



CSCDA
CALIFORNIA STATEWIDE COMMUNITIES
DEVELOPMENT AUTHORITY



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

March 28, 2013

10:00 a.m.

**California State Association of Counties
1100 K Street
3rd Floor Conference Room
Sacramento, California**

Teleconference Locations

County of Butte
7 County Center Drive
Orville, CA 95965

County of Yuba
915 8th Street, Suite 103
Marysville, CA 95901

- I. Call the Roll (alternates designate which member they are representing).
- II. Approve the Minutes of the March 14, 2013 Regular Meeting and the March 14, 2013 Special Meeting.
- III. Staff Updates.
- IV. Approve Consent Calendar.
- 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. Provident Group – Pomona Properties, LLC (Western University), City of Pomona, County of Los Angeles; up to \$45,000,000 in 501(C)(3) non-profit revenue bonds.

This ___ page agenda was posted at 1100 K Street, Sacramento, California on _____, 2013 at __: __ m,
Signed _____. Please fax signed page to (925) 933-8457.

- b. Lancer Plaza, LLC (California Baptist University), City of Riverside, County of Riverside; up to \$50,000,000 in 501(c)(3) non-profit revenue bonds.
 - c. Community Facilities District No. 2012-02 (Manteca Lifestyle Center), City of Manteca, County of San Joaquin; up to \$7,000,000 in Special Tax Bonds.
- VI. Discuss and Approve form of CSCDA Issuer Counsel and Auditor request for proposals.
- VII. Discuss and Approve a Resolution of Consideration to Amend the Rate and Method of Apportionment for Improvement Areas Nos. 1 and 3 Established in and for Community Facilities District No. 2012-01 (Fancher Creek), City of Fresno, County of Fresno.
- VIII. Discuss and Approve Intention to Refinance Statewide Community Infrastructure Program (SCIP) 2003A and 2005A.
- IX. Discuss CDLAC Deposit Forfeiture Process (Information Item Only).
- X. Public Comment.
- XI. Adjourn.



**CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY
CONSENT CALENDAR**

1. Induce the following projects:
 - a. Heritage II, LP (Heritage II Apartments), unincorporated County of Santa Barbara; issue up to \$8,000,000 in multi-family housing debt obligations.
 - b. St. Anton Capital, LLC (Anton Menlo Apartments), City of Menlo Park, County of San Mateo; issue up to \$95,000,000 in multi-family housing debt obligations.
 - c. WNC Community Preservation Partners, LLC (Arbor Terrace Apartments), City of Colton, County of San Bernardino; issue up to \$17,000,000 in multi-family housing debt obligations.

2. Approve the following invoice for payment:
 - a. Willdan Financial Services Invoice #010-20228.
 - b. Willdan Financial Services Invoice #010-20229.
 - c. Willdan Financial Services Invoice #010-20230.
 - d. Willdan Financial Services Invoice #010-20231.
 - e. Willdan Financial Services Invoice #010-20232.
 - f. David Taussing & Associates Invoice #1302027.

Thursday, March 28, 2013

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

Item II

Approve the Minutes of the March 14, 2013 Regular Meeting and the March 14, 2013 Special Meeting.

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

League of California Cities
1400 K Street, Sacramento, California

March 14, 2013

MINUTES

Commission Chair Larry Combs called the meeting to order at 10:06 am.

I. Roll Call

Commission members present: Larry Combs, Chair and Terry Schutten. Kevin O'Rourke, Dan Mierzwa, Tim Snellings and Irwin Bornstein participated by conference telephone. Alternate Commissioner Ron Holly participated by conference telephone.

Others present included: Perry Stottlemeyer, League of California Cities; Laura Labanieh Campbell, CSAC Finance Corporation; Caitlin Lancot, CSCDA; and Mark Paxson, State Treasurer's Office. Scott Carper, CSCDA; and Greg Stepanicich, Richards Watson & Gershon participated by conference telephone.

II. Approval of minutes—February 21, 2013

The commission approved the minutes for the annual meeting held February 21, 2013.

Motion by Schutten; second by O'Rourke; unanimously approved by roll-call vote.

III. Staff Updates

Caitlin Lancot mentioned that a special meeting of the authority will immediately follow this meeting.

IV. Approval of Consent Calendar

1. Approve the following invoices for payment:
 - a. David Taussig & Associates, invoice #1301028
 - b. Burke, Williams & Sorenson, LLP, invoice #163761

Motion by Schutten; second by Mierzwa; 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. Redlands Community Hospital, City of Redlands, County of San Bernardino; up to \$47 million in 501 (c)(3) nonprofit revenue bonds to refund CSCDA Series 2005B bonds.

Motion by O'Rourke; second by Schutten; unanimously approved by roll-call vote.

- b. Anton Legacy Tustin, LP (Anton Legacy Apartments), City of Tustin, County of Orange; up to \$29.7 million in multi-family housing debt obligations.

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

- c. St. Johns Partners, LP (St. Johns Apartments), City of Richmond, County of Contra Costa; up to \$23 million in multi-family housing debt obligations.

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

- d. CHC Inglewood Gardens, LP (Inglewood Gardens Apartments), City of Stockton, County of San Joaquin; up to \$8 million in multi-family housing debt obligations.

Motion by O'Rourke; second by Schutten; unanimously approved by roll-call vote.

VI. Public Comment

None.

VII. Adjournment

Commission Chair Larry Combs adjourned the meeting at 10:23 am.

Submitted by: Perry Stottlemeyer, League of California Cities Staff

*The next regular meeting of the commission is scheduled for
Thursday, March 28, at 10:00 a.m.
in the CSAC Office at 1100 K Street, Sacramento, CA.*

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

League of California Cities
1400 K Street, Sacramento, California

March 14, 2013

MINUTES

Commission Chair Larry Combs called the meeting to order at 10:23 am.

I. Roll Call

Commission members present: Larry Combs, Chair and Terry Schutten. Kevin O'Rourke, Dan Mierzwa, Tim Snellings and Irwin Bornstein participated by conference telephone. Alternate Commissioner Ron Holly participated by conference telephone.

Others present included: Perry Stottlemeyer, League of California Cities; Laura Labanieh Campbell, CSAC Finance Corporation; Caitlin Lanctot, CSCDA; and Mark Paxson, State Treasurer's Office. Scott Carper, CSCDA; and Greg Stepanicich, Richards Watson & Gershon participated by conference telephone.

II. Approval of Consent Calendar

1. Induce the following projects:

- a. Hacienda Pleasanton, LP (Anton Hacienda Apartments), City of Pleasanton, County of Alameda; issue up to \$36.4 million in multi-family housing debt obligations.

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

III. Public Comment

None.

VIV. Adjournment

Commission Chair Larry Combs adjourned the meeting at 10:26 am.

Submitted by: Perry Stottlemeyer, League of California Cities Staff

Item IV

Approve Consent Calendar

1. Induce the following projects:

- a. Heritage II, LP (Heritage II Apartments), unincorporated County of Santa Barbara; issue up to \$8,000,000 in multi-family housing debt obligations.
- b. St. Anton Capital, LLC (Anton Menlo Apartments), City of Menlo Park, County of San Mateo; issue up to \$95,000,000 in multi-family housing debt obligations.
- c. WNC Community Preservation Partners, LLC (Arbor Terrace Apartments), City of Colton, County of San Bernardino; issue up to \$17,000,000 in multi-family housing debt obligations



Building Communities, Investing in Local Government Since 1988

Housing Bond Application

APPLICANT INFORMATION

Application Number: **2013042**
Name of Developer: **Investment Concepts, Inc.**
Primary Contact: **Russell Khouri**
Title: **Senior Vice President of Development**
Address: **1667 E. Lincoln Ave
Orange, CA 92865**
Telephone Number: **(714) 283-5800 Ext. 277**
Fax Number: **(714) 637-3196**
E-mail: **russek@investmentconceptsinc.com**

BORROWER DESCRIPTION

Type of Entity: ☐ For-profit Corporation ☐ Non-profit Corporation
☐ Municipality ☒ Partnership
☐ Other (specify): _____

For Non-profits only: Will you be applying for State Volume Cap? **No**

Name of Borrowing Entity: **Heritage II, LP**

Date Established: **March 15, 2011**

Number of Multi-Family Housing Projects Completed in the Last 10 Years: **6**

Number of Low Income Multi-Family Housing Projects Completed in the Last 10 Years: **80/20 Projects**

PRINCIPAL FINANCE TEAM INFORMATION

UNDERWRITER/PLACEMENT AGENT

Firm: **Hutchinson, Shockey, Erley & Co.**

Contact: **Lauro Garcia**

Address: **2020 Cordero, Suite Road
Del Mar, CA 92014**

Telephone: **(858) 509-0556**

Fax: **(602) 263-0181**

E-mail: **lgarcia@hsemuni.com**

BOND COUNSEL

Firm: **Orrick, Harrington, Sutcliffe, LLP**

Contact: **Justin Cooper**

Address: **405 Howard Street
San Francisco, CA 94105-2669**

Telephone: **(415) 773-5759**

Fax: **(415) 773-5759**

E-mail: **jcooper@orrick.com**

Application Number: **2013042 - Heritage II**
Name of Borrower: **Investment Concepts, Inc.**

PROJECT DESCRIPTION

Current Project Name: **Heritage II**

New Project Name:

Project Street Address: **Burton Mesa Boulevard**

City: **Lompoc** State: **CA** Zip Code: **93436**

County: **Santa Barbara**

Is Project located in unincorporated part of the County? **Yes**

Total Number of Units: Market: **1** Restricted: **79** Total Units: **80**

Lot Size: **7.21 Acres**

Amenities: **Community Gardens, Bocce Ball, Dog Park, Walking Trails, Shared Clubhouse and Ameneties with adjoining Heritage Villas.**

Type of Construction (i.e., Wood Frame, 2 Story, 10 Buildings): **Wood Frame And Stucco, Single Story, (20) Buildings**

Type of Housing: ☒ New Construction ☐ Family
☐ Acq/Rehab ☒ Senior Is this an Assisted Living Facility? **No**

City or county contact information:

Contact Name: **Florence Trotter-Cadena**
Title: **Planner, County of Santa Barbara**
Phone Number: **(805) 934-6235**
Fax Number: **(805) 934-6258**
E-mail: **trotter@co.santa-barbara.ca.us**

PUBLIC BENEFIT

Percentage of Units in Low Income Housing: **99%**

Percentage of Area Median Income(AMI) for Low Income Housing Units: **50% and 60%**

Total Number of Management Units: **1**

Unit Size	% AMI	# of Restricted Units	Restricted Rent	Market Rent	Expected Savings
1 Bedroom	50	3	\$693	\$1,190	\$497
1 Bedroom	60	40	\$843	\$1,190	\$347
2 Bedrooms	50	4	\$834	\$1,426	\$592
2 Bedrooms	60	32	\$1,013	\$1,426	\$413

Remarks:

OTHER PUBLIC BENEFIT

SERVICES PROVIDED

- ☒ High-speed internet service in each affordable unit of an on-going nature for a minimum of 10 years.
☐ After school program of an on going nature for the minimum of 10 years.
☐ Educational classes (which are not the same as the after school program) for a minimum of 10 years.
☐ Licensed childcare providing 20 hours or more per week(Monday through Friday) to residents of the development.
☒ Contract for services, such as assistance with the daily living activities, or provision of senior counseling services.

ENVIRONMENT

Energy

- Does the facility exceed Title 24 Standards? ☐ Yes ☐ No ☒ N/A
If Yes, by what percent? _____ %
Does the facility have solar(PV) panels? ☐ Yes ☐ No ☒ N/A
If Yes, what is the size in kWh? _____
Does the facility purchase carbon credits? ☐ Yes ☐ No ☒ N/A
If Yes, what is the annual consumption? _____

Water

- Does the facility provide any of the following:
Efficient Toilets? ☒ Yes ☐ No ☐ N/A
Water-saving showerheads? ☒ Yes ☐ No ☐ N/A
Drought tolerant landscaping? ☒ Yes ☐ No ☐ N/A
Other, specify: **Intellisense Smart Irrigation Controllers**

Transportation

- Does the entity provide carpooling or mass-transit subsidies? ☐ Yes ☒ No ☐ N/A
Does the entity maintain a fuel efficient fleet? ☐ Yes ☒ No ☐ N/A

Waste

- Does the project provide recycling facilities? ☒ Yes ☐ No ☐ N/A

WORKFORCE

Employment Creation

Job Type/Description	During Construction	Post Construction
<u>Architect</u>	<u>0</u>	<u>0</u>
<u>Structural Engineer</u>	<u>0</u>	<u>0</u>
<u>MEP Engineer</u>	<u>0</u>	<u>0</u>
<u>Landscape Architect</u>	<u>0</u>	<u>0</u>
<u>Civil Engineer</u>	<u>0</u>	<u>0</u>
<u>Surveyor</u>	<u>0</u>	<u>0</u>
<u>Soils Engineer</u>	<u>0</u>	<u>0</u>
<u>Grading</u>	<u>0</u>	<u>0</u>
<u>Underground Utilities</u>	<u>0</u>	<u>0</u>
<u>Plumbing</u>	<u>0</u>	<u>0</u>
<u>Concrete</u>	<u>0</u>	<u>0</u>

Application Number: **2013042 - Heritage II**
 Name of Borrower: **Investment Concepts, Inc.**

OTHER PUBLIC BENEFIT(continued)

Job Type/Description	During Construction	Post Construction
Framing	0	0
Electrical	0	0
Fire Sprinklers	0	0
Insulation	0	0
Drywall	0	0
Garage Doors	0	0
Clean Up	0	0
Roofing	0	0
Sheetmetal	0	0
Windows	0	0
Stucco	0	0
Gutters	0	0
Finish Carpentry	0	0
Cabinets	0	0
Countertops	0	0
Flooring	0	0
Window Coverings	0	0
Painting	0	0
Appliances	0	0
Mirrots	0	0
Fencing	0	0
Landscaping	0	0
Asphalt	0	0
Concrete - Site work	0	0
Security Guard	0	0
GOVERNMENTAL INFORMATION		
Congressional District #	State Senate District #	State Assembly District #
24	16	35

Application Number: **2013042 - Heritage II**
 Name of Borrower: **Investment Concepts, Inc.**

FINANCING STRUCTURE

Type of Financing: ☒ Public Sale ☐ Private Placement ☐ Refunding
 For Refundings only: Will you be applying for State Volume Cap? **No**
 For Refundings only: Is this a transfer of property to a new owner? _____
 Maturity: **3 Years** Interest Rate Mode: ☒ Fixed ☐ Variable

CONSTRUCTION FINANCING:

Credit Enhancement: ☐ None ☒ Letter of Credit
☐ FNMA(Fannie Mae) ☐ Freddie Mac
☐ Bond Insurance ☐ Other (specify): _____

Name of Credit Enhancement Provider or Private Placement Purchaser: **East / West Bank**

PERMANENT FINANCING:

Credit Enhancement: ☐ None ☒ Letter of Credit
☐ FNMA(Fannie Mae) ☐ Freddie Mac
☐ Bond Insurance ☐ Other (specify): _____

Name of Credit Enhancement Provider or Private Placement Purchaser: **East / West Bank**

Expected Rating: ☐ Unrated ☒ S & P _____
☐ Moody's _____ ☐ Fitch _____

Projected State Allocation Pool: ☐ General ☒ Mixed Income ☐ Rural

Will the project use Tax-Credit as a source of funding?: **No**

SOURCES & USES

CONSTRUCTION SOURCES

Tax-Exempt Bond Proceeds:	\$6,750,000
Taxable Bond Proceeds:	
Tax Credits:	
Developer Equity:	\$2,250,000
Other Funds(Describe):	
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
TOTAL:	\$9,000,000

USES

Land Acquisition:	\$1,600,000
Building Acquisition:	
Construction or Remodel:	\$6,592,000
Cost of Issuance:	\$500,000
Capitalized Interest:	\$160,000
Reserves:	\$25,000
Other Funds(Describe):	
Replacement	\$100,000
Miscellaneous	\$23,000
_____	_____
_____	_____
TOTAL:	\$9,000,000

Application Number: **2013042 - Heritage II**
Name of Borrower: **Investment Concepts, Inc.**

PRINCIPAL FINANCE TEAM INFORMATION (continued)

FINANCIAL ADVISOR	REBATE ANALYST
Firm: N/A	Firm: TBD
Contact:	Contact:
Address:	Address:
Telephone:	Telephone:
Fax:	Fax:
E-mail:	E-mail:

ADDITIONAL REQUIREMENT

Please provide the following as an additional attachment:

<u>Attachment</u>	<u>Description of Information</u>
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A	\$5,000 non-refundable* issuance fee deposit payable to "California Communities."
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*Refundable only if financing not approved.

