Tech, Otelco, TDS and Windstream.

(2) Cable includes: Cablevision, Charter and Time Warner Cable.

(3) Wireless includes: Atlantic Tele-Net, Boingo Wireless, Clearwire, Leap, MetroPCS, NII Holdings, NTELOS, Sprint Nextel and US Cellular.

(4) CLECs include: Cbeyond, EarthLink, tw telecom and Vonage Holding s Corporation.

(5) Fiber includes: Cogent, Level 3 and Lumos Networks.

(6) Internet Infrastructure includes: CSF Group, Equinix, Internap, Interxion, Iomart Group, Rackspace and Telecity, 21Vianet.

(7) Towers includes: American Tower, Crown Castle International and SBA Communications.

Jefferies LLC / October 24, 2014

Select Tower Precedent Transaction Comparables

Asset Sale / Lease Transactions with fewer than 200 Towers and a Purchase Price greater than \$25 million (\$ millions, except per Tower Data)

Key Points

- Buyers are actively seeking opportunities to acquire towers to stay ahead of competitors - **driving the purchase prices up**
- Owning telecom infrastructure throughout the State is a strategic and operating imperative for all telecom providers
- Tower companies are actively looking to expand their footprint and municipal clients have become a top priority

Date	Acquiror	Target	Purchase EV	Towers	EV/Tower
1/15/2014	Crown Castle	City Public Service of San Antonio	\$ 41.0	71	\$ 577,465
5/22/2013	CiG Wireless Corporation	Southern Tower Antenna Rental	13.5	60	\$ 225,000
4/29/2013	SBA Communications	Undisclosed seller	37.1	52	713,462
4/29/2013	SBA Communications	Undisclosed seller	2.8	7	400,000
3/31/2013	SBA Communications	Undisclosed seller	20.2	41	492,683
12/31/2012	SBA Communications	Undisclosed seller	5.1	6	850,000
12/31/2012	SBA Communications	Undisclosed seller	45.2	90	502,222
12/14/2012	American Tower	Undisclosed seller	64.6	190	340,000
6/30/2012	SBA Communications	Undisclosed seller	21.9	38	576,316
6/30/2012	American Tower	Undisclosed seller	17.3	45	384,444
3/31/2012	SBA Communications	Undisclosed seller	44.9	78	575,641
3/31/2012	American Tower	Undisclosed seller	15.5	35	442,857
2/27/2012	SBA Communications	Undisclosed seller	34.7	64	542,188
9/30/2011	SBA Communications	Undisclosed seller	42.2	82	514,634
9/30/2011	American Tower	Undisclosed seller	30.1	56	537,500
8/1/2011	Global Tower Partners	NV Energy	32.0	37	864,865
6/30/2011	SBA Communications	Undisclosed seller	66.3	140	473,571
6/30/2011	American Tower	Undisclosed seller	11.4	37	308,108
3/31/2011	SBA Communications	Undisclosed seller	82.6	166	497,590
3/31/2011	American Tower	Undisclosed seller	23.8	42	566,667
10/28/2010	SBA Communications	Additional towers	40.7	80	508,750
9/30/2010	SBA Communications	Additional towers	52.7	86	612,791
9/30/2010	SBA Communications	Undisclosed seller	52.7	86	612,791
9/30/2010	American Tower	Undisclosed seller	42.5	81	524,691
7/23/2010	SBA Communications	Santa Barbara Tower, LLC	2.4	2	1,200,000
6/30/2010	SBA Communications	Undisclosed seller	74.4	185	402,162
6/30/2010	American Tower	Undisclosed seller	132.5	149	889,262
4/1/2010	SBA Communications	Undisclosed seller	57.8	106	545,283
3/31/2010	American Tower	Roberts Tower Company	88.5	164	539,634
3/31/2010	SBA Communications	Undisclosed seller	23.5	36	652,778
3/31/2010	SBA Communications	Undisclosed seller	50.0	145	344,828
3/31/2010	American Tower	Undisclosed seller	88.5	164	539,634
3/25/2010	American Tower	Roberts Tower Company	88.0	145	606,897
2/25/2010	SBA Communications	Additional towers	56.3	157	358,599
11/18/2009	American Tower	Cincinnati Bell Towers	100.0	196	510,204
Mean			\$ 45.8	89	\$ 549,529
Median			42.2	80	537,500

Note: Projections per consensus estimates.

Source: Public Filings; SNL Kagan; Wall Street Research.

Consolidation Has Left Few Pure Play / Metro Bandwidth Providers Of Scale

Key Points

- As the market has consolidated, recent M&A transactions have been completed at or above the trading level of public fiber comparable
- While certain players have already achieved meaningful scale, further consolidation could create additional potential IPO candidates

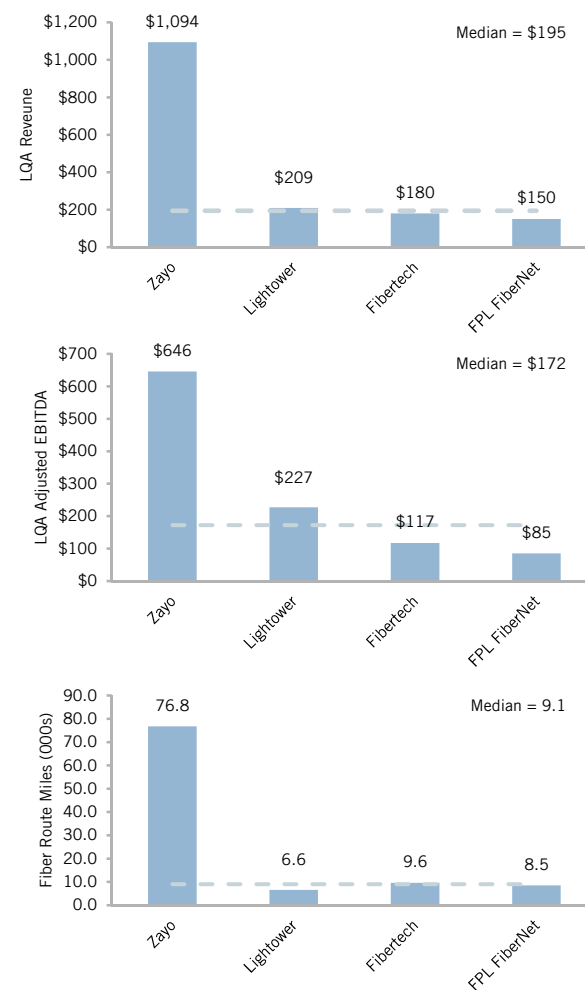
Pure Play Bandwidth Infrastructure Providers 1/1/10



Remaining Independents



Select Benchmarking



Source: Jefferies estimates, Wall Street Research and Company websites.

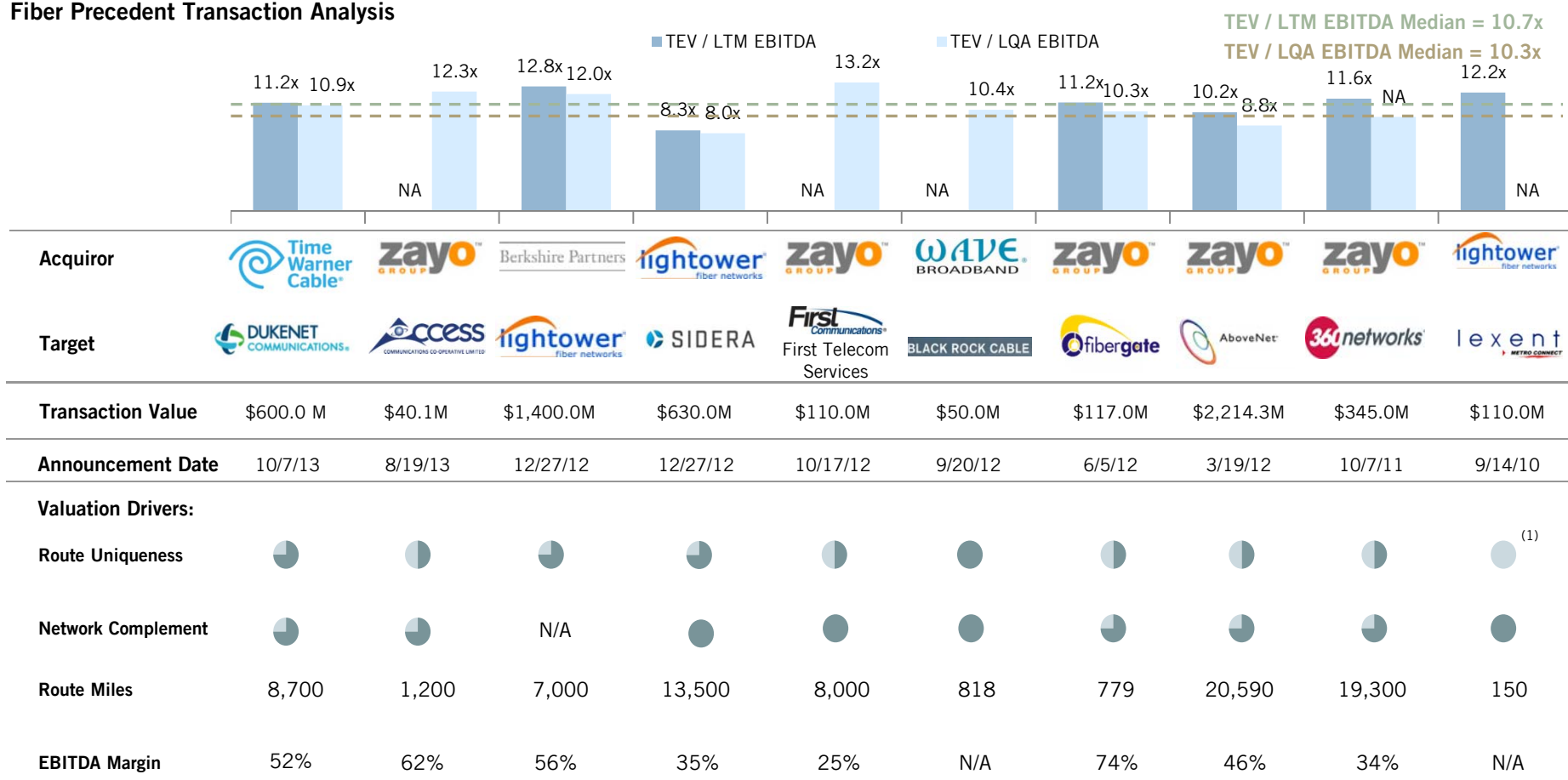
Select Fiber Precedent Transaction Comparables



Key Points

- Fiber businesses continue to attract premium valuations, with investors placing significant value on metro and regional fiber assets
- As the pool of sizeable acquisition candidates continues to decrease, remaining players are becoming more attractive targets to strategic acquirors
- Auctions in the fiber space have seen aggressive participation from both strategic and financial buyers
- While Zayo has been the most aggressive buyer in the space, Time Warner Cable's acquisition of DukeNet may be a harbinger of additional activity by cable operators

Fiber Precedent Transaction Analysis



Source: Company press releases and SEC filings.
(1) Premium valuation paid for dense New York City network.