MAILING ADDRESS

California Communities®
2999 Oak Road, Suite 710
Walnut Creek, CA 94597



Building Communities, Investing in Local Government Since 1988

Housing Bond Application

APPLICANT INFORMATION

Application Number: **2013044**
Name of Developer: **St. Anton Capital, LLC**
Primary Contact: **Trisha Malone**
Title: **Project Manager**
Address: **1801 I Street, Suite 200
Sacramento, CA 95811**
Telephone Number: **(916) 400-2073**
Fax Number: **(916) 444-9843**
E-mail: **rsg@antonllc.com**

BORROWER DESCRIPTION

Type of Entity: ☐ For-profit Corporation ☐ Non-profit Corporation
☐ Municipality ☐ Partnership
☒ Other (specify): **Limited Partnership**

For Non-profits only: Will you be applying for State Volume Cap? **Yes**

Name of Borrowing Entity: **TBD**

Date Established: **TbD**

Number of Multi-Family Housing Projects Completed in the Last 10 Years: **26**

Number of Low Income Multi-Family Housing Projects Completed in the Last 10 Years: **25**

PRINCIPAL FINANCE TEAM INFORMATION

UNDERWRITER/PLACEMENT AGENT

Firm: **TBD**

Contact:

Address:

Telephone:

Fax:

E-mail:

BOND COUNSEL

Firm: **Orrick, Herrington & Sutcliffe LLP**

Contact: **Thomas Downey**

Address: **405 Howard Street
San Francisco, CA 94105**

Telephone: **(415) 773-5965**

Fax: **(415) 773-5759**

E-mail: **tdowney@orrick.com**

Application Number: **2013044 - Anton Menlo**

Name of Borrower: **St. Anton Capital, LLC**

PROJECT DESCRIPTION

Current Project Name: **Anton Menlo**

New Project Name:

Project Street Address: **Haven Avenue**

City: **Menlo Park** State: **CA** Zip Code: **94063**

County: **San Mateo**

Is Project located in unincorporated part of the County? **No**

Total Number of Units: Market: **307** Restricted: **77** Total Units: **384**

Lot Size: **9.69**

Amenities: **on site management, cafe, lounge, game room, fitness center, pool, spa, roof top deck.**

Type of Construction (i.e., Wood Frame, 2 Story, 10 Buildings): **Buildings Will Be 4 Story Wood Frame And The Project Will Include A 3 Story Concrete Parking Structure.**

Type of Housing: ☒ New Construction ☒ Family
☐ Acq/Rehab ☐ Senior Is this an Assisted Living Facility? _____

City or county contact information:

Contact Name: **NA NA**

Title: **NA**

Phone Number: **NA**

Fax Number: **NA**

E-mail: **NA@cityofmenlopark.org**

PUBLIC BENEFIT

Percentage of Units in Low Income Housing: **20%**

Percentage of Area Median Income(AMI) for Low Income Housing Units: **50%**

Total Number of Management Units: **4**

Unit Size	% AMI	# of Restricted Units	Restricted Rent	Market Rent	Expected Savings
1 Bedroom	50	46	\$989	\$2,290	\$1,301
2 Bedrooms	50	26	\$1,187	\$3,150	\$1,963
3 Bedrooms	50	5	\$1,371	\$3,728	\$2,357

Remarks:

OTHER PUBLIC BENEFIT**SERVICES PROVIDED**

- ☐ High-speed internet service in each affordable unit of an on-going nature for a minimum of 10 years.
- ☐ After school program of an on going nature for the minimum of 10 years.
- ☐ Educational classes (which are not the same as the after school program) for a minimum of 10 years.
- ☐ Licensed childcare providing 20 hours or more per week(Monday through Friday) to residents of the development.
- ☐ Contract for services, such as assistance with the daily living activities, or provision of senior counseling services.

ENVIRONMENT**Energy**

Does the facility exceed Title 24 Standards? ☒ Yes ☐ No ☐ N/A

If Yes, by what percent? **15%**

Does the facility have solar(PV) panels? ☐ Yes ☒ No ☐ N/A

If Yes, what is the size in kWh? _____

Does the facility purchase carbon credits? ☐ Yes ☒ No ☐ N/A

If Yes, what is the annual consumption? _____

Water

Does the facility provide any of the following:

Efficient Toilets? ☒ Yes ☐ No ☐ N/A

Water-saving showerheads? ☒ Yes ☐ No ☐ N/A

Drought tolerant landscaping? ☒ Yes ☐ No ☐ N/A

Other, specify: _____

Transportation

Does the entity provide carpooling or mass-transit subsidies? ☐ Yes ☒ No ☐ N/A

Does the entity maintain a fuel efficient fleet? ☐ Yes ☒ No ☐ N/A

Waste

Does the project provide recycling facilities? ☒ Yes ☐ No ☐ N/A

WORKFORCE**Employment Creation**

Job Type/Description	During Construction	Post Construction
None	0	0

GOVERNMENTAL INFORMATION

Congressional District #	State Senate District #	State Assembly District #
14	11	21

Application Number: **2013044 - Anton Menlo**

Name of Borrower: **St. Anton Capital, LLC**

FINANCING STRUCTURE

Type of Financing: ☐ Public Sale ☒ Private Placement ☐ Refunding

For Refundings only: Will you be applying for State Volume Cap? **No**

For Refundings only: Is this a transfer of property to a new owner? _____

Maturity: **15 Years**

Interest Rate Mode: ☒ Fixed ☐ Variable

CONSTRUCTION FINANCING:

Credit Enhancement: ☒ None ☐ Letter of Credit
☐ FNMA(Fannie Mae) ☐ Freddie Mac
☐ Bond Insurance ☐ Other (specify): _____

Name of Credit Enhancement Provider or Private Placement Purchaser: **N/A**

PERMANENT FINANCING:

Credit Enhancement: ☒ None ☐ Letter of Credit
☐ FNMA(Fannie Mae) ☐ Freddie Mac
☐ Bond Insurance ☐ Other (specify): _____

Name of Credit Enhancement Provider or Private Placement Purchaser: **N/A**

Expected Rating: ☒ Unrated ☐ S & P _____
☐ Moody's _____ ☐ Fitch _____

Projected State Allocation Pool: ☐ General ☒ Mixed Income ☐ Rural

Will the project use Tax-Credit as a source of funding?: **Yes**

SOURCES & USES

CONSTRUCTION SOURCES

Tax-Exempt Bond Proceeds:	\$91,100,000
Taxable Bond Proceeds:	
Tax Credits:	\$8,575,000
Developer Equity:	
Other Funds(Describe):	
local	\$3,500,000
Net Operating Income During Lease-up	\$2,975,023
_____	_____
_____	_____
_____	_____
TOTAL:	\$106,150,023

USES

Land Acquisition:	\$15,000,000
Building Acquisition:	
Construction or Remodel:	\$70,867,068
Cost of Issuance:	\$1,464,500
Capitalized Interest:	\$7,166,386
Reserves:	\$300,000
Other Funds(Describe):	
Land Carry	\$236,833
Government Impact Fees	\$6,528,000
Other Soft Costs	\$4,337,236
Developer Fee	\$250,000
_____	_____
TOTAL:	\$106,150,023

Application Number: **2013044 - Anton Menlo**
Name of Borrower: **St. Anton Capital, LLC**

PRINCIPAL FINANCE TEAM INFORMATION (continued)

FINANCIAL ADVISOR	REBATE ANALYST
Firm: N/A	Firm: TBD
Contact:	Contact:
Address:	Address:
Telephone:	Telephone:
Fax:	Fax:
E-mail:	E-mail:

ADDITIONAL REQUIREMENT

Please provide the following as an additional attachment:

<u>Attachment</u>	<u>Description of Information</u>
-------------------	-----------------------------------

A	\$5,000 non-refundable* issuance fee deposit payable to "California Communities."
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*Refundable only if financing not approved.

MAILING ADDRESS

California Communities®
2999 Oak Road, Suite 710
Walnut Creek, CA 94597



Building Communities, Investing in Local Government Since 1988

Housing Bond Application

APPLICANT INFORMATION

Application Number: **2013045**
Name of Developer: **WNC Community Preservation Partners, LLC**
Primary Contact: **Seth Gellis**
Title: **Sr. Project Manager**
Address: **17782 Sky Park Circle
Irvine, CA 92614**
Telephone Number: **(919) 236-8280**
Fax Number: **(714) 662-4412**
E-mail: **sgellis@wncinc.com**

BORROWER DESCRIPTION

Type of Entity: ☐ For-profit Corporation ☐ Non-profit Corporation
☐ Municipality ☒ Partnership
☐ Other (specify): _____

For Non-profits only: Will you be applying for State Volume Cap? **No**

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

Date Established: **3/22/2013**

Number of Multi-Family Housing Projects Completed in the Last 10 Years: **0**

Number of Low Income Multi-Family Housing Projects Completed in the Last 10 Years: **0**

PRINCIPAL FINANCE TEAM INFORMATION

UNDERWRITER/PLACEMENT AGENT

Firm: **TBD**

Contact:

Address:

Telephone:

Fax:

E-mail:

BOND COUNSEL

Firm: **Kutak Rock LLP**

Contact: **J. Toger Swanson**

Address: **1650 Farnam Street
Omaha, NE 68102**

Telephone: **(402) 231-8805**

Fax: **(402) 346-1148**

E-mail: **j.toger.swanson@kutakrock.com**

Application Number: **2013045 - Arbor Terrace Apartments**
 Name of Borrower: **WNC Community Preservation Partners, LLC**

PROJECT DESCRIPTION

Current Project Name: **Arbor Terrace Apartments**
 New Project Name:
 Project Street Address: **2192 North Rancho Avenue**
 City: **Colton** State: **CA** Zip Code: **92324**
 County: **San Bernardino**
 Is Project located in unincorporated part of the County? **No**
 Total Number of Units: Market: **1** Restricted: **128** Total Units: **129**
 Lot Size: **7.29**
 Amenities: **Common: Gated, BBQ/ Picnic, Playground, Laundry Rooms, Leasing Office Unit: Gas Range/ Oven, Hood-Fan, Refrigerator, Garbage Disposal, Carpeting in living areas, Vinyl Flooring in Kitchen & Bath areas**

Type of Construction (i.e., Wood Frame, 2 Story, 10 Buildings): **Slab On Grade Foundation, 2 Story, Type 5 Wood Frame, 27 Buildings**

Type of Housing: ☐ New Construction ☒ Family
☒ Acq/Rehab ☐ Senior Is this an Assisted Living Facility? _____

City or county contact information:

Contact Name: _____
 Title: _____
 Phone Number: _____ Ext. _____
 Fax Number: _____
 E-mail: _____

PUBLIC BENEFIT

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

Percentage of Area Median Income(AMI) for Low Income Housing Units: **60/40 (80% @ 60% AMI & 20% @ 50% AMI)**

Total Number of Management Units: **1**

Unit Size	% AMI	# of Restricted Units	Restricted Rent	Market Rent	Expected Savings
1 Bedroom	60	13	\$684	\$789	\$105
1 Bedroom	50	3	\$564	\$789	\$225
2 Bedrooms	60	1	\$814	\$919	\$105
2 Bedrooms	60	54	\$814	\$919	\$105
2 Bedrooms	50	14	\$670	\$919	\$249
3 Bedrooms	50	11	\$774	\$1,064	\$290
3 Bedrooms	60	32	\$939	\$1,064	\$125

Remarks: **The 129th unit is an office (2 bedroom unit). Restricted rent amount includes UA. Market Rent is at HUD Contract rent as of April, 2013. The HUD contract is on the total 129 units even though 128 are rented, and one of which is a manager's unit.**

Application Number: **2013045 - Arbor Terrace Apartments**
 Name of Borrower: **WNC Community Preservation Partners, LLC**

OTHER PUBLIC BENEFIT

SERVICES PROVIDED

- ☐ High-speed internet service in each affordable unit of an on-going nature for a minimum of 10 years.
☐ After school program of an on going nature for the minimum of 10 years.
☐ Educational classes (which are not the same as the after school program) for a minimum of 10 years.
☐ Licensed childcare providing 20 hours or more per week(Monday through Friday) to residents of the development.
☐ Contract for services, such as assistance with the daily living activities, or provision of senior counseling services.

ENVIRONMENT

Energy

Does the facility exceed Title 24 Standards? ☐ Yes ☒ No ☐ N/A

If Yes, by what percent? _____%

Does the facility have solar(PV) panels? ☐ Yes ☒ No ☐ N/A

If Yes, what is the size in kWh? _____

Does the facility purchase carbon credits? ☐ Yes ☒ No ☐ N/A

If Yes, what is the annual consumption? _____

Water

Does the facility provide any of the following:

Efficient Toilets? ☐ Yes ☒ No ☐ N/A

Water-saving showerheads? ☐ Yes ☒ No ☐ N/A

Drought tolerant landscaping? ☐ Yes ☒ No ☐ N/A

Other, specify: _____

Transportation

Does the entity provide carpooling or mass-transit subsidies? ☐ Yes ☒ No ☐ N/A

Does the entity maintain a fuel efficient fleet? ☐ Yes ☒ No ☐ N/A

Waste

Does the project provide recycling facilities? ☐ Yes ☒ No ☐ N/A

WORKFORCE

Employment Creation

Job Type/Description	During Construction	Post Construction
<u>Construction - Estimated</u>	<u>100</u>	<u>0</u>
<u>Onsite Staff</u>	<u>0</u>	<u>4</u>

GOVERNMENTAL INFORMATION

Congressional District #	State Senate District #	State Assembly District #
<u>31</u>	<u>32</u>	<u>47</u>

Application Number: **2013045 - Arbor Terrace Apartments**
 Name of Borrower: **WNC Community Preservation Partners, LLC**

FINANCING STRUCTURE

Type of Financing: ☐ Public Sale ☒ Private Placement ☐ Refunding
 For Refundings only: Will you be applying for State Volume Cap? **No**
 For Refundings only: Is this a transfer of property to a new owner? _____
 Maturity: **35 Years** Interest Rate Mode: ☒ Fixed ☐ Variable

CONSTRUCTION FINANCING:

Credit Enhancement: ☐ None ☐ Letter of Credit
☐ FNMA(Fannie Mae) ☒ Freddie Mac
☐ Bond Insurance ☒ Other (specify): **Ginnie Mae - 223F Pilot**

Name of Credit Enhancement Provider or Private Placement Purchaser: **Love Funding - CITI**

PERMANENT FINANCING:

Credit Enhancement: ☐ None ☐ Letter of Credit
☐ FNMA(Fannie Mae) ☒ Freddie Mac
☐ Bond Insurance ☒ Other (specify): **FHA/ GNMA**

Name of Credit Enhancement Provider or Private Placement Purchaser: **Love Funding - CITI**

Expected Rating: ☐ Unrated ☒ S & P **AAA**
☒ Moody's **AAA** ☒ Fitch **AAA**

Projected State Allocation Pool: ☒ General ☐ Mixed Income ☐ Rural

Will the project use Tax-Credit as a source of funding?: **No**

SOURCES & USES

CONSTRUCTION SOURCES		USES	
Tax-Exempt Bond Proceeds:	\$14,358,000	Land Acquisition:	\$967,500
Taxable Bond Proceeds:		Building Acquisition:	\$12,032,500
Tax Credits:	\$4,198,066	Construction or Remodel:	\$4,174,138
Developer Equity:	\$2,500,000	Cost of Issuance:	\$1,235,697
Other Funds(Describe):		Capitalized Interest:	\$1,165,939
Free Cash Flow Through Construction	\$506,807	Reserves:	\$573,000
Capitalized Interest	\$764,564	Other Funds(Describe):	
Additional Developer Equity	\$380,839	Developer Fee	\$2,500,000
NOI (Interim Period)	\$400,968	Other Fees & Costs	\$143,470
_____	Third Party Reports	\$112,500
TOTAL:	\$23,109,244	Legal / Organizational/ Accounting	\$140,000
		Relocation Allowance	\$64,500
		TOTAL:	\$23,109,244

Application Number: **2013045 - Arbor Terrace Apartments**Name of Borrower: **WNC Community Preservation Partners, LLC****PRINCIPAL FINANCE TEAM INFORMATION (continued)**

FINANCIAL ADVISOR	REBATE ANALYST
Firm: N/A	Firm: TBD
Contact:	Contact:
Address:	Address:
Telephone:	Telephone:
Fax:	Fax:
E-mail:	E-mail:

ADDITIONAL REQUIREMENT

Please provide the following as an additional attachment:

<u>Attachment</u>	<u>Description of Information</u>
-------------------	-----------------------------------

A	\$5,000 non-refundable* issuance fee deposit payable to "California Communities."
---	---

*Refundable only if financing not approved.

MAILING ADDRESS

California Communities®
2999 Oak Road, Suite 710
Walnut Creek, CA 94597

Item IV

Approve Consent Calendar

2. Approve the following invoices for payment:
 - a. Willdan Financial Services Invoice #010-20228.
 - b. Willdan Financial Services Invoice #010-20229.
 - c. Willdan Financial Services Invoice #010-20230.
 - d. Willdan Financial Services Invoice #010-20231.
 - e. Willdan Financial Services Invoice #010-20232.
 - f. David Taussing & Associates Invoice #1302027.

COPY

Delinquency Management Services

Attn:
James Hamill
California Statewide Communities Development Authority
2999 Oak Rd., Suite 710
Walnut Creek, CA 94597

Invoice #: 010-20228
Invoice Date: 3/15/13
Project: 101168
Phase #: 5012
Org: 30
Terms: Net 30 Days

Subsequent Foreclosure Fee
APN 941 2838-016-00
AD 07-01 Alameda

INVOICE TOTAL DUE: \$ 200.00

Batch #: 35,903
Batch Date: January 9, 2013

Applicable Fees

\$200.00 per Parcel:

1 Parcel

Subtotal Due: \$200.00

AD 07-01 (Alameda)

Parcels Paid	Action Type	Tax Years	District Total
1	Foreclosure Complete		\$200.00

Remit To:
Willdan Financial Services
27368 Via Industria, Suite 110
Temecula, California 92590

COPY

Delinquency Management Services

Attn:

James Hamill
California Statewide Communities Development Authority
2999 Oak Rd., Suite 710
Walnut Creek, CA 94597

Invoice #: 010-20229
Invoice Date: 3/15/13
Project: 101168
Phase #: 5013
Org: 30
Terms: Net 30 Days

Subsequent Foreclosure Fee
AD 03-01 (Contra Costa)
APN 013-400-044-7

INVOICE TOTAL DUE: \$ 200.00

Batch #: 36,074
Batch Date: December 2, 2012

Applicable Fees

\$200.00 per Parcel:

1 Parcel

Subtotal Due: \$200.00

AD 03-01 (Contra Costa)

Parcels Paid	Action Type	Tax Years	District Total
1	Foreclosure Complete	2009/10, 2010/11, 2011/12	\$200.00

Remit To:
Willdan Financial Services
27368 Via Industria, Suite 110
Temecula, California 92590

27368 Via Industria, Suite 110
Temecula, California 92590

COPY

Delinquency Management Services

Attn:
James Hamill
California Statewide Communities Development Authority
2999 Oak Rd., Suite 710
Walnut Creek, CA 94597

Invoice #: 010-20230
Invoice Date: 3/15/13
Project: 101168
Phase #: 5013
Org: 30
Terms: Net 30 Days

**Subsequent Foreclosure Fee
AD 05-01 (Contra Costa)
APN 018-200-027-3**

INVOICE TOTAL DUE: \$ 200.00

Batch #: 36,084
Batch Date: October 17, 2012

Applicable Fees

\$200.00 per Parcel:

1 Parcel

Subtotal Due: \$200.00

AD 05-01 (Contra Costa)

Parcels Paid	Action Type	Tax Years	District Total
1	Foreclosure Complete		\$200.00

Remit To:
Willdan Financial Services
27368 Via Industria, Suite 110
Temecula, California 92590

COPY

Delinquency Management Services

Attn:
James Hamill
California Statewide Communities Development Authority
2999 Oak Rd., Suite 710
Walnut Creek, CA 94597

Invoice #: 010-20231
Invoice Date: 3/15/13
Project: 101168
Phase #: 5013
Org: 30
Terms: Net 30 Days

**Subsequent Foreclosure Fee
AD 03-01 (Contra Costa)
APN 540-480-092-1**

INVOICE TOTAL DUE: \$ 200.00

Batch #: 36,145
Batch Date: February 28, 2013

Applicable Fees

\$200.00 per Parcel:

1 Parcel

Subtotal Due: \$200.00

AD 03-01 (Contra Costa)

Parcels Paid	Action Type	Tax Years	District Total
1	Foreclosure Complete	2011/12	\$200.00

Remit To:
Willdan Financial Services
27368 Via Industria, Suite 110
Temecula, California 92590

COPY

Delinquency Management Services

Attn:
James Hamill
California Statewide Communities Development Authority
2999 Oak Rd., Suite 710
Walnut Creek, CA 94597

Invoice #: 010-20232
Invoice Date: 3/15/13
Project: 101168
Phase #: 5013
Org: 30
Terms: Net 30 Days

Subsequent Foreclosure Fee
AD 05-01 (San Mateo)
APN 080-100-350

INVOICE TOTAL DUE: \$ 200.00

Batch #: 36,110
Batch Date: February 28, 2013

Applicable Fees
\$200.00 per Parcel:

1 Parcel

Subtotal Due: \$200.00

AD 05-01 (San Mateo)

Parcels Paid	Action Type	Tax Years	District Total
1	Foreclosure Complete		\$200.00

Remit To:
Willdan Financial Services
27368 Via Industria, Suite 110
Temecula, California 92590

DTA DAVID TAUSSIG & ASSOCIATES

Public Finance and Urban Economics

5000 Birch Street, Ste. 6000, Newport Beach, CA 92660

Project No: 12-11980.000
Invoice No: 1302027
February 28, 2013

James Hamill
Calif. Statewide Community Development Authority
2999 Oak Road, Suite 710
Walnut Creek, CA 94596

Project 12-11980.000 CSCDA/Orinda Wilder Project-Admin

Professional Services through February 28, 2013

Dear Mr. Hamill:

This invoice is submitted for professional consulting services in association with the special tax administration of California Statewide Communities Development Authority CFD No. 2007-01 (Orinda Wilder Project) for fiscal year 2012-13. Please remit invoice payment payable to David Taussig and Associates, Inc.

PAYMENT IS DUE UPON RECEIPT. AN INTEREST CHARGE OF 1.2% PER MONTH WILL BE APPLIED TO INVOICES 30 DAYS PAST DUE.

Professional Services	Hours	Rate	Amount
Vice President			
Morgan, Shayne			
12-04-12 Reviewed November account statements and transactions, confirmed transfer correction.	.25	185.00	46.25
01-16-13 Downloaded and reviewed December account statements and transactions, researched first installment delinquencies, discussed paid/unpaid report request with County's property tax division.	.37	185.00	68.45
01-17-13 Prepared first installment delinquency report.	1.75	185.00	323.75
01-18-13 Finalized first installment payment report and memo to J. Hamill.	.75	185.00	138.75
01-21-13 Answered realtor and title company phone calls.	.25	185.00	46.25
01-23-13 Began preparation of continuing disclosure annual report for period ending 6/30/11.	1.00	185.00	185.00
01-25-13 Continued preparation of continuing disclosure annual report for period ending 6/30/11.	1.25	185.00	231.25
01-28-13 Continued preparation of continuing disclosure annual report for period ending 6/30/11.	.50	185.00	92.50
01-30-13 Prepared and disseminated Annual Report for fiscal year ended 6/30/12.	2.75	185.00	508.75

DTA DAVID TAUSSIG & ASSOCIATES

Public Finance and Urban Economics

5000 Birch Street, Ste. 6000, Newport Beach, CA 92660

Project	12-11980.000	CSCDA/Orinda Wilder Project-Admin	Invoice 1302027
02-12-13	Downloaded and reviewed January account statement and transactions.	.25 185.00	46.25
	Totals	9.12	1,687.20
Additional Fees			
	3% Administrative Expenses		50.62
	Total Additional Fees		50.62
		Total this Invoice	\$1,737.82

Item 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. Provident Group – Pomona Properties, LLC (Western University), City of Pomona, County of Los Angeles; up to \$45,000,000 in 501(C)(3) non-profit revenue bonds.

SUMMARY AND APPROVAL

DATE:	MARCH 28, 2013
APPLICANT:	PROVIDENT GROUP – POMONA PROPERTIES L.L.C.
AMOUNT:	UP TO \$45 MILLION OF TAX EXEMPT AND TAXABLE STUDENT HOUSING REVENUE BONDS
PURPOSE:	FINANCE THE ACQUISITION, CONSTRUCTION AND IMPROVEMENT OF CERTAIN UNIVERSITY HOUSING FACILITIES
PRIMARY ACTIVITY:	STUDENT HOUSING
LEGAL STRUCTURE:	501(C)(3) NONPROFIT CORPORATION

Background:

Provident Group – Pomona Properties L.L.C. (the “Borrower”) is a wholly owned subsidiary of Provident Resources Group Inc., a 501(c)(3) nonprofit corporation (“Provident”) that was founded in 1999. Provident’s serves its charitable missions by undertaking a broad range of services, activities and programs that seek to provide (1) quality acute and primary healthcare, (2) safe, compassionate and comfortable senior living facilities and services, (3) safe, comfortable and affordable housing while promoting the physical, emotional and mental health and social well-being of the individuals, families and communities Provident serves, (4) support for education at all levels and (5) assistance in lessening the burdens of state and local governments. Since 2000, Provident has acquired, developed and financed 14 private correctional facilities, 5,213 student housing beds, 2,640 affordable housing units and 3 senior assisted living facilities.

The Borrower’s application was originally submitted to CSCDA on May 15, 2012. CSCDA has issued bonds for Provident and its subsidiaries in the approximate amount of \$37 million over 2 prior transactions.

Project Description:

The Borrower requests that CSCDA issue up to \$45,000,000 in tax-exempt and taxable student housing revenue bonds (the “Bonds”) for the purpose of financing the acquisition, construction and improvement of student housing facilities located at Western University of Health Sciences (“Western University”) in Pomona, California (the “Project”). CSCDA previously authorized the issuance of the Bonds on June 7, 2012. Changes in the structure of the financing necessitated by the accounting treatment of the transaction as applied to Western University has caused a delay in the financing and the need for some restructuring.

Western University is a non-profit, private, graduate school for the health professions. Founded in 1977 as The College of Osteopathic Medicine of the Pacific, Western University is now one of the largest graduate schools for the health professions in California, serving more than 3,000 students and offering 21 degree programs within nine colleges. All of its health care programs have

professional accreditations and Western University is accredited by The Western Association of Schools and Colleges.

The Project will provide approximately 306 beds of graduate student housing exclusively for students, faculty and staff of Western University in a combination of studio, one-bedroom and two-bedroom units, as well as approximately 11,000 square feet of academic/administrative office space for Western University.

The Project will be constructed on a 1.88 acre site immediately adjacent to the Western University campus. The Borrower will acquire the Project site from the City of Pomona and will manage and operate the Project through a related management entity. The residential units will be leased exclusively to students, faculty and staff of Western University, as well as others participating in university-sponsored activities. Upon retirement of the Bonds, the Borrower will donate the Project site and improvements to Western University.

Agency Approvals:

On January 9, 2012, the City Council for the City of Pomona conducted a TEFRA hearing and unanimously approved the issuance of Bonds by CSCDA. Because of the time delays associated with the financing, a second TEFRA hearing was conducted by the City Council for the City of Pomona on January 14, 2013, at which the issuance of the Bonds by the CSCDA was unanimously approved for the second time.