Overview of Municipal Telecom Opportunities

Overview Of Municipal Telecom Opportunities

Leveraging existing relationships with governmental issuers for monetization of underutilized assets

Key Points	Opportunity	Key Considerations
<ul style="list-style-type: none"> ■ The Jefferies team is working closely with our governmental clients to identify unutilized / underutilized assets that could potentially be monetized, including fiber networks, cellular towers and data centers ■ Since these assets in many cases are not core to our governmental clients' ordinary course of business, they present revenue opportunities ■ Jefferies provides the unique combination of a strong and expansive municipal securities practice with a Telecom Investment Banking group that has extensive M&A experience 	Fiber Infrastructure	<ul style="list-style-type: none"> ■ Significant opportunity outside of the traditional strategic channels ■ Many of our governmental clients have built expansive fiber networks ■ In many cases these networks are entirely dark or vastly underutilized ■ Even in cases where the networks are substantially utilized, there is significant available capacity
	Wireless Infrastructure	<ul style="list-style-type: none"> ■ Significant numbers of our municipal clients have developed wireless infrastructure to serve some internal need (i.e., utility communications, public safety, etc.) ■ Generally speaking, these assets are non-core to the Municipality's business ■ Given the increased pressure on governmental agencies to find and generate new revenue sources, they have begun considering partnerships, including in some cases outright sales, of assets that have value but are not core to their day-to-day business ■ We are helping our municipal clients realize value from cell towers, rooftops, water towers, light poles, and rights of way
	Data Centers	<ul style="list-style-type: none"> ■ Municipalities have been developing data centers for years, primarily for government functions ■ States, hospitals, utilities, and cities across the US have developed these centers ■ Like fiber networks, these data centers can be used to support and encourage economic growth in the surrounding community ■ Opportunities include existing data centers as well as municipalities with large tracts of otherwise unusable land
	Development	<ul style="list-style-type: none"> ■ Targeted opportunities to enhance certain governmental construction projects ■ Opportunity to acquire unique, exclusive rights on a long term basis ■ Potential to reduce overall projects costs and create new sources of revenue / services ■ Examples include highway expansion, water and sewer construction and underground utility digs

Governmental Communications Infrastructure Monetization Opportunities

Targets in California

Specific Targets:

- Cities, Counties and Towns
- Municipal Electric & Gas Systems
- Municipal Water and Wastewater Systems
- School Systems
- Transportation Agencies
- Hospital Systems

Specific Opportunities:

- Rights-of-way
- Cell towers
- Water towers
- Light poles
- Transmission and distribution lines
- Existing conduit
- Fiber and broadband networks
- Leasing building infrastructure for cell towers

(Additional Opportunities):

- Electronic Equipment Assets

Benefits of Creating a Telecom Asset Pool

A Pooled Asset Structure can generate value through shared cost of issuance and more marketable deal size

- Pooled structures are proven methods for optimizing financing execution
- A pooled telecom asset structure can maximize the potential payment to CSCDA participants and provide superior execution due to:
 - Creation of economies of scale;
 - Creation of geographic diversity;
 - Substantial transaction cost savings by sharing costs of issuance with other asset pool participants (i.e. uniform purchase and sale agreements);
 - Creation of the only statewide asset pool in the State
- We believe that pooling available assets optimizes the potential outcome for all participants
 - As the size of the potential opportunity increases, the expected benefit to the individual CSCDA members should also increase

Leveraging Unique Relationships

Key Points

- The lingering economic recession and overall market conditions have generally created a decrease in consumption, significantly affecting municipal issuers' net revenues across all spectrums
- Decreased federal and state funding have further strained operations
- Opportunity to assist counties, cities and other public agencies to monetize valuable assets that are typically underutilized and non-core to day-to-day operations
- Telecom infrastructure (cell towers, water towers, light poles, buildings, fiber, etc.) has become an area of significant interest
- Pooled Programs present the best execution strategy for disposition of underutilized assets
- The Jefferies Municipal Securities Group has partnered with our Media & Telecommunication Group to leverage our longstanding relationships with our municipal clients to identify any potential monetization opportunities
 - As we speak with our clients across the country, we have found that many have underutilized assets that may be monetized

Engaged	In Discussions	Limited Procurement Process	Limited Procurement Process	Limited Procurement Process
Consortium of Counties in NY	Large Utility in Florida	Major Metropolitan City	Mid-West State	Large Transportation Issuer
Pooled Sale of Communications Tower Portfolio	Sale of Telecom System	Sale of Fiber Network and Tower Portfolio	Sale of Communications Tower Portfolio, Fiber and ROWs	Sale of Communications Tower Portfolio
Undisclosed	Undisclosed	Undisclosed	Undisclosed	Undisclosed
Sole Sell-Side Advisor	Sole Sell-Side Advisor	Sole Sell-Side Advisor	Sole Sell-Side Advisor	Sole Sell-Side Advisor

Case Study: Crown Castle Acquires CPS Energy's Communications Tower Portfolio

Jefferies acted as Sole Financial Advisor to CPS Energy on the Sale of its Communications Tower Portfolio to Crown Castle

Key Points



Jefferies was selected to serve as sole sell side advisor based on our long-standing Municipal relationship with CPS Energy and expertise in the wireless infrastructure sector

Transaction represents a joint effort of the Jefferies Municipal Finance and Media & Telecom groups and the first marketed sale of municipal towers in the US

Success of the transaction provides validation and support for other public agencies to consider monetizing non-core telecom assets



- **City Public Service of San Antonio** ("CPS Energy" or the "Company") is the nation's largest municipally owned natural gas and electric company, providing service to approximately 741,000 electric and 331,000 natural gas customers in the Greater San Antonio area
- The Company provides electricity from coal, nuclear energy, wind, solar, landfill-generated methane gas, and natural gas
- CPS Energy owned 71 communications towers throughout the San Antonio, Texas area, with an average tower height of 174 feet
- Founded in 1942 and is based in San Antonio, Texas



- **Crown Castle International Corp.** ("Crown Castle") is the largest independent owner and operator of shared wireless communications infrastructure in the U.S.
- Crown Castle owns, operates and manages over 40,000 and approximately 1,700 wireless communication sites in the U.S. and Australia, respectively
- LTM 9/30/2013 Revenue and EBITDA of \$2.9 billion and \$1.7 billion, respectively
- Market Capitalization of \$24.8 billion
- Founded in 1994 and headquartered in Houston, Texas

Transaction Rationale

- CPS Energy monetized a non-core asset, while retaining use of a portion of the tower space for internal needs at no cost
- Crown Castle will now own and manage the communications towers and take over third party leases
- CPS Energy has used the proceeds from the sale to pay down existing debt

Transaction Highlights

- On January 15, 2014, Crown Castle acquired CPS Energy's communications tower portfolio for \$41 million
 - Acquisition represents a cash value per tower of \$578k and an implied purchase price per tower of \$789k⁽¹⁾
- Jefferies organized an accelerated process, fast-tracking Tier 1 bidders through on-site visits and data room access privileges
 - Process successfully produced indications of interest from nearly all of the Tier 1 bidders, and Jefferies was able to extract additional upfront value from the winning bidder during the final round of negotiations
- Establishes a framework that Jefferies is leveraging to assist other municipal clients divest towers as well as other non-core assets such as fiber and data centers

(1) Implied purchase price per tower adjusted for the present value of utility payments from tenants/licenses and the present value of foregone lease payments, net.

CSCDA Program Overview & Next Steps

Overview of Jefferies and CSCDA Roles

Jefferies will Leverage Relationships with Key Strategic Buyers and our Knowledge of Governmental Bodies to Optimize the Program

Jefferies' Role

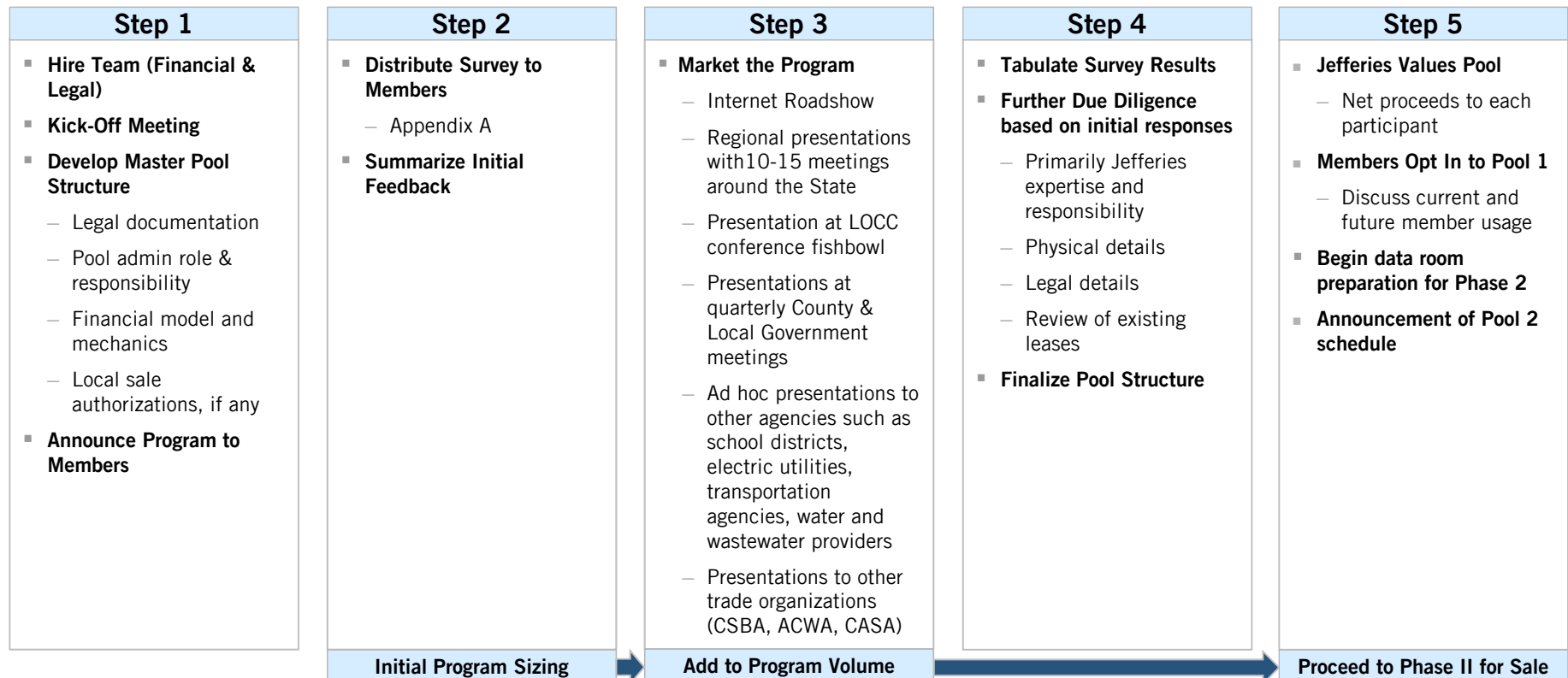
- Jefferies will assist CSCDA with development and marketing of a pooled asset monetization program
- Jefferies will work jointly with CSCDA to market the program to members to obtain maximum communication and participation
- Jefferies will act as Sell-Side Advisor - “Quarterbacking” all aspects of the marketing and transaction process for CSCDA
- As Sell-Side Advisor, the primary components of the asset sale Jefferies would manage include:
 - Organization and execution of a process for CSCDA members to identify and diligence telecom assets;
 - Evaluation of diligence documents received from potential participants;
 - Creation of process/structure tailored to specific requirements of each participant and respective assets;
 - Preparation of marketing materials;
 - Identification of best buyers of assets;
 - Contracting and dialogue with potential buyers to streamline process and minimize management distractions;
 - Valuation analysis and assessment of offers;
 - Negotiations of purchase and sale agreement and all necessary lease agreements; and
 - Oversee closing and funding

CSCDA's Role

- CSCDA will act as marketing partner with the LOCC and CSAC
 - Assist with program announcement, roll out and presentation to members
 - Coordinate and distribute Survey to Members
 - Host webinars regarding the program
 - Schedule individual meetings and calls with members
 - Coordinate presentation to other municipal trade organizations such as Public Finance Authority, California School Board Association, Association of California Water Agencies, California Association of Sanitation Agencies and similar organizations
- CSCDA will serve as Program Administrator for its members in the asset sale
- As Program Administrator CSCDA would provide advice on:
 - Coordination and strategy for member cooperation and compilation of due diligence information
 - Development of methodology/strategy for pooled sale of assets
 - Communication with and coordination of CSCDA members during marketing and negotiations
 - Facilitator for due diligence and investor calls

Phase 1 – Program Development and Marketing Process

- Below we have outlined a representative structuring and program marketing process designed to identify, diligence and preliminarily value the assets owned by CSCDA members
- It is our belief that a substantive marketing program and outreach will produce a larger initial pool and will serve to illustrate the value of new programs being provided by CSCDA to its members
- The marketing program is designed to provide both high level presentation of the concept as well as provide for more in depth in person discussions
- It is anticipated that future pools will be created based on the success of the first pool