Estimated Sources and Uses:

Sources:

Par Amount Series A Bonds	\$ 39,785,000	89.0%
Par Amount Series B Bonds	\$ 4,500,000	10.1%
Par Amount Series C Bonds	<u>\$ 395,000</u>	0.9%
Total Sources:	\$ 44,680,000	100%

Uses:

Total Hard Const. Costs	\$ 26,249,089	58.7%
Soft Costs	\$ 4,003,924	9.0%
Municipal Fees	\$ 5,064,602	11.3%
Other Development Costs	\$ 792,276	1.8%
Debt Service Reserve Fund	\$ 3,069,313	6.9%
Capitalized Interest	\$ 3,682,993	8.2%
Underwriter's Discount	\$ 553,563	1.2%
Cost of Issuance	\$ 1,260,000	2.8%
Rounding	\$ 4,240	0.0%
Total Uses:	\$ 44,680,000	100%

Finance Team:

- Bond Counsel: Jones Walker LLP, Baton Rouge, LA
- Authority Counsel: Orrick, Herrington & Sutcliffe, LLP, Sacramento, CA
- Placement Agent: Southwest Securities, Cardiff by the Sea, CA

Financing Structure:

The Bonds are expected to be sold in three separate series through a limited public offering. The fixed rate Senior Series A Bonds will mature in no more than thirty-one (31) years and will be privately placed with qualified institutional buyers. The fixed rate Subordinate Series B Bonds will be sold to accredited investors or qualified institutional buyers and will fully amortize over fifteen (15) years. The fixed rate Taxable Junior Subordinate Series C Bonds are being issued to pay for costs of issuance in excess of the 2% limit for qualified 501(c)(3) bonds. The total bond issuance is not to exceed \$45,000,000 and the Bonds will be sold in compliance with CSCDA's issuance policies.

Financing Approval:

Based on the overall finance related considerations and public benefit of the Project as detailed in Attachment 1, the Commission shall approve the Resolution as submitted to the Commission, which:

1. Approves the issuance of the Bonds;
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.

Attachment 1

Public Benefit:

In addition to advancing the educational mission of Western University, the Project provides immediate and long-term public benefits, including the following:

- Serving to further and advance the community revitalization and economic development efforts of the Redevelopment Agency of the City of Pomona.
- Increasing the availability of convenient, affordable and safe housing for students of Western University, a major economic driver to the City of Pomona and provider of primary health care services to approximately 15,000 patients annually.
- Strengthening the downtown residential base of the City of Pomona.
- Creation of approximately 150 temporary construction jobs.
- Conversion of 306 commuters into campus pedestrians reducing environmental impact and traffic congestion.
- Additional consumer base will assist downtown businesses with increased business and improved marketing opportunities for the downtown.
- Inclusion of an on-site storm water treatment system and low irrigation landscape will reduce impact to local storm water run-off and water usage.
- Incorporation of a pedestrian paseo, a component of the Project, will provide a safe pedestrian path while also improving the downtown attractiveness, thus supporting initiatives to create a pedestrian-friendly downtown.
- It is one of the more higher density projects in Pomona, thus reducing impact on urban sprawl, preservation of green space and impact on City services.
- Conversion of a surface parking lot into a vital economic engine furthering the City's redevelopment and economic development of the downtown.
- The Project is located within a half mile of major bus and commuter rail, potentially supporting mass transit.

Attachments:

1. Original application
2. City of Pomona TEFRA Resolution
3. June 7, 2012 Staff Report
4. Higher Education Policy



Building Communities, Investing in Local Government Since 1988

501(c)(3) Nonprofit Bond Application

APPLICANT INFORMATION

Application Number: **2012041**
Name of Borrower: **Provident Group - Pomona Properties L.L.C.**
Primary Contact: **Donovan Hicks**
Title: **Corporate General Counsel**
Street Address: **5565 Bankers Avenue** Suite: _____
City: **Baton Rouge** State: **LA** Zip Code: **70808**
Telephone Number: **(225) 766-3977**
Fax Number: **(225) 766-3988**
E-mail: **dohicks@provident.org**
Type of Entity: ☐ For-profit Corporation ☒ Non-profit Corporation
☐ Municipality ☐ Partnership
☐ Other (specify): _____
Date Organized: **12/09/2011**

PROJECT INFORMATION

Type of Project: ☐ Small Issue Public Benefit Project
Health Care: ☐ Continuing Care ☐ Clinic ☐ Hospital ☐ Assisted Living
☐ Skilled Nursing ☐ Other (specify): _____
Education: ☐ K-12 ☒ Colleges/Universities
Other: ☐ Museum/Cultural ☐ Other (specify): _____

Project/Facility Name: **Western University of Health Sciences Graduate Student Housing**
Street Address: **615 E. Third Street**
City: **Pomona** State: **CA** Zip Code: **91766**
County: **Los Angeles**

Is Project located in unincorporated part of the County? **No**

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:

Contact Name: **Raymond Fong**
Title: **Redevelopment Director, City of Pomona**
Phone Number: **(909) 620-2410**
Fax Number: **(909) 620-3703**
E-mail: **raymond_fong@ci.pomona.ca.us**



Building Communities, Investing in Local Government Since 1988

501(c)(3) Nonprofit Bond Application

FINANCING INFORMATION

Principal Amount: **\$42,065,000**
Tax-exempt Amount: **\$42,065,000**
Taxable Amount: **\$0**

Proposed Closing Date: **06/15/2012**

Maturity: **30 Years** Interest Rate Mode: ☒ Fixed ☒ Variable

Type of Offering: ☐ Public Offering ☒ Private Placement
Denominations: **TBD**

Type of Financing: ☐ Acquisition of Existing Facility ☒ New Construction
☐ Refunding

Credit Enhancement: ☒ None ☐ Letter of Credit
☐ FNMA(Fannie Mae) ☐ Freddie Mac
☐ Bond Insurance ☐ Other (specify): _____

Name of Credit Enhancement Provider or Private Placement Purchaser: **Wells Fargo**

Expected Rating: ☒ Unrated ☐ S & P _____
☐ Moody's _____ ☐ Fitch _____

PRINCIPAL FINANCE TEAM INFORMATION

UNDERWRITER/PLACEMENT AGENT

Firm: **Wells Fargo**

Contact: **Terri Wesolik**

Address: **707 Wilshire Boulevard, Suite 11th Floor
Los Angeles, CA 90017**

Telephone: **(213) 614-3327**

Fax: **(877) 302-0908**

E-mail: **terri.wesolik@wellsfargo.com**

BOND COUNSEL

Firm: **Jones Walker**

Contact: **Fred Chevalier**

Address: **8555 United Plaza Boulevard, Suite 500
Baton Rouge, LA 70809**

Telephone: **(225) 248-2046**

Fax: **(225) 248-3046**

E-mail: **fcchevalier@joneswalker.com**



Building Communities, Investing in Local Government Since 1988

501(c)(3) Nonprofit Bond Application

PRINCIPAL FINANCE TEAM INFORMATION (continued)

FINANCIAL ADVISOR	REBATE ANALYST
Firm: Becker Capital & Finance	Firm: TBD
Contact: Ken Becker	Contact:
Address: 100 Riversedge Drive, Suite 134 Atlanta, GA 30339	Address:
Telephone: (302) 740-6795	Telephone:
Fax: (770) 485-6759	Fax:
E-mail: kbecker@beckercof.com	E-mail:

ADDITIONAL INFORMATION REQUIRED

Please provide the following information as additional attachments:

<u>Attachment</u>	<u>Description of Information</u>
-------------------	-----------------------------------

- | | |
|---|---|
| A | \$5,000 non-refundable* issuance fee deposit payable to "California Communities." |
| B | Detailed Applicant History. |
| C | Description of project or each facility to be financed or refinanced. |
| D | Address of each facility to be financed or refinanced. |
| E | Evidence of credit enhancement or intent to purchase bonds. |
| F | List of outstanding tax-exempt debt. |
| G | Financial statements for last complete fiscal year. |
| H | Project Costs (Sources and Uses of Proceeds). |
| I | Interested Parties List. |

*Refundable only if financing not approved. Small Issue Program issuance fee deposit is \$2,500.

MAILING ADDRESS

California Communities®
2033 N. Main St., Suite 700
Walnut Creek, CA 94596

RESOLUTION NO. 2013-8

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF POMONA APPROVING THE ISSUANCE OF THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY REVENUE BONDS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$45,000,000 FOR THE PURPOSE OF FINANCING THE ACQUISITION, CONSTRUCTION, FURNISHING, EQUIPPING AND MAINTAINING OF STUDENT HOUSING AND RELATED FACILITIES FOR PROVIDENT GROUP – POMONA PROPERTIES L.L.C. AND OTHER MATTERS RELATING THERETO


WHEREAS, Provident Group – Pomona Properties L.L.C., a single member limited liability company (the “*Borrower*”) organized and existing under the laws of the State of Delaware, whose sole member is Provident Resources Group Inc., a nonprofit corporation duly organized and validly existing under the laws of the State of Georgia, wishes to finance the acquisition, construction, furnishing, equipping and maintaining of a student housing facility consisting of approximately 202 apartment style units containing approximately 306 beds, for lease exclusively to students, faculty and staff of the University, with related amenities (the “*Housing Space*”), and including approximately 11,000 square feet of academic/administrative space, for lease to the University (the “*Academic/Administrative Space*” and together with the Housing Space, the “*Facilities*”), which Facilities are to be located on certain unimproved real property (the “*Land*”) immediately adjacent to the campus of Western University of Health Sciences (the “*University*”), a private nonprofit corporation duly organized and existing under the laws of the State of California (the “*State*”);

WHEREAS, the Borrower has requested that the California Statewide Communities Development Authority (the “*Authority*”) issue its not to exceed \$45,000,000 Revenue Bonds (Provident Group – Pomona Properties L.L.C. Project), in one or more series, taxable or tax-exempt (the “*Bonds*”) for the purposes of: (i) financing the acquisition, construction, furnishing, equipping and maintaining of the Facilities, (ii) funding a debt service reserve fund, if necessary, (iii) funding a repair and replacement reserve fund, if necessary, (iv) funding an operating reserve fund, if necessary and (v) paying the costs of issuance of the Bonds (the “*Project*”);

WHEREAS, the Bonds will be secured solely by payments made by the Borrower pursuant to a Loan and Assignment Agreement by and between the Borrower and the Authority and will not be payable from any other revenues of the Authority, the State or the City of Pomona (the “*City*”) and will not constitute an indebtedness of the Authority, the State or the City within the meaning of any constitutional or statutory limitations of indebtedness;

WHEREAS, the Facilities to be constructed with the proceeds of the Bonds will be owned by the Borrower while the Bonds are outstanding and upon retirement of the Bonds, ownership of the Facilities will be transferred to the University;

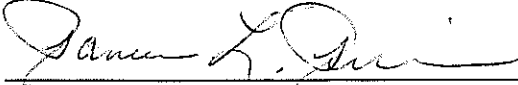
This document is a full, true and correct copy of the original on file in the Pomona City Clerks Office.

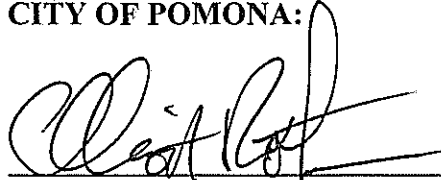
ATTEST: 
City of Pomona City Clerk
Resolution No. 2013-8
Pages 1-3.

APPROVED AND ADOPTED THIS 14th DAY OF JANUARY, 2013.


ATTEST:

CITY OF POMONA:


Pamela L. Perkins, Acting City Clerk


Elliott Rothman, Mayor

APPROVED AS TO FORM:


Arnold Alvarez-Glasman, City Attorney

STATE OF CALIFORNIA
COUNTY OF LOS ANGELES
CITY OF POMONA


I, the undersigned, PAMELA L. PERKINS, ACTING CITY CLERK of the City of Pomona, do hereby certify that the foregoing Resolution was duly adopted at a regular meeting of the City Council of the City of Pomona held on the 14th day of January, 2013 by the following vote:

AYES: COUNCILMEMBERS: Nolte, Rodriguez, Carrizosa, Lantz, Escobar, Martin

NOES: COUNCILMEMBERS: None

ABSENT: COUNCILMEMBERS: Rothman

ABSTAIN: COUNCILMEMBERS: None


Pamela L. Perkins, Acting City Clerk

SUMMARY AND APPROVAL

APPLICANT:	PROVIDENT GROUP – POMONA PROPERTIES L.L.C.
AMOUNT:	UP TO \$45 MILLION OF TAX EXEMPT STUDENT HOUSING REVENUE BONDS
PURPOSE:	FINANCE THE ACQUISITION, CONSTRUCTION AND IMPROVEMENT OF CERTAIN UNIVERSITY HOUSING FACILITIES
PRIMARY ACTIVITY:	STUDENT HOUSING
LEGAL STRUCTURE:	501(C)(3) NONPROFIT CORPORATION
REVIEW DATE:	JUNE 7, 2012

Background:

Provident Group – Pomona Properties L.L.C. (the “Borrower”) is a wholly owned subsidiary of Provident Resources Group Inc., a 501(c)(3) nonprofit corporation (“Provident”) that was founded in 1999. Provident’s serves its charitable missions by undertaking a broad range of services, activities and programs that seek to provide (1) quality acute and primary healthcare, (2) safe, compassionate and comfortable senior living facilities and services, (3) safe, comfortable and affordable housing while promoting the physical, emotional and mental health and social well-being of the individuals, families and communities Provident serves, (4) support for education at all levels and (5) assistance in lessening the burdens of state and local governments. Since 2000, Provident has acquired, developed and financed 14 private correctional facilities, 5,213 student housing beds, 2,640 affordable housing units and 3 senior assisted living facilities.

The Borrower’s application was submitted to CSCDA on May 15, 2012. CSCDA has issued bonds for Provident and its subsidiaries in the approximate amount of \$37 million over 2 prior transactions.

Project Description:

The Borrower requests that CSCDA issue up to \$45,000,000 in tax-exempt student housing revenue bonds for the purpose of financing the acquisition, construction and improvement of student housing facilities located at Western University of Health Sciences (“Western University”) in Pomona, California (the “Project”).

Western University is a non-profit, private, graduate school for the health professions. Founded in 1977 as The College of Osteopathic Medicine of the Pacific, Western University is now one of the largest graduate schools for the health professions in California, serving more than 3,000 students and offering 21 degree programs within nine colleges. All of its health care programs have professional accreditations and Western University is accredited by The Western Association of Schools and Colleges.

The Project will provide approximately 306 beds of graduate student housing exclusively for students, faculty and staff of Western University, as well as others participating in university-

sponsored activities in a combination of studio, one-bedroom and two-bedroom units, as well as approximately 11,000 square feet of academic/administrative office space for Western University.

The Project will be constructed on a 1.88 acre site immediately adjacent to the Western University campus. The Borrower will acquire the Project site from the City of Pomona and will then donate the Project site to Western University and retain a long-term interest in the site pursuant to the terms of a Ground Lease. The residential units will be leased exclusively to students, faculty and staff of Western University, as well as others participating in university-sponsored activities. Upon retirement of the Bonds, the Ground Lease will terminate and the Project improvements will become the property of Western University.