Phase 2 – Marketing and Execution of Asset Sale – The Transaction Process

- Phase II involves the sale of assets derived during the Phase I marketing process
- Below we have outlined a representative transaction process for the proposed sale of the assets
- This is a proven process used by our Telecom Mergers and Acquisitions bankers in many engagements
- We will work with CSCDA to identify the list of potential bidders and conduct an accelerated sale process in order to ensure the most competitive valuations and business terms

Step 1	Step 2	Step 3	Step 4
<ul style="list-style-type: none">■ Pre-Launch■ Preliminary buyer list<ul style="list-style-type: none">– Teaser– Finalize data room preparation– Prepare financial materials– Update financial models■ Launch Process<ul style="list-style-type: none">– Execute NDAs	<ul style="list-style-type: none">■ Distribute Marketing Materials■ Distribute initial bid instructions letter■ Draft documents circulated■ Initial Indications Due■ Evaluate proposals, select second round parties and schedule in-person diligence	<ul style="list-style-type: none">■ In-Person Diligence Preparation■ Open Data Room■ In-Person Diligence Sessions / Site Visits as Necessary■ Distribute updated documents■ Final Proposals Due, including Mark-up Of documents■ Review Proposals and Select Party(ies) for Final Diligence & Negotiation	<ul style="list-style-type: none">■ Final negotiations<ul style="list-style-type: none">– Document Negotiations■ Receive all State Approvals■ Deal Signed and Announced■ Closing

Appendix A – Draft Member Survey Form

City and County Communication Assets Questionnaire

On behalf of the League of California Cities and the California Association of Counties, CSCDA is evaluating the opportunity for monetizing certain telecommunication assets owned or controlled by the local and county governments. Your cooperation in this survey will permit us, in coordination with our consultants, to gauge the opportunity for you to receive money upfront and/or over the life of the asset.

CSCDA expects to discuss details of the options available to the Cities and Counties October ____ 2014. Thank you for participating in this process.

Wireless Towers

Numerous municipal entities have built and own wireless towers and other wireless infrastructure for governmental purposes and lease to wireless carriers. Private sector partners place a high value on many of these towers and are searching for opportunities to partner with governmental entities. These partners can ensure the continued functionality of the asset for the governmental purpose and provide substantial monetary consideration to the county.

Characteristics of these towers include:

- Elevated structure used to attach antennas and other equipment necessary for the transmission of signals for wireless communication devices
- In addition to traditional towers, other structures often used to support wireless communications include water towers, rooftops, electric utility distribution and transmission support, light posts and telephone poles
- Real estate and necessary easements to support the structure and limit access to authorized personnel
- Secure shelters to house electronics and communications equipment
- Power to support ground base electronics and wireless equipment affixed to the structure
- Enclosure to provide security and limited access to the structure

Key Facts about these assets:

- The fact that a tower has an existing lease agreement in place *does not preclude it from further monetization*.
- The fact that a City or County uses the tower for an existing governmental purpose *does not preclude it from further monetization*. From the governmental agency's perspective, the functionality of the asset will not be impaired by this process.
- The use of state and federal funds and / or third party sources of capital by the City or County to build and maintain the network *does not preclude it from further monetization*. From the governmental agency's perspective, the functionality of the asset and the compliance to any state, federal or third party requirements will not be impaired by this process.

Please Indicate:

Yes ____ or **No** ____ the City/County of _____ does/doesn't have towers which fit this description

If yes, approximately ____ towers fit this description. (If possible, please provide details on the Data Form, including lease revenue from third parties)

Fiber Optic Networks

As part of typical infrastructure development many municipalities added fiber optic capabilities to buildings, roadways, schools, hospitals, or other assets which were never fully realized. Private sector partners can provide functionality to these systems and provide substantial monetary consideration to the county.

Characteristics of these networks include:

- Owned or leased fiber optic cable
- Duct or conduit used to house and provide access to fiber optic cable
- Pole attachments, cable covering, in-line electronics, poles and other similar items which are required to install, direct and retain the fiber between different points of the network
- Real estate and necessary easements to support the network and limit access to authorized personnel
- Secure shelters to house electronics and communications equipment
- Enclosure to provide security and limited access to the structure

Key Facts about these assets:

- Network assets owned by the City or County that are being leased by third parties under an existing lease agreement or IRU *does not preclude it from further monetization*. The payments to the governmental entity from the existing services will not be impaired by this process.
- The current use of the network by the City or County for providing government related services *does not preclude it from further monetization*. From the governmental agency's perspective, the functionality of the asset and compliance to any state and federal requirements will not be impaired by this process.
- The use of state and federal funds and / or third party sources of capital by the City or County to build and maintain the network *does not preclude it from further monetization*. From the governmental agency's perspective, the functionality of the asset and the compliance to any state, federal or third party requirements will not be impaired by this process.

Please Indicate:

Yes ____ or **No** ____ the City/County of _____ does/doesn't have systems which fit this description

If yes, approximately ____ miles of cable fit this description. (If possible, please provide details on the Data Form, including any revenue from third parties)

Submitted by:

Name: _____

City/County: _____

DATA FORM

Appendix B – Additional Detail on Diligence Phase

CSCDA Program Process - Phase 1: Identification and Diligence of Asset Pool Universe

1. CSCDA to engage professional team - In order for Jefferies and other members of the working group to begin due diligence and to discuss the transaction with potential purchasers, an engagement letter will need to be executed by CSCDA. In addition to an engagement letter with Jefferies, we would recommend CSCDA engage legal counsel

- CSCDA to engage Jefferies LLC as Program and Sell-Side Advisor; and
- CSCDA to engage legal advisor

2. Distribute telecom asset survey to Cities and Counties

- Jefferies has developed a survey to be distributed to CSCDA's membership to help guide the process of indentifying assets which may be underutilized by local governments. CSCDA will serve as the central point for gathering the surveys, and, as appropriate, for follow-up with members who do not complete a survey. Jefferies would work on interpretation and tabulation of the survey data. Jefferies team would also be available for technical assistance in completing and transmitting the surveys.

CSCDA Program Process - Phase 1: Identification and Diligence of Asset Pool Universe

3. Market the Program through the League of Cities and the Association of Counties

- Internet roadshow – At a minimum, we envision at least one high level, introductory, internet based presentation covering much of the same information included in this proposal. This presentation would be conducted by our telecom bankers to make the opportunity easy to understand and explain to various local government stakeholders. Follow-up internet road show presentations would be made on an ad hoc basis for program updates, enhancements or changes.
- Regional in-person presentations – In conjunction with the information gathering survey outlined in point 2, Jefferies believes it will be highly beneficial to make a concerted marketing effort to local governments to build program size. As a follow-up to the internet roadshow, we would hold 10-15 meetings around the State to present the Program and answer questions for local attendees. These presentations would be done in strategic locations throughout the state with a substantial number targeted for urban centers, but also covering the less populous areas where there are still likely to be opportunities. CSCDA, working in concert with the LOCC and CSAC, would be responsible for determining the most advantageous schedule, locations and meeting details.
- In person presentations to quarterly County and Local government meetings - Outreach would include further presentations at Divisional meetings. These can be particularly effective for announcing the program to all levels of government.
- Jefferies banking team will also present the program to our existing clients and other natural governmental agencies that overlap with Cities and Counties. We anticipate that a similar program might be done for Schools and their related lobbying association.
- As necessary additional meetings for overlapping agencies such as transportation or electric agencies owned by governmental bodies.

CSCDA Program Process - Phase 1: Identification and Diligence of Asset Pool Universe

4. Compile complete list of Cities and Counties and identify related Telecom assets – Jefferies and CSCDA will work collaboratively to get questionnaire responses to identify the entire universe of assets.

5. Continued due diligence on Telecom Assets - In order to properly structure and value the Telecom assets, Jefferies will need to gather more details on the individual Telecom assets. The below items will need to be identified for each potential tower. This additional technical program diligence will primarily be the responsibility of Jefferies. We will work with CSCDA to develop an additional check-list for other assets (i.e., fiber, ROWs, etc.)

- Location (address or coordinates);
- Height (ft.);
- Structure Type;
- Public Agency Ownership Structure;
- Lease and other 3rd Party Agreements;
- Lease Revenues;
- Current and Future Capacity Used by Governmental Agency;
- Ground Shelter Capacity;
- Federal (including First Net) or State Grants for Towers where the Public Agency is obligated to repay upon sale;
- Tax-Exempt bonds outstanding for the construction of the Towers;
- Year Built; and
- Construction Status

CSCDA Program Process - Phase 1: Identification and Diligence of Asset Pool Universe

6. Development of Master Pool Structure - There are a number of legal and financial steps that must be completed in order to properly structure the Master Pool including:

- Development of legal documentation;
- Define the role and responsibilities of the pool administrator;
- Financial Model and mechanics of financial remuneration to each participant; and
- Local law authorizing sale

7. Jefferies to provide estimate of net proceeds to each participant - Based on the further diligence and details of the Master Pool Structure, Jefferies will be able to value the Pool and provide a preliminary estimate of net proceeds to each potential participant.

8. Participants will decide to “Opt In” based on Master Pool Structure and preliminary estimated value of participating.

- Public agencies wishing to participate will pass local laws authorizing participation (if any required).

Appendix C – Select Telecom Case Studies

Case Study: Acquisition Of DTK Deutsche Telekabel By PrimaCom Holding GmbH

Jefferies is acting as sole financial advisor to PrimaCom in the acquisition of DTK

March 2014
Pending



Undisclosed

Acquisition of
DTK Deutsche Telekabel
Sole Financial Adviser

Jefferies acted as sole financial advisor to PrimaCom in the acquisition of DTK from Chequers Capital

The Jefferies team worked closely with PrimaCom and its investor base to identify this opportunity and actively worked with the team over several months to structure this complex transaction

The transaction is a testament to Jefferies' deep understanding of the European cable industry and M&A advisory capabilities combined with strong local presence in the German speaking region



- With a total of 890,000 homes connected and 453,000 subscribers as of June 2013, PrimaCom is one of the leading regional cable operators in Germany
- PrimaCom has a leading market position in its core footprint areas Saxony, Saxony – Anhalt and Thuringia and also have an existing presence in Western Germany
- Over the past years, the Company has evolved from a mostly 3rd party signal dependent cable operator to a regional level 3 provider, now connecting 88% of total homes connected with own signal
- The Company recently went through a successful restructuring and is now owned by a strong investor base – PrimaCom is ultimately held by Perseus Holding S.A. (“Perseus”), comprising main investors Alcentra, Tennenbaum, ING Bank and Avenue Capital (“Investors”)



- DTK is a German regional cable operator providing 4play services to B2C/B2B customers – its product portfolio includes cable TV, broadband, fixed line telephony and mobile offerings
- DTK primarily provides level 4 access to cable connections but is also offering a range of level 2 and 3 services
- DTK has consistently been building up level 2 and 3 infrastructure, with the aim to establish regional hubs for high speed access to broadband
- It maintains customer centers and offices in Berlin, Dresden, Frankfurt am Main, Gera, Hamburg, Halle, Cologne and Prenzlau
- The company and its predecessors have been active in the German cable business for over 30 years

Transaction Overview

- PrimaCom agreed to acquire DTK in a competitive auction process
- The transaction creates a leading regional cable operator with a particularly strong footprint in the area of Eastern Germany and Hamburg

Transaction Highlights

- Jefferies identified the opportunity together with PrimaCom early on and introduced the shareholder base to the merits of a combination with DTK
- Jefferies managed PrimaCom's interest in a competitive auction against several strategic and non-strategic buyers
- All stakeholders of PrimaCom had to carefully aligned in order to approve the transaction

Jefferies Role

- Jefferies won this mandate due to our longstanding relationship with PrimaCom, our in-depth knowledge of the German telecoms sector and our strong local presence in Germany

Case Study: Comcast Corporation

\$2.2 Billion, 2-Part, Investment Grade Senior Notes Offering

February 2014



\$2,200,000,000

Senior Notes
Co-manager

Jefferies acted as co-manager for Comcast's \$2.2 billion, 2-part, investment grade Senior Notes offering

Company Description

- Comcast Corporation ("Comcast" or the "Company") provides entertainment, information, and communications products and services in the United States and internationally
- The Company is principally involved in the operation of cable systems through Comcast Cable and in the development of entertainment, news, sports and other content through NBCUniversal
- Comcast is divided into five business segments; cable communications, cable networks, broadcast television, filmed entertainment and theme parks
- Comcast was founded in 1969 and is headquartered in Philadelphia, Pennsylvania
- For the LTM period ended December 31, 2013, the Company generated revenues and EBITDA of \$64.7 billion and \$21.9 billion, respectively

Credit Highlights

- Strong revenue and operating cash flow growth across business
 - Positive YoY trends – growing Revenue, OCF, FCF and EPS
- Cable communications effectively balancing customer and financial growth, while expanding new business and service offerings with industry-leading innovation
 - 57% of Video customers take advanced services
 - 36% of HSI customers receive a higher speed service
- NBCUniversal delivering revenue growth and double-digit cash flow growth with strong results in each segment
- Nation's largest ISP with an advanced fiber-optic network that allows for 12-105 Mbps speeds, and up to 505 Mbps in limited markets
- Provides customers high-definition on demand TV with over 300 channels, digital video recording and 3D programming

Offering Summary

Issuer: Comcast Corporation.
Issue: Senior Notes.
Rating: A- / A3.
Use of Proceeds: Working capital and general corporate purposes.

Senior Notes due 2024

Size: \$1.2 billion.
Coupon: 3.600%.
Maturity: March 1, 2024.
Ranking: Unsecured and will rank equally with all existing unsecured and unsubordinated indebtedness.

Senior Notes due 2044

Size: \$1.0 billion.
Coupon: 4.750%.
Maturity: March 1, 2044.
Ranking: Unsecured and will rank equally with all existing unsecured and unsubordinated indebtedness.

Transaction Highlights

- Comcast intends to use the net proceeds from the offering for working capital and general corporate purposes
 - General corporate purposes may include repayment, in April 2014, of the Company's 2.10% notes due 2014 (\$900 million principal amount outstanding) and a portion of its outstanding commercial paper
- The notes will be fully and unconditionally guaranteed by Comcast Cable Communications, LLC, Comcast Cable Holdings, LLC, Comcast MO Group, Inc., Comcast MO of Delaware, LLC and NBCUniversal Media, LLC

Case Study: Level 3 Communications, Inc.

Jefferies acted as Joint Bookrunner on Level 3's refinancing of ~\$3.6 Bn in aggregate Sr. Secured Term Loans and High Yield Bonds

<p>Telecom August 2013</p> <p>Level(3) COMMUNICATIONS</p> <p>\$815,000,000</p> <p>Term Loan Joint Bookrunner</p> <p>Transaction Highlights</p> <ul style="list-style-type: none"> ■ This transaction represented Jefferies' first with Level 3 Communications, Inc. ■ Pricing tightened 25 bps from initial talk; issued at par ■ Reduced cash interest expense by approximately \$10 million on an annualized basis 	<p>Telecom August 2013</p> <p>Level(3) COMMUNICATIONS</p> <p>\$595,500,000</p> <p>Term Loan Joint Bookrunner</p> <p>Transaction Highlights</p> <ul style="list-style-type: none"> ■ One day after closing the Tranche B-III Term Loan, Level 3 launched a refinancing of its Tranche B \$595.5 million 2019 Term Loan ■ Priced at par on similar terms as Tranche B-III 2019 Term Loan ■ Reduced cash interest expense by approximately \$4.5 million on an annualized basis 	<p>Telecom October 2013</p> <p>Level(3) COMMUNICATIONS</p> <p>\$1,200,000,000</p> <p>Term Loan Joint Bookrunner</p> <p>Transaction Highlights</p> <ul style="list-style-type: none"> ■ In September, Level 3 launched a third refinancing, this time of its Tranche B-II 2019 Term Loan ■ LIBOR floor set at 1.00%, representing a 50bps reduction from the existing loan; maturity extended by one year ■ Reduced cash interest expense by approximately \$9 million on an annualized basis 	<p>Telecom October 2013</p> <p>Level(3) COMMUNICATIONS</p> <p>\$640,000,000</p> <p>Senior Notes Joint Bookrunner</p> <p>Transaction Highlights</p> <ul style="list-style-type: none"> ■ Jefferies' first high yield transaction with Level 3 ■ Coupon set at 6.125% (from 10% on old notes); maturity extended by three years ■ Reduced cash interest expense by approximately \$25 million on an annualized basis 	<p>Telecom November 2013</p> <p>Level(3) COMMUNICATIONS</p> <p>\$300,000,000</p> <p>Senior Notes Joint Bookrunner</p> <p>Transaction Highlights</p> <ul style="list-style-type: none"> ■ Jefferies' second high yield transaction with Level 3 ■ Coupon set at L+350 (from L+375 on old notes); maturity extended by three years ■ Reduced cash interest expense by approximately \$750 thousand on an annualized basis
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Company Description

- Facilities-based provider of a broad range of integrated communications services
- Network is an international, facilities-based communications network designed to provide communications services that employ and take advantage of rapidly improving underlying optical, Internet Protocol, computing and storage technologies
- Acquired Global Crossing in October 2011 for ~\$2 billion
 - Run-rate EBITDA synergies are estimated to be \$300 million annually
 - Creates an expanded global footprint extending across North America, Latin America, EMEA, as well as a diversified revenue mix with majority exposure to enterprise customers
- As of December 31, 2012, Level 3 had approximately 105,000 intercity route miles in North America, Europe, and Latin America connecting approximately 55 countries; and approximately 170 markets with metropolitan fiber networks containing approximately 34,600 route miles in the United States, Europe and Latin America

Credit Highlights

- Attractive secular industry trends with strong expected growth in IP traffic
- Largest alternative carrier in the U.S.
- Dense and reliable network assets that are difficult to replicate
- Strong operational leverage
- Diversity of customer base and product portfolio
- Significant base of contracted revenue provides highly visible, stable financial metrics
- Strong growth in Core Network Services
- Recently upgraded by Standard and Poors
- Experienced management team

Case Study: Internap Network Services Corp. (NasdaqGS: INAP) Acquires iWeb Group Inc.

Jefferies acted as Exclusive Financial Advisor to Internap on its Acquisition of iWeb, provided committed financing and acted as Lead Left Arranger on the \$350 million Senior Secured Credit Facilities

November 2013

INTERNAP®

\$145,000,000

Acquisition of
iWeb Group Inc.

Exclusive Financial Advisor to
Internap Network Services Corp.

INTERNAP®

- **Internap Network Services Corp.** (“Internap”) is a leading provider of Data Center (premium colocation, hosting and cloud) and Internet Protocol (“IP”) services
- Provides services on a global scale with 44 data center facilities (12 company-controlled) across North America, Europe and the Asia Pacific region
- LTM 9/30/2013 Revenue and Adjusted EBITDA of \$279 million and \$57 million, respectively



- **iWeb Group Inc.** (“iWeb”) is a leading independent colocation, hosting and cloud company
- Operates 4 Montreal data centers with capacity for ~35,000 servers and ~10,000 SMB customers in over 100 countries
- LTM 9/30/2013 Revenue and EBITDA of \$44 million and \$11 million, respectively

November 2013

INTERNAP®

\$350,000,000

Credit Facility to
Finance the Acquisition of
iWeb Group Inc.

Lead Left Arranger

Transaction Highlights

- On October 30, 2013, Internap signed a definitive agreement to acquire iWeb in a deal valued at \$145 million
 - Acquisition represents a multiple of 13.2x LTM 9/30/2013 EBITDA of \$11 million
 - Transaction closed on November 26, 2013
- The Internap / iWeb combination creates a top five pure-play IT infrastructure services provider
 - PF LTM 9/30/2013 Revenue and Adjusted EBITDA of \$324 million and \$70 million, respectively
- Jefferies acted as the Exclusive Financial Advisor to Internap on the acquisition
 - Successfully advised Internap through iWeb’s sale process, exclusivity period, diligence work and SPA negotiations
- Jefferies provided committed financing to fund the acquisition and refinance existing indebtedness
 - Further demonstrates Jefferies’ institutional commitment to support our clients’ M&A activities
- Coordinated team effort between Jefferies’ Media & Telecom banking, Mergers & Acquisitions, Leveraged Finance, Capital Markets, Ratings Advisory, and Underwriting divisions
 - Allocated, closed and funded the syndication less than one month after announcement of the M&A transaction
- As Lead Left Arranger on the financing, Jefferies successfully positioned and syndicated the credit for the first time issuer in the syndicated loan market, with a unique business mix
 - Attracted a large and diversified lender base, with over 20 accounts including banks, CLOs, and multi-strategy asset managers participating
 - \$50 million Revolver priced at L+450 bps @ 99.0 OID
 - \$300 million Term Loan B priced at L+500 bps with a 1.0% LIBOR floor @ 99.0 OID
- The transactions reinforce Jefferies’ strong credentials in the Internet Infrastructure/Data Center/Hosting sector, and represent our fourth and fifth successful transactions in this sector in 2013

Jefferies acted as Exclusive Financial Advisor to Internap on its acquisition of iWeb

Jefferies provided committed financing in support of the acquisition

Jefferies acted as Lead Left Arranger and Lead Left Bookrunner on Internap’s Senior Secured Credit Facilities

Appendix D – Fee Proposal

Compensation Structure

The Program has been structured as a sale of pooled assets. The pooled structure is intended to provide economies of scale and allow participants to share fixed transaction costs through a proven, highly efficient structure. Jefferies will act as sell side advisor to CSCDA and its program participants. The table below presents our compensation structure. CSCDA administrative and other fees would be additive.

Proposed Fee Based on Pool Size	
Asset Pool Size	Base Fee (% of transaction size)
\$50 million - \$99 million	4.00%
\$100 – \$299 million	2.00 - 3.25%
\$300 + million	1.75%

Program compensation is related to the complexity and size of the asset pool, on a sliding scale basis, and will be subject to a minimum fee and potentially a per participant fee. Based on our recent experience and the estimated size of the California telecom market, it is anticipated that an initial pool size will be in the \$50 - \$100 million range. Compensation is contingent upon successful execution of a transaction.

Appendix E – Banker Resumes

Mark A. Curran, Managing Director

Local Government Banking Team – San Francisco

Mr. Curran is a Managing Director and a member of the Public Finance group at Jefferies. Mr. Curran works jointly out of the San Francisco and Dallas offices of Jefferies. He has worked with public agencies for more than three decades developing and implementing innovative municipal financing programs. Curran has managed more than 550 municipal financings, with a broad focus encompassing economic development, real estate secured, municipal utility, affordable housing, redevelopment and tax increment. He is credited with developing several milestone innovations, including the first tax increment escrow structure bonds; multi-level secured tax allocation financings and pooled real estate municipal financings. Mr. Curran has also served as lead consultant assisting more than 50 communities establish and implement redevelopment and economic development programs.

Mr. Curran is active throughout the US on municipal bond real estate and economic development driven financings. He is very pleased to have recently helped structure and underwrite the City of The Colony \$200+ million Nebraska Furniture Mart Sales and Property Tax revenue bond with Public Improvement District credit enhancement. He also structured the City of Whisper Valley and Indian Hills Public Infrastructure District financings (November, 2011) which are the first Texas PID financings that are pre-funding infrastructure construction under the new Texas PID statutes. Mr. Curran testified before the Texas Legislature to assist with the adoption of the PID legislation in 2011 and 2012.

Prior to joining Jefferies in 2013, Curran lead the Texas and California economic development group at Piper Jaffray for 18 years. Prior to joining Piper Jaffray, Curran managed the public finance team for California's largest investment bank. He began his career in the public sector, working in both city planning and city management. Mr. Curran moved to the private sector days before the California Proposition 13 election, to assist local governments with innovative financing programs. He has instructed at Northern California universities, served as the treasurer of the California City Management Foundation for 25 years and is closely involved with the California League of Cities.