Agency Approvals:

On January 9, 2012, the City Council for the City of Pomona conducted a TEFRA hearing and unanimously approved the issuance of Bonds by CSCDA.

Estimated Sources and Uses:

Sources:

Par Amount Series A Bonds	\$ 35,185,000	83.6%
Par Amount Series B Bonds	<u>\$ 6,880,000</u>	16.4%
Total Sources:	\$ 42,065,000	100%

Uses:

Soft Costs	\$ 4,556,620	10.8%
Off-Site/On-Site Work	\$ 1,758,374	4.1%
Construction Costs	\$ 23,061,111	54.8%
Municipal Fees	\$ 5,731,942	13.6%
Debt Service Reserve Fund	\$ 3,438,000	8.1%
Project Contingency	\$ 873,358	2.0%
Capitalized Interest	\$ 1,703,074	4.0%
Cost of Issuance	\$ 937,600	2.2%
Rounding	\$ 4,921	0.1%
Total Uses:	\$ 42,065,000	100%

Finance Team:

- Bond Counsel: Jones Walker, LLP, Baton Rouge, LA
- Authority Counsel: Orrick, Herrington & Sutcliffe, LLP, Sacramento, CA
- Series A Bond Purchaser: Wells Fargo Municipal Capital Strategies, LLC, San Francisco, CA
- Series B Placement Agent: Southwest Securities, Cardiff by the Sea, CA

Financing Structure:

The variable rate Senior Series A Bonds will mature in no more than thirty years and will be privately placed with Wells Fargo Bank. The fixed rate Subordinate Series B Bonds will be sold to qualified institutional buyers as part of a limited public offering. The Subordinate Series B Bonds will bear interest at a fixed rate of approximately 6.25% and will fully amortize over eleven (11) years. The total bond issuance is not to exceed \$45,000,000 and the Bonds will be sold in compliance with CSCDA's issuance policies.

Financing Approval:

Based on the overall finance related considerations and public benefit of the Project as detailed in Attachment 1, the Commission shall approve the Resolution as submitted to the Commission, which:

1. Approves the issuance of the Bonds;
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.

Attachment 1

Public Benefit:

In addition to advancing the educational mission of Western University, the Project provides immediate and long-term public benefits, including the following:

- Serving to further and advance the community revitalization and economic development efforts of the Redevelopment Agency of the City of Pomona.
- Increasing the availability of convenient, affordable and safe housing for students of Western University, a major economic driver to the City of Pomona and provider of primary health care services to approximately 15,000 patients annually.
- Strengthening the downtown residential base of the City of Pomona.
- Creation of approximately 150 temporary construction jobs.
- Conversion of 306 commuters into campus pedestrians reducing environmental impact and traffic congestion.
- Additional consumer base will assist downtown businesses with increased business and improved marketing opportunities for the downtown.
- Inclusion of an on-site storm water treatment system and low irrigation landscape will reduce impact to local storm water run-off and water usage.
- Incorporation of a pedestrian paseo, a component of the Project, will provide a safe pedestrian path while also improving the downtown attractiveness, thus supporting initiatives to create a pedestrian-friendly downtown.
- It is one of the more higher density projects in Pomona, thus reducing impact on urban sprawl, preservation of green space and impact on City services.
- Conversion of a surface parking lot into a vital economic engine furthering the City's redevelopment and economic development of the downtown.
- The Project is located within a half mile of major bus and commuter rail, potentially supporting mass transit.

Attachments:

1. Original application
2. City of Pomona TEFRA Resolution

CSCDA Higher Education Policy

It is the policy of the California Statewide Communities Development Authority (the "Authority") to consider favorably the issuance of bonds, notes or other evidences of indebtedness (the "Bonds") for the financing or refinancing of higher educational facilities to be utilized by a non-profit organization (the "Applicant") provided that the Applicant does not discriminate on the basis of a student or teacher's national or ethnic origin, disability, race, creed, color, sexual preference or religion in the administration of its admission or hiring policies. Additionally, per the CSCDA General Guidelines the Applicant must demonstrate that the community will receive a public benefit as a result of the financing or refinancing of the Applicant's facilities.

The requirements as listed above will apply to the financing or refinancing of facilities that will be used for higher educational facilities. The Authority will consider each request for approval of projects not adhering to the Authority's requirements as described above on a case-by-case basis.

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

Effective Date: June 6, 2012

Item 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:

- b. Lancer Plaza, LLC (California Baptist University), City of Riverside, County of Riverside; up to \$50,000,000 in 501(c)(3) non-profit revenue bonds.

SUMMARY AND APPROVALS

DATE:	MARCH 28, 2013
APPLICANT:	LANCER PLAZA, LLC / CALIFORNIA BAPTIST UNIVERSITY
AMOUNT:	UP TO \$50 MILLION OF TAX-EXEMPT AND TAXABLE NONPROFIT BONDS
PURPOSE:	FINANCE THE ACQUISITION, IMPROVEMENT AND EQUIPPING OF EDUCATIONAL FACILITIES
PRIMARY ACTIVITY:	HIGHER EDUCATION
LEGAL STRUCTURE:	501(C)(3) CORPORATION

Background:

Lancer Plaza, LLC (“Lancer”), the borrower, was formed for the purpose of receiving, holding, and administering student activities and student services related property for the direct benefit of California Baptist University (the “University”). Lancer Educational Housing Corporation, the sole member of Lancer, was determined a 501(c)(3) by the IRS on November 9, 2007.

The University is a California non-profit corporation located in Riverside, California, and was created to conduct a private, accredited Christian university offering liberal arts undergraduate and graduate degrees.

Lancer leases the facilities to the University for the benefit of its students, faculty, and staff.

Lancer is seeking up to \$50 million in tax-exempt & taxable nonprofit bonds (the “Bonds”) to finance the costs of the acquisition of a leasehold interest in a complex of facilities located adjacent to the main campus of the University as part of a development formerly known as Adams Plaza. The Plaza is located on an 11.2 acre parcel adjacent to the eastern corner of the University’s main campus and is a former shopping complex.

Lancer will use the proceeds of the Series 2013 Bonds to make improvements to a portion of Adams Plaza known as “Adams Plaza North”. The renovations to the North Plaza will allow certain auxiliary services of the University to be housed there, including the campus store, student activities, student government, and the campus post office.

The Borrower’s application was submitted to CSCDA on January 31, 2013. This is the Borrower’s first financing with CSCDA. However, we have issued bonds for two California Baptist University projects totaling \$113 Million.

Financing Approval:

Based on the overall Project public benefit and finance related considerations detailed on Attachment 1 and CSCDA's issuance guidelines, the Commission shall approve the Resolution as submitted to the Commission, which:

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

Attachment 1

Benefits:

- Lancer Plaza, LLC was formed for the sole benefit of California Baptist University. All excess funds, generated by the LLC, are used for either the direct benefit of the University via charitable gifts or indirectly through financial assistance for students (housing assistance) or improvements to the student services / activities facilities.
- California Baptist University provides financial assistance to approximately 90% of its enrolled undergraduate students. Approximately 75% of students receive more than \$3,000 in financial aid.
- California Baptist University is known for its commitment to community outreach. The University strives to provide students, faculty, and staff with opportunities to expand their global vision and gain hands-on ministry experience in a cross-cultural setting. Students, faculty, and staff are involved in University sponsored programs and events, church ministries, and community service organizations in the Riverside area, the Inland Empire, across the State of California, and around the world.
- California Baptist University does not discriminate on the basis of national or ethnic origin, disability, race, creed, color, sexual preference or religion in the administration of its admission policies.

TEFRA Information:

A TEFRA hearing was held by the City of Riverside on February 26, 2013 and unanimously approved by the City Council.

Finance Team:

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

Financing Structure:

The Series 2013 Bonds will be structured as fixed rate debt and will be sold as unrated bonds. There will be a tax-exempt Series 2013A and taxable Series 2013B. The purpose of Series 2013B will be to fund costs of issuance. The Series 2013A Bonds will be structured with an initial 1-year interest-only period, followed by a 30-year principal amortization schedule with a final maturity of November 1, 2043. The Series 2013B Bonds will all amortize on November 1, 2014. True interest cost of the Bonds will be 4%. The Bonds will be offered in \$100,000 denominations and sold only to Qualified

Institutional Buyers in a limited public offering. Each initial purchaser will be required to sign an investor letter. This financing will comply with the authorities policies for unrated bonds.

Estimated Sources and Uses:

Sources:

Series 2013 A Bonds	\$ 49,000,000
Series 2013 B Bonds - Taxable	<u>\$ 1,000,000</u>
Total Sources:	\$ 50,000,000

Uses:

Deposit to Project Fund	\$ 43,500,000
Debt Service Reserve Fund	\$ 4,100,000
Cost of Issuance	<u>\$ 2,400,000</u>
Total Uses:	\$ 50,000,000

Attachments:

1. Original application
2. City of Riverside TEFRA Resolution
3. Higher Education Policy



Building Communities, Investing in Local Government Since 1988

501(c)(3) Nonprofit Bond Application

APPLICANT INFORMATION

Application Number: **2013029**
Name of Borrower: **Lancer Plaza LLC**
Primary Contact: **Calvin Sparkman**
Title: **Director of Financial Services**
Street Address: **8432 Magnolia Avenue** Suite: _____
City: **Riverside** State: **CA** Zip Code: **92504-3297**
Telephone Number: **(951) 343-4356**
Fax Number: **(951) 343-4568**
E-mail: **boucher@gkbaum.com**
Type of Entity: ☐ For-profit Corporation ☒ Non-profit Corporation
☐ Municipality ☐ Partnership
☐ Other (specify): _____
Date Organized: **09/18/1950**

PROJECT INFORMATION

Type of Project: ☐ Small Issue Public Benefit Project
Health Care: ☐ Continuing Care ☐ Clinic ☐ Hospital ☐ Assisted Living
☐ Skilled Nursing ☐ Other (specify): _____
Education: ☐ K-12 ☒ Colleges/Universities
Other: ☐ Museum/Cultural ☐ Other (specify): _____

Project/Facility Name: **Lancer Plaza North**
Street Address: **3520 - 3590 Adams Street**
City: **Riverside** State: **CA** Zip Code: **92504**
County: **Riverside**

Is Project located in unincorporated part of the County? **No**

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:

Contact Name: **Brent Mason**
Title: **Finance Director, City of Riverside**
Phone Number: **(951) 826-6550**
Fax Number: _____
E-mail: **bmason@riversideca.gov**



Building Communities, Investing in Local Government Since 1988

501(c)(3) Nonprofit Bond Application

FINANCING INFORMATION

Principal Amount: **\$50,000,000**
Tax-exempt Amount: **\$49,000,000**
Taxable Amount: **\$1,000,000**

Proposed Closing Date: **04/25/2013**

Maturity: **30 Years** Interest Rate Mode: ☒ Fixed ☐ Variable

Type of Offering: ☒ Public Offering ☐ Private Placement
Denominations: **\$100,000**

Type of Financing: ☒ Acquisition of Existing Facility ☐ New Construction
☐ Refunding

Credit Enhancement: ☒ None ☐ Letter of Credit
☐ FNMA(Fannie Mae) ☐ Freddie Mac
☐ Bond Insurance ☐ Other (specify): _____

Name of Credit Enhancement Provider or Private Placement Purchaser: **N/A**

Expected Rating: ☒ Unrated ☐ S & P _____
☐ Moody's _____ ☐ Fitch _____

PRINCIPAL FINANCE TEAM INFORMATION

UNDERWRITER/PLACEMENT AGENT

Firm: **George K. Baum & Company**

Contact: **Trinidad Rodriguez**

Address: **1400 Wewatta Street, Suite 800
Denver, CO 80202**

Telephone: **(303) 391-5631**

Fax: **(303) 391-5431**

E-mail: **rodriguez@gkbaum.com**

BOND COUNSEL

Firm: **Orrick Herrington & Sutcliffe LLP**

Contact: **Kevin Hale**

Address: **777 South Figueroa Street, Suite 3200
Los Angeles, CA 90017**

Telephone: **(213) 612-2356**

Fax: **(213) 612-2499**

E-mail: **khale@orrick.com**



Building Communities, Investing in Local Government Since 1988

501(c)(3) Nonprofit Bond Application

PRINCIPAL FINANCE TEAM INFORMATION (continued)

FINANCIAL ADVISOR	REBATE ANALYST
Firm: N/A	Firm: TBD
Contact:	Contact:
Address:	Address:
Telephone:	Telephone:
Fax:	Fax:
E-mail:	E-mail:

ADDITIONAL INFORMATION REQUIRED

Please provide the following information as additional attachments:

<u>Attachment</u>	<u>Description of Information</u>
-------------------	-----------------------------------

- | | |
|---|---|
| A | \$5,000 non-refundable* issuance fee deposit payable to "California Communities." |
| B | Detailed Applicant History. |
| C | Description of project or each facility to be financed or refinanced. |
| D | Address of each facility to be financed or refinanced. |
| E | Evidence of credit enhancement or intent to purchase bonds. |
| F | List of outstanding tax-exempt debt. |
| G | Financial statements for last complete fiscal year. |
| H | Project Costs (Sources and Uses of Proceeds). |
| I | Interested Parties List. |

*Refundable only if financing not approved. Small Issue Program issuance fee deposit is \$2,500.

MAILING ADDRESS

California Communities®
2999 Oak Road, Suite 710
Walnut Creek, CA 94597

RESOLUTION NO. 22501

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RIVERSIDE, CALIFORNIA APPROVING THE ISSUANCE OF CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY REVENUE BONDS (LANCER PLAZA NORTH) SERIES 2013 FOR THE PURPOSE OF FINANCING AND/OR REFINANCING THE COSTS OF ACQUISITION, RENOVATION, IMPROVEMENT, FURNISHING AND EQUIPPING OF CERTAIN EDUCATIONAL AND RELATED CAMPUS FACILITIES AND CERTAIN OTHER MATTERS RELATING THERETO.