Mark Widener, Managing Director

Local Government Banking Team – Atlanta

Mr. Widener joined the Jefferies Municipal Group as a Managing Director in the Atlanta, Georgia office where he continues his focus on Southeast municipal and Public Power and Gas accounts nationwide. Prior to joining Jefferies, he was the Head of the Southeast and Gas Prepay Groups at Merrill Lynch and has been covering municipal issuers for more than 20 years. Mr. Widener has executed over 300 transactions totaling more than \$25 billion in par amount for such issuers as the State of Georgia, the State of Tennessee, the State of North Carolina, and the City of Atlanta's Water & Wastewater department and Airport, among others. In addition, Mr. Widener covers public power and gas clients nationwide and is the Head of our natural gas prepayment financing initiative. Mr. Widener has executed natural gas prepayment financings totaling more than \$5.5 billion. His power and gas experience includes clients such as the Municipal Electric Authority of Georgia, The Municipal Gas Authority of Georgia, Florida Municipal Power Agency, Jacksonville Energy Authority, South Carolina Public Service Authority, Lower Colorado River Authority, the City of San Antonio, Texas, the City of Long Beach, California, and the Sacramento Municipal Utility Department. In addition, Mr. Widener is the head municipal liaison with our corporate telecommunication group and spearheaded the CPS Energy telecom sale that closed in the beginning of 2014.

Mr. Widener received his Bachelors of Business (Finance) from Georgia State University and his M.B.A. (Finance) from Mercer University. Mr. Widener's licenses include FINRA Series 7, Series 53 and Series 63.

David Moffett, Managing Director

Local Government Banking Team – Atlanta

David joined the Jefferies Municipal Group as a Managing Director in the Atlanta, Georgia office. Prior to joining Jefferies, he worked in the municipal department at Merrill Lynch covering southeastern municipal issuers including complex revenue issuers such as combined/single utilities, port operations, project financings, ratepayer obligation bond issuers, and tobacco securitization. Mr. Moffett has served as banker to issuers including: State of Louisiana, Juban Crossing Economic Development District, Lake Charles Harbor and Terminal District, Louisiana Gasoline and Fuels Tax Lien, Development Authority of Fulton County (MAS ASB Cogen, LLC Project), Louisiana Utilities Restoration Corporation, Orlando Utilities Commission, City of Holland Board of Public Works (MI), Parish of East Baton Rouge, Louisiana Tobacco Settlement Financing Corporation, Lafayette Utilities System (Fiber Project), Columbia County (GA), City of Atlanta Water and Wastewater, CPS San Antonio, and Jacksonville Electric Agency (JEA).

Mr. Moffett received his Bachelor of Science in Statistical Mathematics from Tulane University in New Orleans and his M.B.A. from Louisiana State University in Baton Rouge. Mr. Moffett's licenses include FINRA Series 7 and Series 63 and he is a CFA® charterholder.

Sam Smalls, Managing Director

Local Government Banking Team – Sacramento

Sam leads Jefferies' efforts with key clients throughout California. Throughout his career (including and prior to Jefferies), Mr. Smalls has served a host of utility issuers including the Southern California Public Power Authority, Sacramento Municipal Utilities District, State of California, California Department of Water Resources (Power and Water Bonds), California I-Bank, East Bay Municipal Utility District, the Metropolitan Water District of Southern California, Los Angeles County Metropolitan Transportation Authority, Los Angeles City & County, Los Angeles RDA, San Diego Co. Water Auth. and the City of San Diego. Mr. Smalls brings over 22 years of public finance experience and since March 2000, has had day-to-day responsibility for the California market. He has structured over \$20 billion as senior or co-senior manager and over \$159 billion as co-manager for municipal clients. Mr. Smalls received a BA with honors in Social Studies (Govt./Economics) from Harvard College.

Matt Challis, Senior Vice President

Local Government Banking Team – San Francisco

Mr. Challis is a senior vice president providing fixed income investment banking services to both public and private borrowers for infrastructure and facilities improvement funding projects. After several years in the healthcare mergers and acquisitions practice and as an investment executive at Piper Jaffray, Mr. Challis joined the local government public finance practice in 2002. Since that time, Mr. Challis has worked on a wide variety of engagements ranging from traditional governmental finance to public private partnerships across diverse sectors including renewable energy, non-profit mobile home park acquisitions, land secured finance and general real estate credits. Mr. Challis has structured several green technology financings, energy related project finance, and 3P programs. Mr. Challis also was one of the lead bankers on the first 2011 Public Improvement District (PID) financings undertaken in Texas (City of Austin).

Mr. Challis handles every aspect of a transaction including credit review and policy, evaluation of alternative debt structures, documentation, financial modeling, the negotiation of credit ratings and insurance commitments, coordination of the bond sale effort, quantitative analysis required to finalize the structuring of a bond issue, pricing and closing. Mr. Challis has worked on a broad variety of both long and short term financings including general obligation bonds, general fund leases (COPs and lease revenue), redevelopment tax allocation bonds, Assessment and Reassessment District financings, Mello-Roos Special Tax bonds, mobile home park acquisitions, solid waste, wastewater, and water transactions.

Mr. Challis graduated with a bachelor's degree from Loyola Marymount University and received a Master of Business Administration degree from the University of California at Davis. He holds the Series 7, 63 and 65 securities licenses.

Anant Sitaram, Vice President

Local Government Banking Team – San Francisco

Mr. Sitaram started his career in Jefferies' Municipal Securities Group. He has nearly 8 years of experience in municipal finance and is a core member of the Public Power and Southeast team at Jefferies. Mr. Sitaram brings quantitative and analytical expertise to the team as well as transaction execution capabilities. He has worked on numerous transactions totaling over \$12 billion in par amount for a variety of issuer credits such as general government, water & sewer, public utilities, state revolving funds (SRF) and project finance. Mr. Sitaram has worked with numerous issuers across the country including the Commonwealth of Virginia, States of Louisiana, Minnesota, Mississippi and Georgia, Louisiana Tobacco Settlement Financing Corporation, City of Chicago, Metropolitan Government of Nashville and Davidson County, NYS Environmental Facilities Corporation, NYC Municipal Water Finance Authority, Holland Board of Public Works, JEA (Jacksonville, FL), Orlando Utilities Commission, CPS Energy (San Antonio, TX), MAS Energy (Fulton County, GA), Juban Crossing Economic Development District and other local municipalities and authorities. After spending 7 years at Jefferies' headquarters in New York City, Mr. Sitaram recently relocated to San Francisco and will be helping Jefferies expand its coverage of municipal issuers across California. Mr. Sitaram graduated magna cum laude from Middle Tennessee State University, where he received his dual Bachelor of Science degrees in Economics and Mathematics, with a concentration in Actuarial Science. He holds FINRA Series 7 and Series 63 licenses and is a CFA charterholder.

Vanessa Eckert, Vice President

Local Government Banking Team – Los Angeles

Ms. Eckert joined Jefferies from the Merrill Lynch Public Finance practice and has 10 years of experience. She has served as the primary analytical banker on numerous municipal bond transactions totaling nearly \$4 billion, including the Southern California Public Power Authority, CPS Energy, Florida Municipal Power Agency, Orlando Utilities Commission, JEA, Gainesville Regional Utilities, Long Beach Bond Finance Authority, Main Street Natural Gas, Inc., Roseville Natural Gas Financing Authority, and Clarksville Gas & Water. Ms. Eckert received her B.A. from the University of Pennsylvania.

Michael Libera, Associate

Local Government Banking Team – San Francisco

Mr. Libera has spent the entirety of his 4+ years in investment banking working with Mr. Curran and Mr. Challis, beginning at Piper Jaffray and currently at Jefferies. Mr. Libera responsibilities consist of quantitative and analytical support as well as execution. Since joining Mr. Curran and Mr. Challis in Piper Jaffray's economic development group, Mr. Libera has provided analytical work behind a variety of transactions, ranging from traditional governmental financings, tax increment financings, land secured debt issues and general real estate transactions. Mr. Libera has been involved various successful economic development financings in California, Utah, Texas and throughout the United States. Mr. Libera provided support for the first Public Improvement District ("PID") financings undertaken in Texas (*City of Austin*). Mr. Libera also played an integral role in the completion of the City of The Colony \$200+ million Nebraska Furniture Mart Sales and Property Tax revenue bond with Public Improvement District credit enhancement, which was the first PID to finance horizontal construction. Mr. Libera is active in every aspect of each transaction, including evaluation of alternative debt structures, review of legal documents, financial modeling and quantitative analysis, pricing and closing. Mr. Libera graduated with a bachelor's degree in Business, with a concentration in Finance, from Saint Louis University. Mr. Libera holds FINRA Series 52 and Series 63 licenses.

Prem Parameswaran, Managing Director, Global Head of Media & Telecommunications

Media & Telecommunications Banking Team – New York

Mr. Parameswaran has a total of 22 years of experience in investment banking. Before serving as the Global Head of Media & Telecommunications at Jefferies, Mr. Parameswaran worked at other firms such as Deutsche Bank, Goldman Sachs and Salomon Brothers. Mr. Parameswaran has served as an advisor for several transactions for clients such as AboveNet, AT&T, Boston Red Sox, Cablevision, Cbeyond, CenturyLink (Qwest), Clearwire, Comcast, DISH, Eagle River, EarthLink, FairPoint, Frontier, Global Crossing, Grande, GT Group Telecom, Integra, Knology, KPN, Level 3, Lifelock, Lighttower, McLeodUSA, NESN, PAETEC, Primus, QTS, RCN, Reliance, Securus, SFX, tw telecom, VSNL and Windstream. Mr. Parameswaran received his bachelors of business (with honors) from Columbia University and his M.B.A. (Finance, with honors) from Columbia University.

Jason Gredell, Managing Director

Media & Telecommunications Banking Team – New York

Mr. Gredell has a total of 14 years of experience in investment banking, primarily at Jefferies, but other firms include BB&T and Merrill Lynch. Mr. Gredell has served as an advisor for several transactions for clients such as Broadview Networks, Cavalier Telephone, Clearwire, Comcast, Covad Communications, Dish Network, EarthLink, Eschelon Telecom, FairPoint, Integra, Knology, Level 3, LightSquared, Lighttower, McLeodUSA, Securus Technologies and TowerCo. Mr. Gredell graduated with bachelor of science degree from the Robins School of Business at the University of Richmond (Finance, Mathematics).

Alex Kellof, Managing Director

Media & Telecommunications Banking Team – New York

Mr. Kellof has a total of 10 years of experience in investment banking, all at Jefferies. Mr. Kellof has served as an advisor for several transactions for clients such as BlackIron Data, CoreSite, Data Electronics, DuPont Fabros, Endurance International, Equinix, iBasis, Interxion, McLeodUSA, Primus Telecommunications, Q9 Networks, QTS Realty Trust, Rackspace and Terremark. Mr. Kellof graduated with a BBA from James Madison University, an MS from Johns Hopkins University (Telecommunications) and a MBA from INSEAD in France.

VIII. Consideration of an award to Jefferies for the development of a Telecommunication Asset Monetization Program. (Scott Carper)

SUMMARY AND APPROVALS

DATE: MARCH 26, 2015

REQUEST: CONSIDERATION OF AN AWARD TO JEFFERIES FOR THE
TELECOMMUNICATION ASSET MONETIZATION PROGRAM.

Background/Discussion:

CSCDA is developing a Program to assist public agencies in the monetization of certain assets. The Program would seek to identify, measure, value and monetize certain telecommunications related assets. In some cases these assets are unutilized or underutilized. The program would focus primarily on existing third party leases with cell carriers on government-owned infrastructure (towers, buildings, etc.) with the secondary benefit of identifying additional potential value from these assets.

Given the exponential growth in smartphone and tablet use, bandwidth needs are increasing at even greater rates – this demand has put tremendous pressure on the telecommunication providers to expand their networks in an attempt to keep up with their subscriber's needs. In turn, this has pushed the value of existing telecommunication assets to all-time highs and fueled demand for new tower and alternative infrastructure needs for antenna placements.