WHEREAS, the California Statewide Communities Development Authority (the "Authority") is authorized pursuant to Title 1, Division 7, Chapter 5 of the Government Code of the State of California and the terms of an Amended and Restated Joint Exercise of Powers Agreement, dated as of June 1, 1988 (the "Agreement"), among certain local agencies throughout the State of California, including the City of Riverside, California (the "City"), to issue revenue bonds and other forms of indebtedness to promote economic development within the State of California; and

WHEREAS, Lancer Plaza, LLC (the "Borrower"), a disregarded entity of Lancer Educational Housing Corporation, an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986 (the "Code"), has requested that the Authority issue revenue bonds in one or more series in a maximum aggregate principal amount of \$50,000,000 (the "Bonds") to finance the costs of the acquisition of a leasehold interest in a complex of facilities located adjacent to the main campus of California Baptist University as part of a development known as "Lancer Plaza" and to finance and refinance the costs of the renovation, improvement, furnishing and equipping of Lancer Plaza and other related and appurtenant facilities and infrastructure improvements (collectively, the "Project"), which will be owned by the Borrower, operated by California Baptist University and located in the City; and

WHEREAS, pursuant to Section 147(f) of the Code, the issuance of the Bonds by the Authority must be approved by the City because the Project is to be located within the territorial limits of the City; and

WHEREAS, the City Council of the City (the "City Council") is the elected legislative body of the City and is one of the applicable elected representatives required to approve the issuance of the Bonds under Section 147(f) of the Code; and

WHEREAS, the Authority has requested that the City Council approve the issuance of the Bonds by the Authority for the purposes of financing the Project in order to satisfy the public approval requirement of Section 147(f) of the Code and the requirements of Section 9 of the Amended and Restated Joint Exercise of Powers Agreement, dated as of June 1, 1988 (the "Agreement"), among certain local agencies, including the City; and

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

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

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

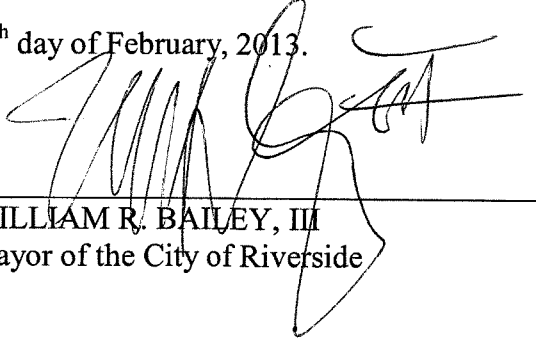
WHEREAS, it is intended that this resolution shall constitute the approval of the issuance of the Bonds and the Project required by Section 147(f) of the Code and Section 9 of the Agreement, as applicable.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF RIVERSIDE, as follows:

1. The City Council hereby approves the issuance of the Bonds by the Authority and the Project to be financed thereby. This approval is solely for the purposes of Section 147(f) of the Code and Section 9 of the Agreement. The City shall not have any liability or responsibility for issuance of the Bonds or payment of principal or interest on the Bonds, the Bonds shall not constitute an obligation or indebtedness of the City and the assets and revenues of the City are not being pledged as security for the payment of principal or interest on the Bonds.

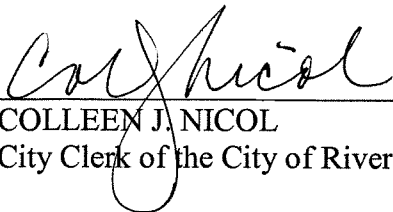
2. This resolution shall take effect immediately upon its adoption.

ADOPTED by the City Council this 26th day of February, 2013.



WILLIAM R. BAILEY, III
Mayor of the City of Riverside

ATTEST:



COLLEEN J. NICOL
City Clerk of the City of Riverside

I, Colleen J. Nicol, City Clerk of the City of Riverside, California, hereby certify that the foregoing resolution was duly adopted at a meeting of the City Council of said City at its meeting held on the 26th day of February, 2013, by the following vote, to wit:


Ayes: Councilmembers Gardner, Melendrez, Gutierrez, Davis, Mac Arthur,
Hart, and Adams

Noes: None

Absent: None

Disqualified: None

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the City of Riverside, California this 4th day of March, 2013.



COLLEEN J. NICOL
City Clerk of the City of Riverside

CSCDA Higher Education Policy

It is the policy of the California Statewide Communities Development Authority (the "Authority") to consider favorably the issuance of bonds, notes or other evidences of indebtedness (the "Bonds") for the financing or refinancing of higher educational facilities to be utilized by a non-profit organization (the "Applicant") provided that the Applicant does not discriminate on the basis of a student or teacher's national or ethnic origin, disability, race, creed, color, sexual preference or religion in the administration of its admission or hiring policies. Additionally, per the CSCDA General Guidelines the Applicant must demonstrate that the community will receive a public benefit as a result of the financing or refinancing of the Applicant's facilities.

The requirements as listed above will apply to the financing or refinancing of facilities that will be used for higher educational facilities. The Authority will consider each request for approval of projects not adhering to the Authority's requirements as described above on a case-by-case basis.

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

Effective Date: June 6, 2012

Item 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:

- c. Community Facilities District No. 2012-02 (Manteca Lifestyle Center), City of Manteca, County of San Joaquin; up to \$7,000,000 in Special Tax Bonds.

SUMMARY AND APPROVALS

PROJECT: MANTECA LIFESTYLE CENTER – CITY OF MANTECA
AMOUNT: UP TO \$7,000,000 OF COMMUNITY FACILITIES DISTRICT BONDS
PRIMARY ACTIVITY: FINANCING PUBLIC IMPROVEMENTS AND IMPACT FEES

Background:

- October 16, 2012 the City of Manteca gave its consent to CSCDA to act as the issuer for the bonds associated with the Manteca Lifestyle Center. The City of Manteca does not want to dedicate staff time to the financing, but views this as a project that will bring significant economic benefit to the City.
- November 8, 2012 the CSCDA Commission (the “Commission”) adopted the resolution of intention and set the public hearing for the formation of the of the community facilities district.
- December 20, 2012, the Commission adopted a resolution establishing the Manteca Lifestyle Center District (the “District”). At the special election held on the same date, the owners of the property within the boundaries of each improvement area of the District authorized CSCDA to incur a bonded indebtedness and approved a rate and method of apportioning the Special Tax to pay the principal of and interest on the bonds.

Discussion:

The Commission is being requested to authorize the sale of an amount not to exceed \$7,000,000 for Community Facilities District No. 2012-2 (Manteca Lifestyle Bonds).

Taxable parcels within the District consist of approximately 19 acres of developed commercial property. The project is owned by Manteca Lifestyles, LLC which is a 50/50 joint venture between Prudential Insurance Company and Poag & Ewan Lifestyles Center. Poag & Ewan (the “Developer”) owns nearly 4.3 million square feet of similar lifestyle center property in six states. To date, approximately 392,000 square feet of gross leasable space has been completed of a total of 746,000 square feet. Of this, 100,319 square feet of leasable office space is subject to the special tax for the Phase I bonds. Certain of the properties which are part of the project are either outside the boundaries of the district (JC Penneys and Hampton Inn and Suites) or are within the boundaries of the District (the Bass Pro Shop), but will not be subject to the tax, as they have prepaid their obligation.

Of the remaining property to be developed, the Developer expects an additional 120,000 square feet of commercial space to be developed and be subject to the special tax, which suggests additional bonds of approximately \$7,000,000 may be issued in the future. Only developed property within the District can become subject to the special tax. The Developer is still awaiting approval of a Joint Facilities Funding Agreement from the San Joaquin Irrigation District (“SJID” before improvement or fees related to SJID can be issues. The current series of bonds does not include any fees or improvements related to SJID.

Approvals:

Based upon the Financing meeting the policies of this Commission and at the request of the City of Manteca it is hereby submitted to:

1. Approve all necessary actions and documents;
2. Authorize any member of the Commission or Authorized Signatory to sign all necessary documents

Attachment 1

Sources and Uses:

Sources:		
Bond Proceeds:		
	Par Amount	\$6,415,000.00
	Original Issue Discount	-159,009.85
		6,255,990.15
Uses:		
Other Fund Deposits:		
	Reserve Fund	556,008.41
	Capitalized Interest Fund	104,330.96
Delivery Date Expenses:		
	Cost of Issuance	191,037.50
	Underwriter's Discount	160,375.00
Other Uses of Funds:		
	Project Fund	5,244,238.28
		7,000,000

Finance Team:

Bond Counsel:	Orrick, Herrington & Sutcliffe, San Francisco, CA
Authority Counsel:	Orrick, Herrington & Sutcliffe, Sacramento, CA
Underwriter:	RBC Capital Markets, San Francisco, CA
Special Tax Consultant:	Goodwin Consulting Group, Sacramento, CA

RESOLUTION NO. 13R-_____

A RESOLUTION APPROVING THE ISSUANCE OF THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY COMMUNITY FACILITIES DISTRICT NO. 2012-02 (MANTECA LIFESTYLE CENTER) SPECIAL TAX BONDS, SERIES 2013A; AUTHORIZING THE EXECUTION AND DELIVERY OF AN INDENTURE PROVIDING FOR THE ISSUANCE OF SUCH BONDS; APPROVING A BOND PURCHASE CONTRACT PROVIDING FOR THE SALE OF SUCH BONDS; APPROVING AN OFFICIAL STATEMENT; APPROVING A CONTINUING DISCLOSURE CERTIFICATE; AUTHORIZING THE SALE OF SUCH BONDS; AND AUTHORIZING RELATED ACTIONS AND THE EXECUTION OF RELATED DOCUMENTS IN CONNECTION WITH THE ISSUANCE, SALE AND DELIVERY OF SUCH BONDS

WHEREAS, the Commission (the “Commission”) of the California Statewide Communities Development Authority (the “Authority”) has determined to issue not to exceed \$[PRINCIPAL AMOUNT] principal amount of its California Statewide Communities Development Authority Community Facilities District No. 2012-02 (Manteca Lifestyle Center) Special Tax Bonds, Series 2013A (the “Bonds”) pursuant to the Mello-Roos Community Facilities Act of 1982, as amended (being Sections 53311 et seq. of the Government Code of the State of California) and all laws amending thereof or supplemental thereto (the “Act”); and

WHEREAS, there has been made available to the Commissioners of the Authority a form of the Indenture (the “Indenture”) providing for the issuance of the Bonds; and

WHEREAS, the Commission has carefully considered the terms and conditions of the Indenture; and

WHEREAS, RBC Capital Markets, LLC (the “Underwriter”) has proposed to submit an offer to purchase the Bonds pursuant to a Bond Purchase Contract (the “Purchase Contract”) in substantially the form made available to the Commissioners of the Authority; and

WHEREAS, the Commission has considered carefully the terms and conditions of the Purchase Contract, and has determined that a private sale of the Bonds to the Underwriter in accordance with the Purchase Contract would result in a lower overall cost to the Authority; and

WHEREAS, the Authority has caused to be prepared an Official Statement in preliminary form relating to the Bonds (the “Preliminary Official Statement”), a copy of which has been made available to the Commissioners; and

WHEREAS, the Authority has caused to be prepared a Continuing Disclosure Certificate (the “Continuing Disclosure Certificate”) for the purpose of making undertakings to provide

certain annual financial information and notice of listed events as required by Securities Exchange Commission Rule 15c2-12(b)(5);

WHEREAS, the Commission has determined that the value of the real property within the California Statewide Communities Development Authority Community Facilities District No. 2012-02 (Manteca Lifestyle Center), City of Manteca, County of San Joaquin, State of California (the “Community Facilities District”) that will be subject to the levy of a special tax pursuant to the Act to pay debt service on the Bonds (based upon the full cash value of such real property as shown on the ad valorem assessment roll) is at least four (4) times the sum of (i) the principal amount of the Bonds, plus (ii) the principal amount of all other bonds outstanding that are secured by a special tax levied pursuant to the Act on property within the Community Facilities District, plus (iii) the principal amount of all other bonds outstanding that are secured by special assessments levied on property within the Community Facilities District, and accordingly the limitations of Section 53345.8(a) of the Government Code of the State of California have been duly satisfied; and

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

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

Section 2. Pursuant to the Act and the Indenture, the Authority is hereby authorized to issue its special tax bonds designated as the “California Statewide Communities Development Authority Community Facilities District No. 2012-02 (Manteca Lifestyle Center) Special Tax Bonds, Series 2013A” in an aggregate principal amount not to exceed [amount in words] dollars (\$[PRINCIPAL AMOUNT]). The Bonds shall be issued and secured in accordance with the terms of, and shall be in the form or forms set forth in, the Indenture as made available to the Commissioners. The Bonds shall be executed on behalf of the Authority by the manual or facsimile signature of the Chair of the Authority or the manual signature of any member of the Commission of the Authority or their administrative delegates duly authorized pursuant to Resolution No. 12R-32 of the Authority, adopted on December 20, 2012 (each, an “Authorized Signatory”), and attested by the manual or facsimile signature of the Secretary of the Authority or the Assistant to the Secretary of the Authority or the manual signature of any Authorized Signatory.

Section 3. The Indenture providing for the issuance of the Bonds, in substantially the form made available to the Commissioners, is hereby approved for execution by the Authority, and any member of the Commission of the Authority or any Authorized Signatory, is hereby authorized and directed, for and on behalf of the Authority to execute the Indenture in substantially said form, with such changes or additions 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 of the Indenture. The dated date, maturity date or dates, interest rate or rates, interest payment dates, denominations, forms, registration privileges, manner of execution, place or places of payment, terms of redemption and other terms of the Bonds shall be as provided in the Indenture, as finally executed.

Section 4. The Purchase Contract providing for the sale of the Bonds, in substantially the form made available to the Commissioners, is hereby approved for execution by the Authority, and any Authorized Signatory is hereby authorized and directed to execute the Purchase Contract in substantially said form, with such changes or additions thereto 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 of the Purchase Contract, and the Secretary is hereby authorized and directed to deliver the Purchase Contract; provided, that, the true interest cost on the Bonds shall not exceed []%, the underwriters discount shall not exceed []% of the aggregate principal amount of the Bonds, and the final maturity of the Bonds shall not be later than September 1, 20[].

Section 5. The Preliminary Official Statement, in substantially the form made available to the Commissioners, is hereby approved, and any Authorized Signatory is hereby authorized and directed to certify to the Underwriter that the Preliminary Official Statement is deemed to be final as of its date, except for certain final pricing and related information permitted to be omitted in accordance with Rule 15c2-12 of the Securities Exchange Commission, and the Underwriter is hereby authorized and directed to distribute or cause the distribution of copies of the Preliminary Official Statement to prospective purchasers of the Bonds, and any Authorized Signatory is hereby authorized to execute and deliver an Official Statement in final form (the "Final Official Statement") relating to the Bonds in substantially the form of the Preliminary Official Statement, which Final Official Statement shall include final pricing and related information and other changes, as any member of the Commission with the advice of counsel to the Authority may approve, such approval to be conclusively evidenced by such execution and delivery of the Final Official Statement, and the Underwriter is hereby authorized and directed to distribute or cause the distribution of copies of the Final Official Statement to all purchasers of the Bonds.

Section 6. The form and substance of the Continuing Disclosure Certificate is hereby approved. Any Authorized Signatory is hereby authorized and directed to execute and deliver the Continuing Disclosure Certificate in substantially the form made available to the Commissioners, with such changes or additions, as any member of the Commission with the advice of counsel to the Authority may approve, such approval to be conclusively evidenced by such execution and delivery.