Many states, cities, counties, and municipal utilities have developed communication's infrastructure to support their own needs: public safety, 911, First Responder, SCADA, etc. In some cases, excess capacity on this infrastructure has been made available to telecommunication service providers and other third-parties for communications' needs. These third-party leases are being purchased by tower companies for some of the highest valuations ever seen in the industry as the cell tower market continues to consolidate. In other cases, the excess capacity has not been made available to third parties and now provides the government owner significant future value waiting to be tapped.

At the October 9, 2014 CSCDA meeting the Commission authorized the issuance of a request for proposals for the telecommunication asset monetization program. The following is a timeline of key events:

- **October 16, 2014** – Request for proposals (RFP) emailed to seven (7) investment banking firms (Stifel, Loop, Citi, Goldman Sachs, Morgan Stanley, Wells Fargo, Jefferies) all located within California. In addition the RFP was posted on the CSCDA website. We received several inquiries related to the RFP from several firms.
- **October 24, 2014** – Received one (1) proposal from Jefferies. Jefferies brings a specific combination of public agency and telecommunications banking expertise to the Program. Jefferies is the only firm to have completed a highly specialized large scale transaction of this nature for a municipality: the sale of 72 cell towers for \$57mm for San Antonio City Public Service (CPS) in February, 2014. Since that transaction closed,

Jefferies has been hired on a number of other similar transactions including a very comparable program to the one being contemplated by CSCDA for NYSAC.

Fees:

This programmatic approach to asset monetization is a work in progress. Jefferies' fee is based on its experience with other similar sell side telecom transactions. The fee will be based on transaction size and would generally be:

\$50M - \$99M - Fee will be 4%.

\$100M - \$299M - Fee will be in the range of 2% - 3.25%

\$300M + - Fee will be 1.75%

Jefferies has discussed an administrative fee of 1% for CSCDA's sponsorship and intermediary role. CSCDA will assist in the Program structure and marketing. This is an asset sale (or a long-term prepaid lease) from public agency owners to private party buyers, and no bond financing is contemplated.

The next step is to hold a webinar with a sampling of City and County members to assess their level of interest and their potential needs in the Program. A tailored rollout of the Program to all CSCDA members would presumably occur thereafter. It is anticipated that the first asset sale would be of similar size to the San Antonio transaction; however it will likely represent assets from more than one public agency.

Recommendations:

After review of the submission the Executive Director makes the following recommendation to the Commission for the telecommunication asset monetization program.

1. Award Jefferies to develop a telecommunications program.

X. Open PACE Update (Cathy Bando):

- a. CaliforniaFIRST – Renewable Funding

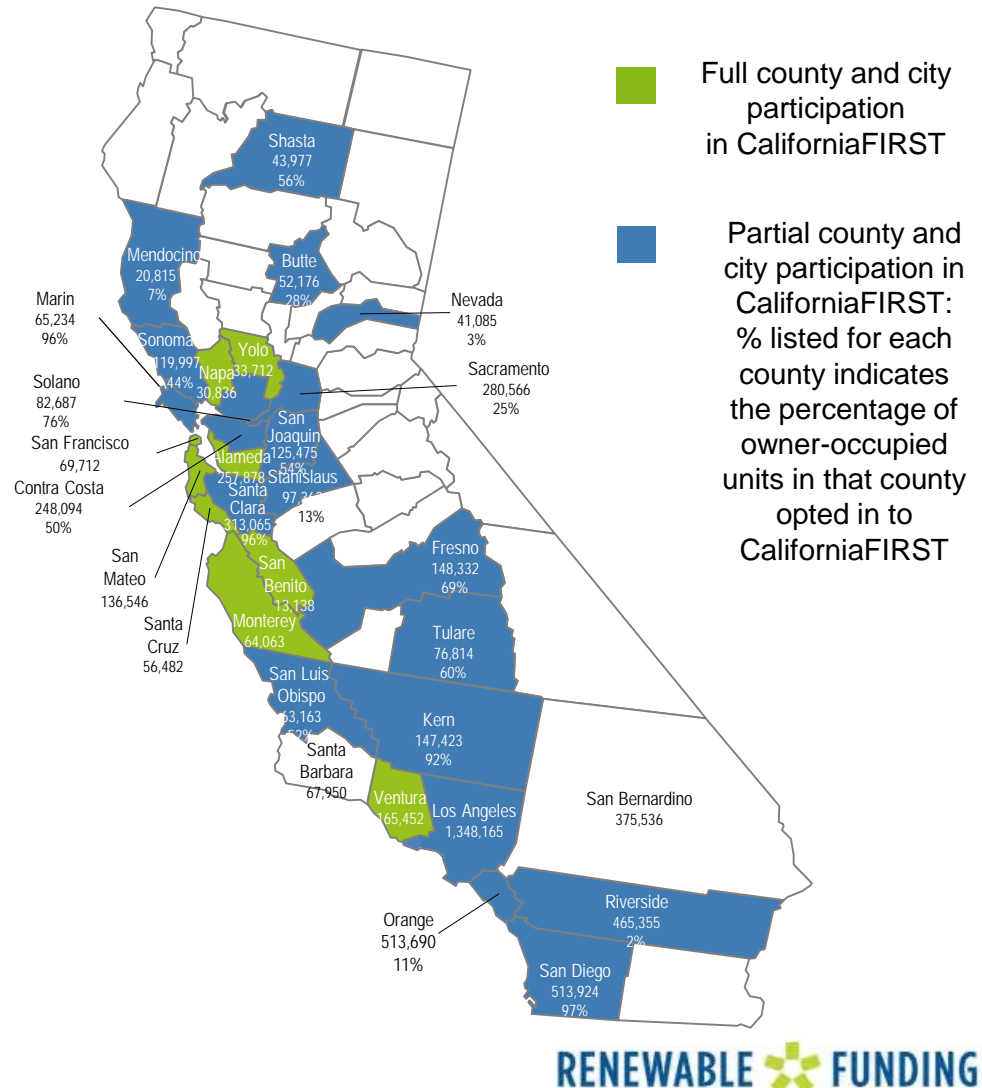


CSCDA Annual Meeting

March 26, 2015

CaliforniaFIRST: Year in Review

- Residential program was reinstated in April 2014
- Residential program soft launch in May 2014 and full market launch September 2014
- Residential product adjustments in November 2014 – lower rates, longer terms, higher LTV
- Began with 120 Cities in 17 Counties; Now in 175 Cities in 30 Counties with 42% coverage of owner occupied homes (excludes LAC)
- Continued product, platform and staffing enhancements since launch in May 2014 to ensure operational efficiency and exceptional experience for consumers and contractors



CaliforniaFIRST: Key Tools

- Consumer and contractor public website
- Contractor secure portal for pipeline management
- Internal eligibility processing, work flow, and document management tools
- Internal contractor approval and management tools
- Bond team secure portal for document management

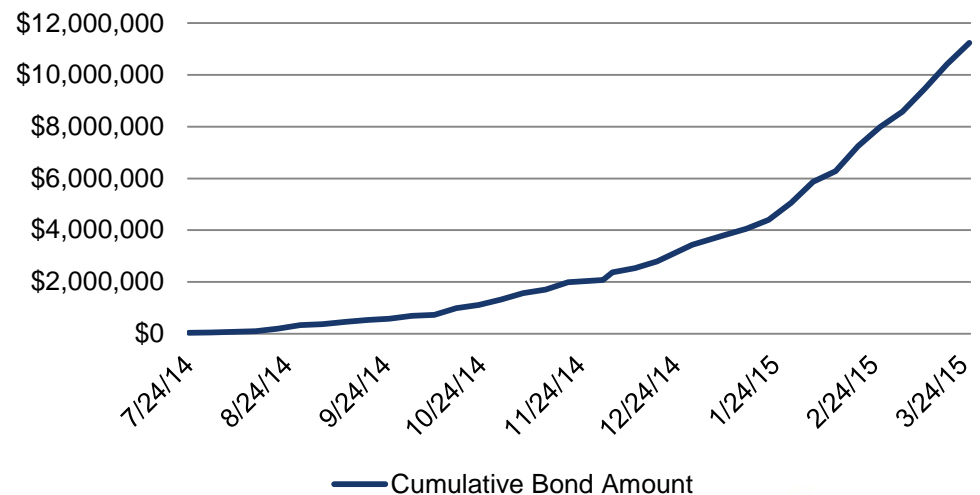
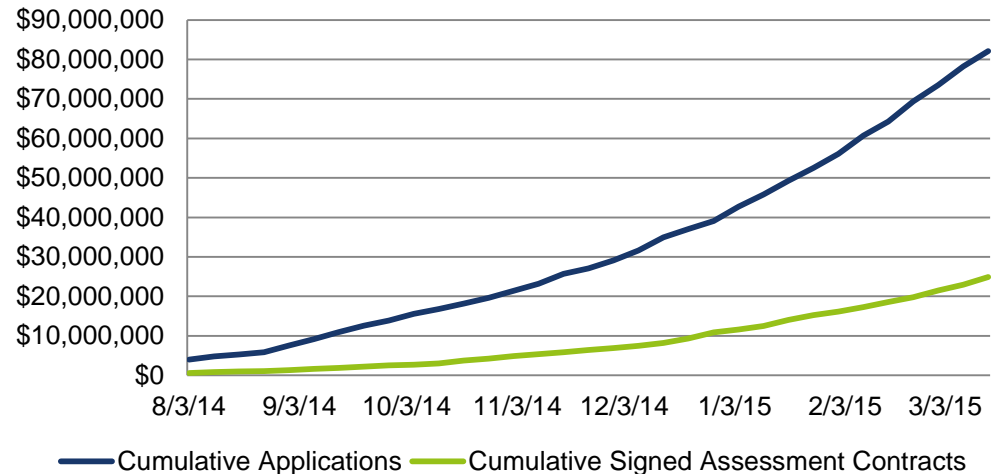
The screenshot displays the CaliforniaFIRST website interface. The top section is the consumer portal, featuring the CaliforniaFIRST logo, navigation links (Apply now, Find a contractor, News, (844) 589-7953), and a headline "Saving Home Energy and Money Just Got Simpler". Below this is an "Enter street address" input field. A text box states: "No banks. No money down. Not based on FICO score. CaliforniaFIRST™ financing doesn't rely on your personal credit rating. And you don't need to put any money down. Through an innovative partnership with your county government, CaliforniaFIRST offers affordable long-term financing you can repay on your property taxes. See if CaliforniaFIRST is available in your area." To the right, a section titled "An Innovative Public-Private Partnership" includes a small image of a solar panel installation and text explaining the partnership between county government and private financing.

The bottom section shows a contractor's secure portal for pipeline management. It includes a "TEST CONTRACTOR" dropdown, a "Get Applications" button, and a search bar. Below this is a "Filter by step" section with tabs for Application (0), Notice to Proceed (0), Installation (0), Pending Payment (0), and Closed (8). A table lists the application details:

Step	Address	City	Owner	Project Amount	Submitted	Expiration	Closed	Closed Reason	Sales Rep
Closed	976 Stannage Ave	Albany, CA	RF_Test, RF_Test	\$10,000.00	02/10/2015		02/10/2015	Withdrawn	Barbara Matuzak
Closed	976 Stannage Ave	Albany, CA	Risk, Shea	\$14,000.00	02/05/2015	05/06/2015	02/05/2015 02/09/2015	Funded	Daniel Etra
Closed	976 Stannage Ave	Albany, CA	RF_Test, RF_Test		02/03/2015		02/04/2015	Withdrawn	
Closed	976 Stannage Ave	Albany, CA	RF_test, RF_test		02/03/2015		02/03/2015	Withdrawn	
Closed	976 Stannage Ave	Albany, CA	Risk, Shea	\$14,000.00	12/23/2014	03/23/2015	12/23/2014	Withdrawn	Barbara Matuzak

CaliforniaFIRST: Key Statistics

- Accepted nearly \$100M in applications and over \$25M in signed assessment contracts
- Over \$11M in bonds for nearly 500 projects through the issuance of 139 bonds
- Average weekly issuance nearing \$1M
- 500 contractors approved for participation in the Program



Consumer Protection

- Consumer disclosures, identity verification, and outbound validation calls
- All participating contractors approved and certified
- All eligible products meet minimum efficiency and/or performance standards
- Third-party quality assurance field inspections with process for putting contractors on probation
- Dispute resolution process
- All calls to call center recorded



CaliforniaFIRST: What's Up Next

- Launch commercial program assignment structure with secure capital source along side open investment platform
- In both commercial and residential sector, leverage PACE with PPAs and lease structure as permitted by AB 1883
- Continued addition of cities and counties, expect 70% coverage by this time next year (excludes LAC)
- CaliforniaFIRST rebranding and website relaunch
- Introduction of legislation to align 15 Act and 11 Act with realities of PACE financing
- Continuous product, platform and staffing enhancements

Questions and Discussion

XI. SCIP Program Update. (RBC Capital)

SCIP

Statewide Community Infrastructure Program

CSCDA Annual Meeting
March 26, 2015



What is the Statewide Communities Infrastructure Program (SCIP)?