Section 7. The Chair, Vice Chair, Secretary, Treasurer, any other members of the Commission and other appropriate officers and agents of the Authority, including the Authorized Signatories are hereby authorized and directed, jointly and severally, to do all things and to execute and deliver all documents, certificates and contracts they deem necessary or advisable for consummating the sale, execution, and delivery of the Bonds and otherwise to carry out, give effect to, and comply with the terms and intent of this resolution, the Indenture, the Bonds, the Purchase Contract, the Continuing Disclosure Certificate, the Preliminary Official Statement, and the Official Statement. All such actions previously taken by the Authorized Signatories are hereby ratified, confirmed, and approved.

Section 8. This resolution shall take effect from and after its passage and adoption.

PASSED AND ADOPTED by the California Statewide Communities Development Authority this [] day of [], 2013.

I, the undersigned, a duly appointed and qualified Authorized Signatory of the Commission of the California Statewide Communities Development Authority, DO HEREBY CERTIFY that the foregoing resolution was duly adopted by the Commission of said Authority at a duly called meeting of the Commission of said Authority held in accordance with law on [] [], 2013.

By: _____

Authorized Signatory
California Statewide Communities
Development Authority

Item VI

Discuss and Approve form of CSCDA Issuer Counsel and Auditor request for proposals.

SUMMARY AND APPROVALS

PURPOSE: DISCUSS AND APPROVE FORM OF ISSUER COUNSEL AND AUDITOR REQUEST FOR PROPOSALS

Background:

At the February 21, 2013 CSCDA meeting the Commission directed staff to draft request for proposals (RFPs) for issuer counsel and audit services to be presented at the March 28, 2013 meeting. Attached are draft forms for both issuer counsel and audit services for review and comment by the Commission.

Discussion:

Staff is recommending releasing the RFP's on Friday, March 30, 2013. The RFPs will be posted on the CSCDA website and emailed directly to legal and accounting firms with expertise in these respective areas. The proposals would be due on April 13, 2013 with potential interviews at the end of April.

Staff recommends the initial ad hoc committee established for professional services of Larry Combs, Kevin O'Rourke and Ron Holly be appointed as the review/interview team for the RFPs.

Approvals:

1. Approval of the form and content of the issuer counsel and auditor request for proposals;
2. Approval of Larry Combs, Kevin O'Rourke and Ron Holly serve and the review/interview team for the request for proposals.

AUDITOR REQUEST FOR PROPOSAL

The California Statewide Communities Development Authority (CSCDA) invites qualified firms or individuals to submit proposals for Audit Services as described in the scope of work set forth below in this request for proposals (RFP).

Background

CSCDA is a joint powers authority sponsored by the League of California Cities ("League") and the California State Association of Counties ("CSAC"). CSCDA was created by the League and CSAC in 1988 to enable local government and eligible private entities access to low-cost, tax-exempt financing for projects that provide a tangible public benefit, contribute to social and economic growth and improve the overall quality of life in local communities throughout California. CSCDA has issued more than \$48 billion through 1,330 financings since 1988 and consistently ranks in the top 10 of more than 3,000 nationwide public issuers of tax-exempt debt, as measured by annual issuance amount.

CSCDA meetings are typically the first and third Wednesday of each month, and are held at the offices of CSAC or the League in Sacramento. The CSCDA Commission consists of current and former employees of city and county governments.

More information can be found on the CSCDA website: www.cacommunities.org

RFP Contact

Questions regarding the RFP should be directed to:

James Hamill
Program Manager
CSCDA
(25) 933-9229 ext 216
jhamill@cacommunities.org

Proposal Due Dates

One original and 5 copies of the proposal must be **received** by CSCDA no later than **Noon (12:00 p.m.) on Friday, April 13, 2013**. Proposals are to be sent to:

James Hamill
Program Manager
CSCDA
2999 Oak Road, Suite 710
Walnut Creek, CA 94597

Facsimile proposals will not be accepted.

Additionally, please **email an electronic copy** of your proposal to James Hamill at jhamill@cacommunities.org by Noon (12:00 p.m.) on **Friday, April 13, 2013**.

Proposals received after Noon (12:00 p.m.) on **April 13, 2013** will be disqualified.

Incurred Costs

CSCDA is not liable for any costs incurred by a proposer in the preparation and/or presentation of the proposal.

Independent Contractor

The Auditor will be an independent contractor. All persons employed by a firm in accordance with a contract resulting from this RFP will be employees of the firm and not CSCDA.

AUDIT SERVICE REQUIREMENTS

SCOPE OF WORK

Services to Be Provided

The Auditor is appointed by and reports to the Commission and is responsible for providing annual audit services and other related matters.

The following are the primary responsibilities for the audit services CSCDA will require in an Auditor:

- Review documents submitted by bond counsel for transactions to ensure indemnifications and protections of CSCDA are included in each transaction.
- Attend Commission meetings by phone or in person unless excused by the Commission. Attend other meetings as assigned by the CSCDA program managers.
- Provide updates on new State or Federal legislation or judicial decisions impacting the Commission or transactions completed by CSCDA, and suggested action or changes in operations or procedures to assure compliance.

PROPOSAL FORM AND CONTENT

Proposal Submittal

The proposal shall not exceed ten (10) pages in length. Resumes and licenses shall not count against this page limit. The proposal must be organized in accordance with the list of proposal contents.

Proposal Form and Content

Proposers must include the following items in their proposals addressing the scope of work. All items must fall within the maximum page count. Proposals and cost schedule shall be valid and binding for ninety (90) days following the proposal due date and will become part of the contract that is negotiated with CSCDA.

A. Letter of Transmittal

Include a cover letter signed by a duly authorized representative of the firm. The cover letter must include name, address, telephone number and e-mail address of the proposer submitting the proposal. In addition, the name, title, address, telephone number, fax number and e-mail address of the person or persons to contact whom are authorized to

represent the proposer and to whom correspondence should be directed should also be included. Additionally, the cover letter must include the following table containing the requested information:

Name of proposed relationship manager

Office address for auditor

Annual Audit Preparation Fees

Hourly rates for services

Areas of expertise within your firm

References (name, municipality, phone, email)

- 1.
- 2.
- 3.

B. Approach to Audit Services and Background

Provide a response to each of the following items:

1. Describe your view of the role of the Auditor.
2. Describe how you track and manage audit costs so that CSCDA audit costs are held to a minimum. Please provide an example.
3. Describe your firm's background and history; include number of years in business.
4. Describe your firm's municipal, joint powers authority and bond financing audit services training, experience.
5. Location of office(s) that would serve CSCDA.

C. Proposed Auditor(s)

Name the person whom you propose to designate as the Auditor(s). Provide the following for each:

1. Certificates or licenses;
2. Description of education (including name of educational institutions, degrees conferred, and year of each degree);

3. Professional background and professional associations;

4. Experience with and knowledge of the law relating to joint powers authorities and bond finance;

5. Expertise and training.

D. Expertise of Other Auditors to assist CSCDA

1. Indicate the expertise your firm is able to provide CSCDA (e.g., bond financing)

2. Provide names and qualifications of auditors in your firm which would be able to provide such audit services.

E. References

Provide contact information for three municipal clients for which services have been provided in the last three years, so reference checks can be conducted. Please include the contact person's name, municipality, phone, and email address.

F. Fee Schedule

The selected Auditor will be required to provide services under a fee agreement for services rendered.

1. Please provide an hourly rate for all of the individuals who may be working with CSCDA from the firm. In addition, please provide a rate for special audit services.

Please provide the fees and rates in a **table** format.

G. Additional Information

Any other information that the proposer feels applicable to the evaluation of the proposal or of their qualification for accomplishing the audit services should be included in this section. You may use this section to address those aspects of your services that distinguish your firm from other firms.

SELECTION PROCESS

Clarifications

CSCDA reserves the right to seek clarification of each proposal submitted. CSCDA also reserves the right to require other evidence of technical, managerial, financial, or other abilities prior to selection.

Interviews

CSCDA may invite one or more proposers to be interviewed by members of the Commission on.

Method of Selection

The members of the Commission and program managers will review the submitted proposals. After review, the Commission and program managers will interview the finalists. The Commission will choose a finalist with whom to negotiate a contract and will make the final determination.

Agreement

A contract between CSCDA and the selected individual or firm will define the extent of services to be rendered, method and amount of compensation. The contract will be executed upon the Commission's approval.

ISSUER COUNSEL RFP

The California Statewide Communities Development Authority (CSCDA) invites qualified firms or individuals to submit proposals for Issuer Counsel Services as described in the scope of work set forth below in this request for proposals (RFP).

Background

CSCDA is a joint powers authority sponsored by the League of California Cities ("League") and the California State Association of Counties ("CSAC"). CSCDA was created by the League and CSAC in 1988 to enable local government and eligible private entities access to low-cost, tax-exempt financing for projects that provide a tangible public benefit, contribute to social and economic growth and improve the overall quality of life in local communities throughout California. CSCDA has issued more than \$48 billion through 1,330 financings since 1988 and consistently ranks in the top 10 of more than 3,000 nationwide public issuers of tax-exempt debt, as measured by annual issuance amount.

CSCDA meetings are typically the first and third Wednesday of each month, and are held at the offices of CSAC or the League in Sacramento. The CSCDA Commission consists of current and former employees of city and county governments.

More information can be found on the CSCDA website: www.cacommunities.org

RFP Contact

Questions regarding the RFP should be directed to:

James Hamill

Program Manager

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(25) 933-9229 ext 216

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Proposal Due Dates

One original and 5 copies of the proposal must be **received** by CSCDA no later than **Noon (12:00 p.m.) on Friday, April 13, 2013**. Proposals are to be sent to:

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Program Manager

CSCDA

2999 Oak Road, Suite 710

Walnut Creek, CA 94597

Facsimile proposals will not be accepted.

Additionally, please **email an electronic copy** of your proposal to James Hamill at jhamill@cacommunities.org by Noon (12:00 p.m.) on **Friday, April 13, 2013**.

Proposals received after Noon (12:00 p.m.) on **April 13, 2013** will be disqualified.

Incurred Costs

CSCDA is not liable for any costs incurred by a proposer in the preparation and/or presentation of the proposal.

Independent Contractor

Issuer Counsel will be an independent contractor. All persons employed by a firm in accordance with a contract resulting from this RFP will be employees of the firm and not CSCDA.

LEGAL SERVICE REQUIREMENTS

SCOPE OF WORK

Services to Be Provided

Issuer Counsel is appointed by and reports to the Commission and is responsible for reviewing and advising on certain legal matters.

The following are the primary responsibilities for the legal services CSCDA will require in an Issuer Counsel:

- Review documents submitted by bond counsel for transactions to ensure indemnifications and protections of CSCDA are included in each transaction.
- Attend Commission meetings by phone or in person unless excused by the Commission. Attend other meetings as assigned by the CSCDA program managers.
- Provide updates on new State or Federal legislation or judicial decisions impacting the Commission or transactions completed by CSCDA, and suggested action or changes in operations or procedures to assure compliance.

PROPOSAL FORM AND CONTENT

Proposal Submittal

The proposal shall not exceed ten (10) pages in length. Resumes and licenses shall not count against this page limit. The proposal must be organized in accordance with the list of proposal contents.

Proposal Form and Content

Proposers must include the following items in their proposals addressing the scope of work. All items must fall within the maximum page count. Proposals and cost schedule shall be valid and binding for ninety (90) days following the proposal due date and will become part of the contract that is negotiated with CSCDA.

A. Letter of Transmittal

Include a cover letter signed by a duly authorized representative of the firm. The cover letter must include name, address, telephone number and e-mail address of the proposer submitting the proposal. In addition, the name, title, address, telephone number, fax number and e-mail address of the person or persons to contact whom are authorized to represent the proposer and to whom correspondence should be directed should also be included. Additionally, the cover letter must include the following table containing the requested information:

Name of proposed attorney

Office address for proposed attorney

Monthly retainer

Fees Assessed to Conduit Borrowers for Issuer Counsel Services

Services included in monthly retainer
(Include estimated Commission meetings hours twice a month)

Hourly rates for services not included in retainer

Areas of expertise within your firm

References (name, municipality, phone, email)

- 1.
- 2.
- 3.

B. Approach to Legal Services and Background

Provide a response to each of the following items:

1. Describe your view of the role of the Issuer Counsel.
2. Describe how you track and manage legal costs so that CSCDA legal costs are held to a minimum. Please provide an example.
3. Describe your firm's background and history; include number of years in business.
4. Describe your firm's municipal, joint powers authority and bond financing legal services training, experience.
5. Location of office(s) that would serve CSCDA.

C. Proposed Attorney(s)

Name the person whom you propose to designate as the Issuer Counsel(s). Provide the following for each:

1. Certificates or licenses, including the date of admission to the State Bar of California;

2. Description of education (including name of educational institutions, degrees conferred, and year of each degree);
3. Professional background and professional associations;
4. Experience with and knowledge of the law relating to joint powers authorities and bond finance;
5. Expertise and training.

D. Expertise of Other Attorneys to assist CSCDA

1. Indicate the expertise your firm is able to provide CSCDA (e.g., bond financing)
2. Provide names and qualifications of attorneys in your firm which would be able to provide such legal services.

E. References

Provide contact information for three municipal clients for which services have been provided in the last three years, so reference checks can be conducted. Please include the contact person's name, municipality, phone, and email address.

F. Clients/Potential Conflicts of Interest

1. List all public clients for whom your firm currently provides services under a fee for services basis or on a retainer basis. Indicate the services provided (e.g., issuer counsel services, bond counsel, etc.). Identify any foreseeable or potential conflicts of interest that could result from such representation and the manner in which you would propose to resolve such conflicts.
2. For the person to be designated as Issuer Counsel, list all public clients that person presently represents as issuer counsel or general counsel, along with the meeting dates and times for each governing body.
3. List all private clients that could potentially pose a conflict of interest with your representing CSCDA.
4. Identify all situations in the last five years in which you have been adverse to public entities, either in litigation or administrative matters.

G. Fee Schedule

The selected Issuer Counsel will be required to provide services under a monthly retainer fee

format for regular Commission meetings, special Commission meetings, and legal work provided under the retainer. Routine travel expenses would be the responsibility of the law firm.

1. Please describe what is included in the retainer;
2. Please provide an hourly rate for all of the individuals who may be working with CSCDA from the firm. In addition, please provide a rate for special legal services.

Please provide the retainer fee and rates in a **table** format.

H. Additional Information

Any other information that the proposer feels applicable to the evaluation of the proposal or of their qualification for accomplishing the legal services should be included in this section. You may use this section to address those aspects of your services that distinguish your firm from other firms.

SELECTION PROCESS

Clarifications

CSCDA reserves the right to seek clarification of each proposal submitted. CSCDA also reserves the right to require other evidence of technical, managerial, financial, or other abilities prior to selection.

Interviews

CSCDA may invite one or more proposers to be interviewed by members of the Commission on.

Method of Selection

The members of the Commission and program managers will review the submitted proposals. After review, the Commission and program managers will interview the finalists. The Commission will choose a finalist with whom to negotiate a contract and will make the final determination.