- SCIP is a pooled tax exempt bond financing program which can finance impact fees and public improvements for private developments
- Any City/County/Special District can participate in SCIP
- SCIP has issued \$220 MM in bonds since its inception in 2003
- Over 62 Local Agencies have joined SCIP and a number are in process
- Over \$100 million of new projects in the pipeline



SCIP Local Agencies



SCIP Program - Mechanics

Type	Program	Program Description
Pooled	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 requirement as a condition of land entitlements
	Acquisition Funding:	Provides funding of improvements completed by developer. Local agency administers the acquisition agreement.
Stand Alone	CFD Financing:	CFDs are funded by SCIP on an issue-by-issue basis



Reimbursement, Pre-Funding Programs and Acquisition Funding are combined.

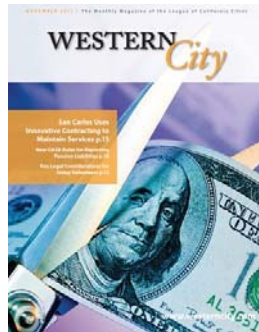
Pending Projects

Series	Local Agency	SCIP Program	Project	Est. Amount
2015A	<ul style="list-style-type: none"> City of Rocklin City of Brentwood City of Petaluma City of Manteca City of Gardena City of Hercules City of Roseville City of Palm Springs City of Morgan Hill 	Pooled SCIP	<ul style="list-style-type: none"> Bayless-Hicks; <i>Parklands North</i> (Residential) Nicksam Properties; <i>Granite Terrace</i> (Residential) Development Solutions; <i>Ferro Ronconi</i> (Residential) Meritage Homes; <i>Bella Fiore</i> (Residential) <i>Cader Commerce Center</i> (Industrial) Meritage Homes; <i>Orchard Park III & IV</i> (Residential) D.R. Horton; <i>Wildwood</i> (Residential) South Coast Communities; <i>Platinum Row</i> (Residential) Lewis Planned Communities; <i>Muir Pointe</i> (Residential) TopGolf USA Roseville; <i>Top Golf</i> (Commercial) Selene International; <i>Arrive</i> (Hotel) Cochrane Road Investors; <i>The Villages</i> (Commercial) 	\$23 MM
2015	City of Rohnert Park	Stand Alone CFD	<i>University Park</i> (1,300 Residential Units) Brookfield Homes	\$50 MM*
2015	City of Oakley	Stand Alone AD	<i>Emerson Ranch</i> (567 Residential Lots) Brookfield Homes	\$14 MM*
2015	City of Oxnard	Stand Alone CFD	<i>Northshore at Mandalay Bay</i> (292 Residential Units) SunCal	\$19 MM*
2015	City of Bakersfield	Stand Alone CFD	<i>Rio Bravo / Medical Office</i> G.L. Bruno Associates	\$12 MM*
2015	City of Orinda	Stand Alone CFD	Refunding of SCIP 2007 Special Tax Bonds (Orinda Wilder Project)	\$36 MM
2015	Various	Pooled SCIP	Refunding of SCIP Series 2007B, Series 2008A, Series 2010A	\$30 MM

* May be issued in series

Marketing Outreach

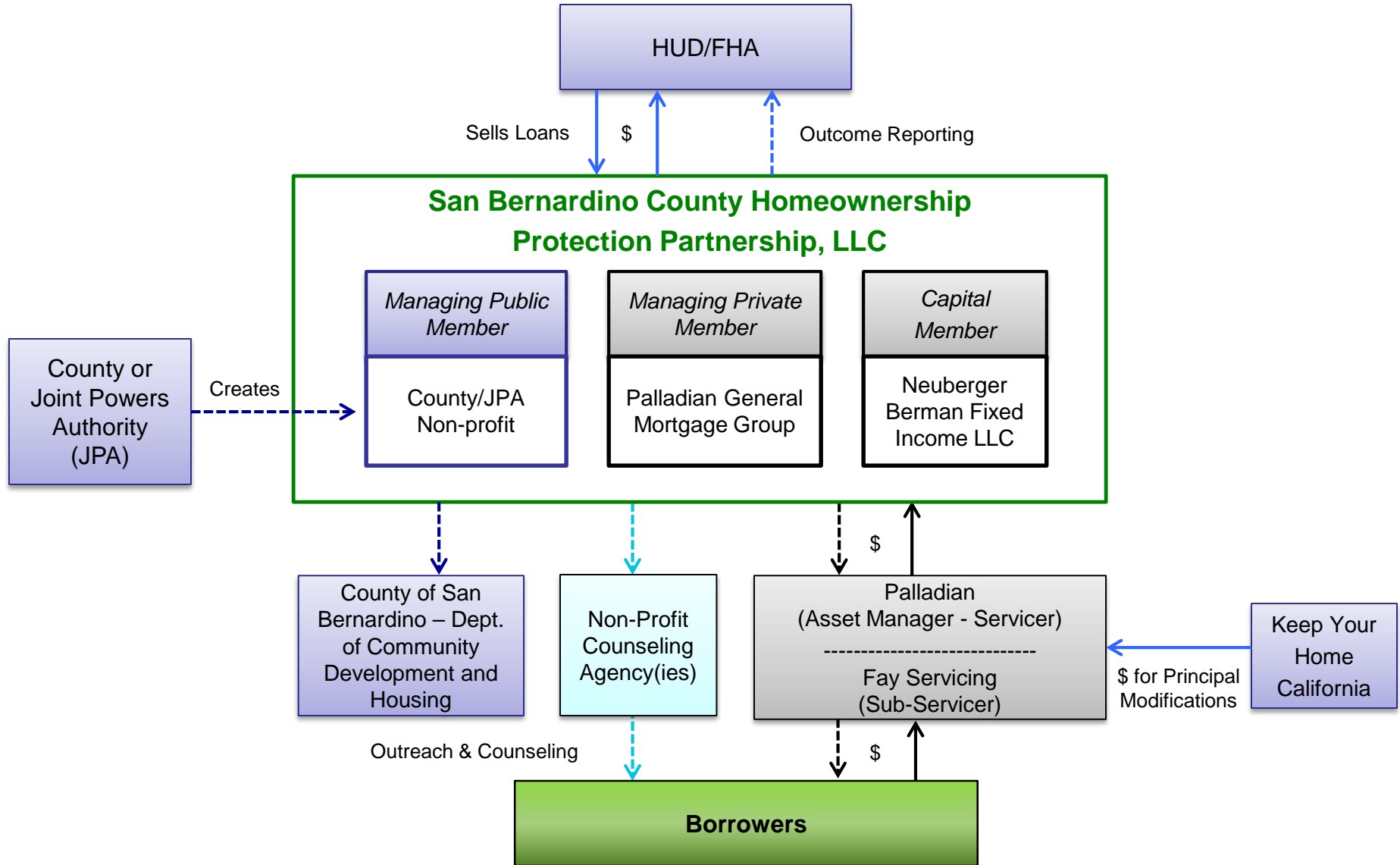
- California League of Cities – Annual Conference
- Western Cities Magazine (Article)
- Building Industry Associations (BIA) Various Chapters
- California Association for Local Economic Development (CALED)
- Urban Land Institute
- SCIP Newsletter (Monthly)



XII. Presentation on Homeownership Protection Program. (CSG Advisors)

PROPOSED

San Bernardino County Homeownership Protection Partnership, LLC



- XIII. CSCDA 2014-15 YTD Overview of projects completed and projections for 2015. (Scott Carper)



CSCDA

CALIFORNIA STATEWIDE COMMUNITIES
DEVELOPMENT AUTHORITY

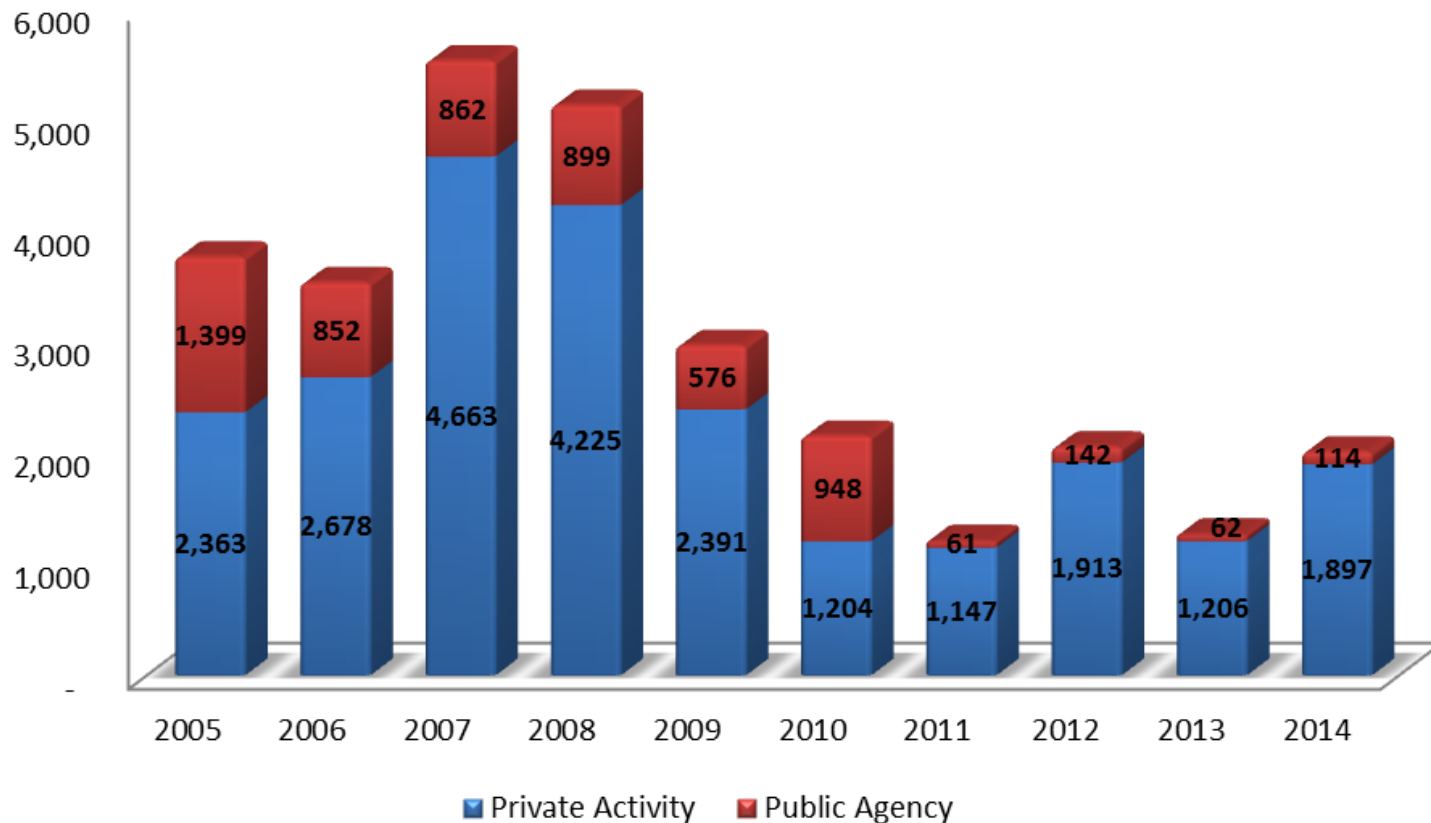
Annual Meeting

March 26, 2015

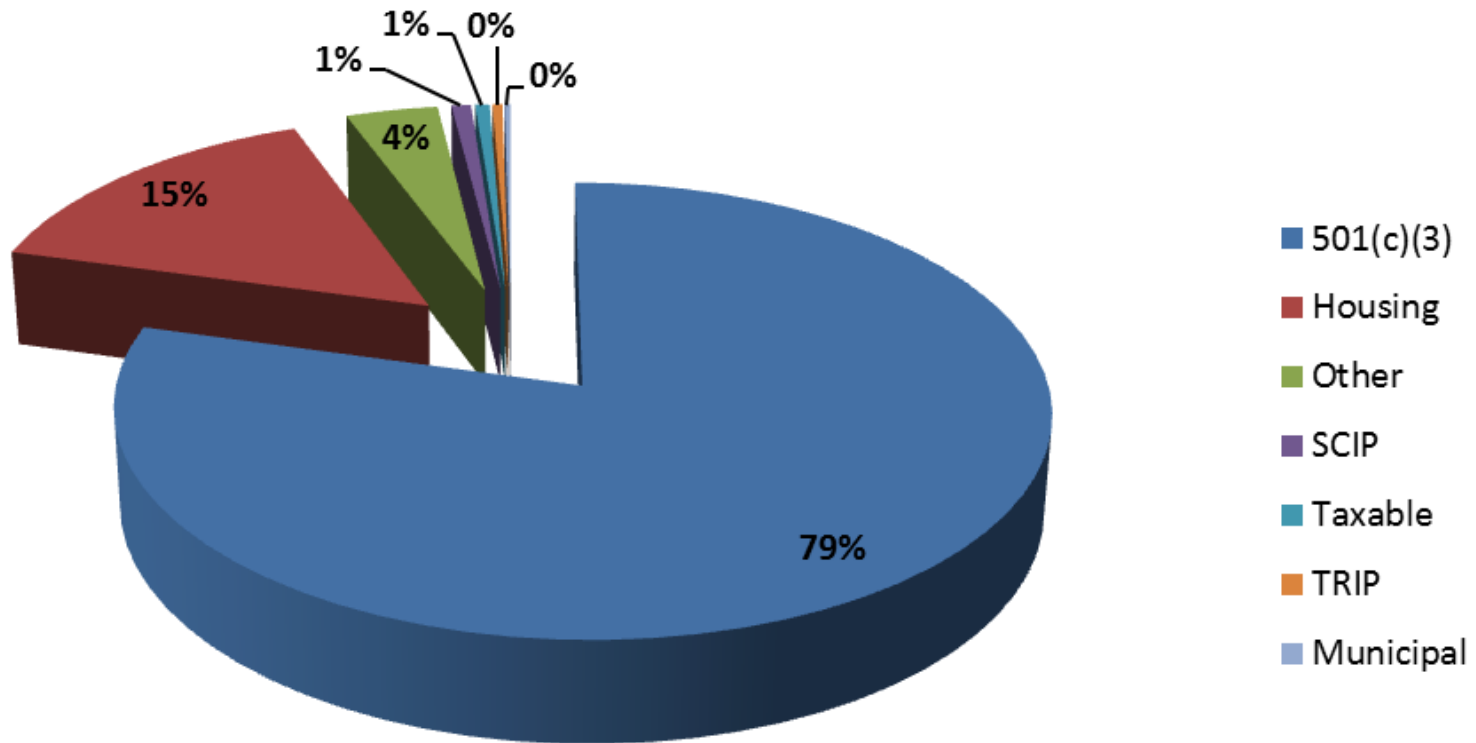
2014 Highlights

- \$2,010,841,287 debt issued
- 4 continuing care retirement residences (CCRCs)
- 6 hospital facilities
- 4 higher education facilities
- 3 K-12 schools
- 27 apartment buildings financed—creating or rehabilitating over 2600 units

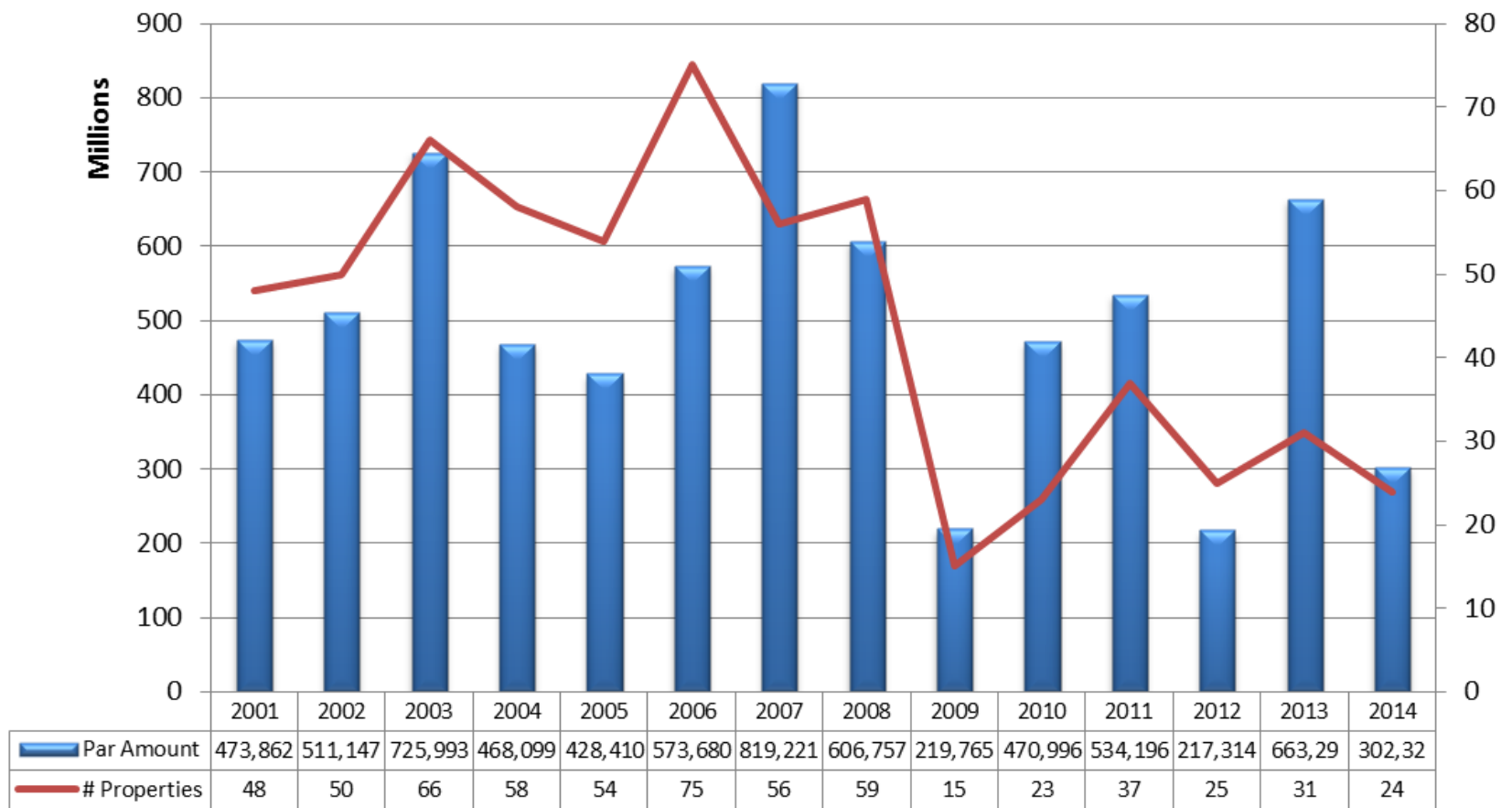
Program Activity by Category



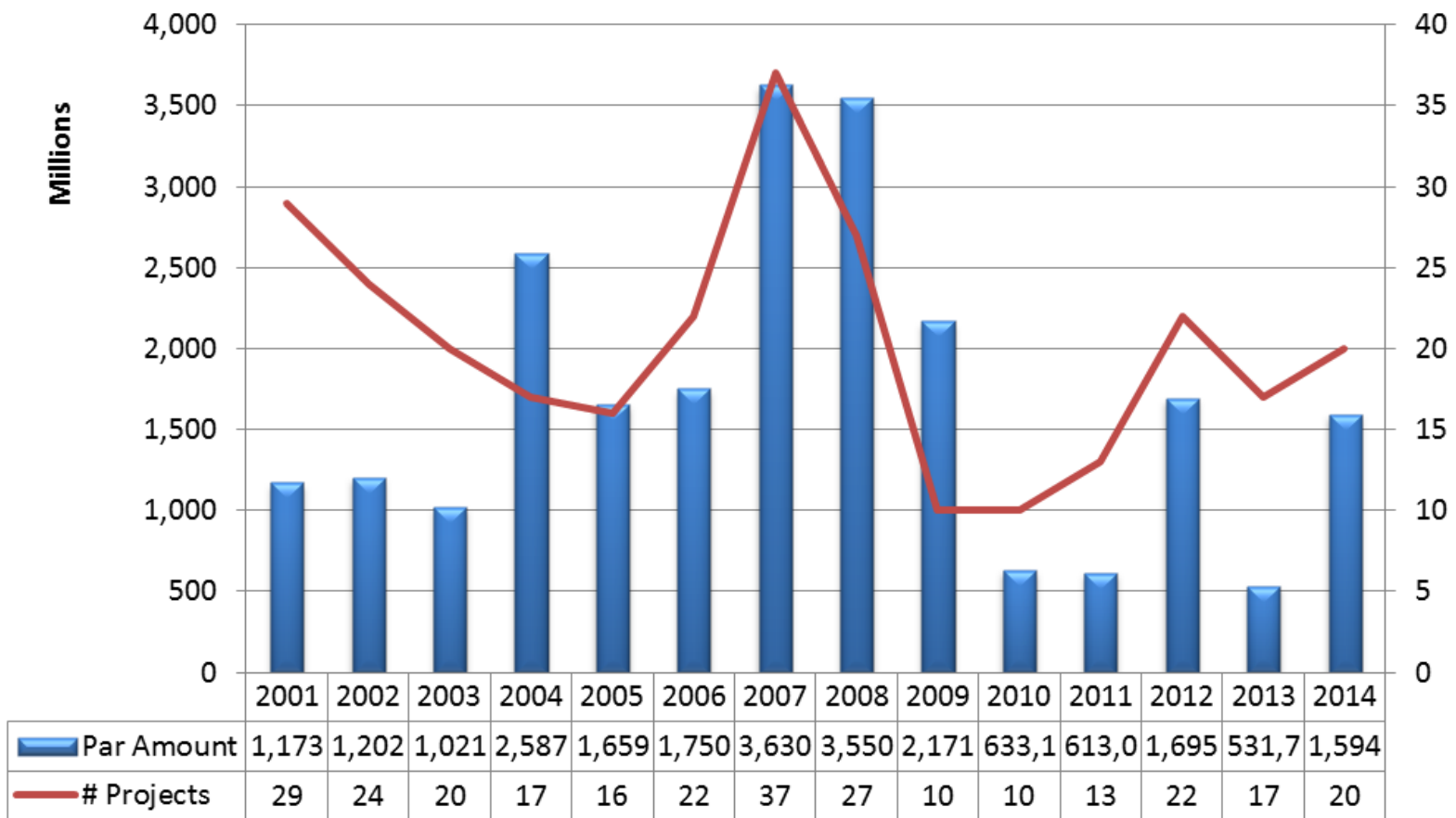
2014 Volume by Program



Multifamily Housing



501(c)(3) Nonprofit



2015 Closings

- 1 Hospital system
- 1 CCRC
- SCIP 2014B
- 1 Taxable bond
- 3 Multi-family housing projects
- ~\$200M

2015 Projections

- 13 SCIP applications (\$53M)
- 5 CFDs (\$131M)
- 1 CaLease application (\$3M)
- 30 housing transactions (\$485M)
- 4 501c3 nonprofit applications (\$340M)