Agreement

A contract between CSCDA and the selected individual or firm will define the extent of services to be rendered, method and amount of compensation. The contract will be executed upon the Commission's approval.

Item VII

Discuss and Approve a Resolution of Consideration to Amend the Rate and Method of Apportionment for Improvement Areas Nos. 1 and 3 Established in and for Community Facilities District No. 2012-01 (Fancher Creek), City of Fresno, County of Fresno.

SUMMARY AND APPROVALS

PROJECT: FANCHER CREEK – CITY OF FRESNO
REQUEST: AMEND THE RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX FOR IMPROVEMENT AREAS NO. 1 AND 3
PRIMARY ACTIVITY: FINANCING PUBLIC IMPROVEMENTS AND IMPACT FEES

Background:

On February 7, 2013 CSCDA issued bonds in the amount of \$4,200,000 for the Fancher Creek Community Facilities District (the “District”) in the City of Fresno. The developer is requesting an amendment to the Rate and Method of Apportionment (RMA) for Improvement Areas 1 and 3. There is no change to the boundaries of the Community Facilities District.

Discussion:

The following amendments to the RMA are being proposed:

- (1) Increase the fixed per acre maximum special tax on the Ferguson Warehouse property (APN 313-270-76);
- (2) Lower the fixed per acre maximum special tax on all of the parcels, other than the Ferguson Warehouse property, located in Improvement Area 1;
- (3) Remove building square footage as a criterion for determining the Maximum Special Tax; and
- (4) Eliminate building permit issuance as a qualifying factor for prepaying the Special Tax obligation with respect to any parcel, along with other changes.

Under these proposed amendments to the RMA, the maximum Special Tax will be determined by the acreage of the Taxable Property and the Special Tax can be fully or partially prepaid on all Taxable Property based solely on the amount of acreage-based Maximum Special Tax assigned to that Parcel for the current Fiscal Year. Attached is a copy of the resolution and amendments.

Pursuant to the Indenture, the Authority is authorized to implement such change proceedings to adopt amended Rates and Methods of Apportionment for Improvement Area 1 and Improvement Area 3 in the form attached herein without consent of or notice to any holders of the Bonds.

As a result of the proposed amendments, should they be approved, to the Rates and Methods, Improvement Area 3 will no longer be a Supplemental Improvement Area subject to release upon the occurrence of certain conditions, but will instead be permanently subject to the lien of the Special Tax securing the Bonds.

Approvals:

Based upon the amendments meeting the policies of this Commission and review by Bond Counsel and the Special Tax Consultant it is hereby submitted to:

1. Approve all necessary actions and documents;
2. Set the public hearing regarding proposed changes to May 16, 2013 at 10:00 am at the League of California Cities;
3. Authorize any member of the Commission to sign all necessary documents.

RESOLUTION NO. 13R-4

CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY

A RESOLUTION OF CONSIDERATION OF THE COMMISSION OF THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY TO AMEND THE RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX FOR IMPROVEMENT AREAS NOS. 1 AND 3 ESTABLISHED IN AND FOR COMMUNITY FACILITIES DISTRICT NO. 2012-01 (FANCHER CREEK), CITY OF FRESNO, COUNTY OF FRESNO, STATE OF CALIFORNIA AND RELATED MATTERS

WHEREAS, the Commission (the “Commission”) of the California Statewide Communities Development Authority (the “Authority”) conducted proceedings under and pursuant to the terms and provisions of the “Mello-Roos Community Facilities Act of 1982,” being Chapter 2.5, Part 1, Division 2, Title 5 (beginning with Section 53311) of the Government Code of the State of California (the “Act”), (i) to form a community facilities district comprising three neighboring improvement areas within the City of Fresno (the “City”), County of Fresno, State of California, designated and known as “Community Facilities District No. 2012-01 (Fancher Creek), City of Fresno, County of Fresno, State of California” (the “Community Facilities District”), including “Improvement Area No. 1” and “Improvement Area No. 3” (collectively, the “Improvement Areas”), (ii) to authorize levying a special tax therein to finance the acquisition and construction of certain public capital facilities to be owned by the City and to finance certain development impact fees to pay for other public capital facilities (collectively, the “Improvements”) to be owned by the City, (iii) to authorize the issuance of debt to finance the facilities, and (iv) to establish the appropriations limit for the Community Facilities District, all as set forth in the Commission’s Resolution No. 12R-16 (the “Resolution of Formation”), adopted on October 25, 2012; and

WHEREAS, the authorized rate and method of apportionment and manner of collection of the special tax for each of the Improvement Areas, is defined in Exhibits D-1 and D-3, respectively, to the Resolution of Formation, and each is referred to herein as a “Rate and Method of Apportionment”; and

WHEREAS, Fancher Creek Properties, LLC, a California limited liability company (the “Developer”), the owner and developer of the land subject to the special tax within the Community Facilities District, has requested that the authority to levy the special tax be amended (i) to adjust the maximum special tax authorized to be levied in each Improvement Area and aggregate property taxes imposed on property within the Community Facilities District, and (ii) to make various non-substantial and non-material refinements to each Rate and Method of Apportionment; and

WHEREAS, these proposed changes in the authority conferred upon the Commission by the Community Facilities District are referred to herein as the “Amendments”; and

WHEREAS, there has been no change in the name of the Community Facilities District

since its formation, nor is any contemplated here; and

WHEREAS, the boundaries of each of the Improvement Areas of Community Facilities District are shown on the map attached as Exhibit B of the Commission's Resolution No. 12R-12 (Resolution of Intention) adopted on August 23, 2012, which map was recorded on September 19, 2012, in the Book of Maps of Assessment and Community Facilities Districts maintained by the County Recorder of the County of Fresno in Book 43 at Pages 75 and 76, and as Instrument No. 2012-0133485, and there has been no change in the boundaries of the Community Facilities District since its formation, nor is any contemplated here; and

WHEREAS, the Commission has determined that the public convenience and necessity require the consideration of the Proposed Amendments; and

WHEREAS, the Commission is fully advised in this matter;

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

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

Section 2. It is proposed to replace the Rate and Method of Apportionment of Special Tax for each of the Improvement Areas, as set forth in Exhibits D-1 and D-3, respectively, to the Resolution of Formation with the First Amended Rate and Method of Apportionment of Special Tax for each of the Improvement Areas, as set forth in Exhibits A-1 and A-2 hereto.

Section 3. The Commission hereby sets Thursday, May 16, 2013, at 10:00 a.m., or as soon thereafter as the Commission may reach the matter, at the offices of the League of California Cities, at 1400 K Street, Third Floor, Sacramento, California 95814, as the time and place for a public hearing to be held by the Commission to consider the Proposed Amendments and all other matters set forth in this resolution. At the public hearing, any persons interested, including all taxpayers, property owners, and registered voters within the Community Facilities District, may appear and be heard, and the testimony of all interested persons or taxpayers for or against the adoption of the Amendments or on any other matters set forth herein, will be heard and considered.

Section 4. Any protests to the proposals in this resolution may be made orally or in writing by any interested persons or taxpayers, except that any protests pertaining to the regularity or sufficiency of these proceedings must be in writing and must clearly set forth the irregularities and defects to which objection is made. The Commission may waive any irregularities in the form or content of any written protest and at the public hearing may correct minor defects in the proceedings. All written protests not presented in person by the protester at the public hearing must be filed with the Secretary of the Authority (the "Secretary") at or before the time fixed for the public hearing in order to be received and considered. Any written protest may be withdrawn in writing at any time before the conclusion of the public hearing.

Section 5. Written protests by a majority of the registered voters residing and registered within the Community Facilities District (if at least six such voters so protest), or by

the owners of a majority of the land area within the Community Facilities District not exempt from the special tax, will require suspension of these proceedings for at least one year. If such protests are directed only against certain elements of the Amendments, only those elements need be excluded from the proceedings.

Section 6. The public hearing may be continued from time to time, but shall be completed within 30 days, except that if the Commission finds that the complexity of the Community Facilities District or the need for public participation requires additional time, the public hearing may be continued from time to time for a period not to exceed 6 months.

Section 7. At the public hearing, the Commission may modify this resolution by eliminating or modifying (by reducing the extent of) any of the Amendments.

Section 8. At the conclusion of the public hearing, the Commission may abandon these proceedings or may, after passing upon all protests, determine to proceed with conducting special mailed-ballot elections within the Improvement Areas of the Community Facilities District to determine if the Amendments should be adopted. If, at the conclusion of the public hearing, the Commission determines to proceed with the elections, it expects that the proposed voting procedure will involve an election by the landowners within the Improvement Areas of the Community Facilities District voting in accordance with the Act, as the Commission is informed that during the 90 days prior to the date set for the hearing, there were fewer than 12 registered voters residing within the Community Facilities District. The Commission will require this information to be confirmed before ordering the election.

Section 9. The Secretary shall give notice of the time and place of the public hearing by publishing a Notice of Public Hearing substantially in the form attached hereto as Exhibit B once in the *FRESNO BEE*, a newspaper of general circulation published in the area of the Community Facilities District, pursuant to section 6061 of the California Government Code, and publication must be completed at least seven days prior to the date set for such public hearing.

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

I, the undersigned, a duly appointed and qualified Authorized Signatory of the Commission of the California Statewide Communities Development Authority, DO HEREBY CERTIFY that the foregoing resolution was duly adopted by the Commission of said Authority at a duly called meeting of the Commission of said Authority held in accordance with law on March 28, 2013.

By: _____
Authorized Signatory
California Statewide Communities
Development Authority

EXHIBIT A-1

**FIRST AMENDED RATE AND METHOD OF APPORTIONMENT
For Improvement Area No. 1
COMMUNITY FACILITIES DISTRICT NO. 2012-01 (FANCHER CREEK),
CITY OF FRESNO, COUNTY OF FRESNO, STATE OF CALIFORNIA**

EXHIBIT A-2

**FIRST AMENDED RATE AND METHOD OF APPORTIONMENT
For Improvement Area No. 3
COMMUNITY FACILITIES DISTRICT NO. 2012-01 (FANCHER CREEK),
CITY OF FRESNO, COUNTY OF FRESNO, STATE OF CALIFORNIA**

EXHIBIT B

NOTICE OF PUBLIC HEARING REGARDING PROPOSED CHANGES TO THE COMMUNITY FACILITIES DISTRICT NO. 2012-01 (FANCHER CREEK), CITY OF FRESNO, COUNTY OF FRESNO, STATE OF CALIFORNIA AND TO EACH OF THE IMPROVEMENT AREAS THEREIN

Thursday, May 16, 2013, at 10:00 a.m.

at the offices of the California State Association of Counties, 1100 K Street, Sacramento

On Thursday, March 28, 2013, the Commission (the “Commission”) of the California Statewide Communities Development Authority (the “Authority”) adopted its Resolution No. 13R-4 (the “Resolution of Consideration”) by which it has scheduled a public hearing to give consideration to amending the powers currently conferred upon the Commission by the Authority’s Community Facilities District No. 2012-01 (Fancher Creek), City of Fresno, County of Fresno, State of California (the “Community Facilities District”).

The Community Facilities District is comprised of three improvement areas, including “Improvement Area No. 1” and “Improvement Area No. 3,” (collectively, the “Improvement Areas”). At special elections within each Improvement Area held on October 25, 2012, the Commission was authorized, among other things, to levy a special tax to finance the acquisition and construction of certain facilities and certain services and to authorize the issuance of debt to finance the facilities, and to establish the appropriations limit for Community Facilities District. The special tax to be levied in each Improvement Area is referred to herein as the “Rate and Method of Apportionment.” The Community Facilities District was formed under the “Mello-Roos Community Facilities Act of 1982,” Chapter 2.5, Part 1, Division 2, Title 5 of the Government Code of the State of California, commencing with Section 53311 (the “Act”).

The Act provides that changes in the powers conferred upon the Commission by the Community Facilities District and the Improvement Areas may be considered and submitted to the qualified electors of the Improvement Areas of the Community Facilities District. The first step in that process is to describe the proposed changes and to schedule and hold a public hearing on them. In its Resolution of Consideration, the Commission has set forth the proposed changes (the “Amendments”) and scheduled the public hearing.

This Notice contains a brief summary of the Amendments, but you are referred to the Resolution of Consideration for the definitive description of the Amendments, including a description of the Community Facilities District and the Improvement Areas, a description of the services and the amended rate and method of apportionment of the proposed special tax for each of the Improvement Areas.

The Public Hearing: The Commission of the Authority will hold the public hearing on Thursday, May 16, 2013 at 10:00 a.m. at the offices of the League of California Cities, 1400 K Street, Third Floor, Sacramento, California 95814.

At the public hearing, any persons interested, including all taxpayers, property owners and registered voters within the Community Facilities District, may appear and be heard, and the oral or written testimony of all interested persons or taxpayers for or against any of the proposed changes to the authority conferred on the Commission by the Community Facilities District and the Improvement Areas, will be heard and considered.

Any protests to the proposed changes may be made orally or in writing by any interested persons or taxpayers, except that any protests pertaining to the regularity or sufficiency of the proceedings shall be in writing and shall clearly set forth the irregularities and defects to which objection is made. The Commission may waive any irregularities in the form or content of any written protest and at the public hearing may correct minor defects in the proceedings. All written protests not presented in person by the protester at the public hearing must be filed with the Secretary of the Authority at or before the time fixed for the public hearing in order to be received and considered. Any written protest may be withdrawn in writing at any time before the conclusion of the public hearing.

Written protests by a majority of the registered voters residing and registered within the Community Facilities District (provided they number at least 6), or by the owners of a majority of the land area within the Community Facilities District not exempt from the special tax, will require suspension of these proceedings for at least one year. If such protests are directed only against certain elements of the proposed changes, only those elements need be excluded from the proceedings.

The Amendments: The proposed changes are (i) to adjust the maximum special tax to be levied for facilities in each Improvement Area and the aggregate property taxes imposed on property within the Community Facilities District, and (ii) to make various non-substantial and non-material refinements to each Rate and Method of Apportionment. For a definitive description of the Amendments you are referred to the Resolution of Consideration itself, a copy of which is available from the Secretary of the Authority.

Separately as to each of the Improvement Areas, in order for the Amendments to take effect, a public hearing must be held on the Amendments and the qualified electors within each Improvement Area must approve the Amendments as to that Improvement Area by a two-thirds vote. As each Improvement Area is uninhabited, or inhabited by fewer than 12 registered voters, the qualified electors are, pursuant to the Act, the owners of property within each Improvement Area.

The Authority's special tax consultant, in consultation with and on behalf of the City of Fresno, has studied the Community Facilities District and will provide, at or before the time of the public hearing, a report which will contain a brief description of the Facilities by type which in their opinion will be required to adequately meet the needs of the new development expected to occur within the Community Facilities District, together with estimates of the cost of financing the acquisition and construction of the Facilities, and an estimate of the incidental expenses related thereto. The report will be available for inspection by the public, and will become a part of the record of the public hearing. Questions should be directed to David Taussig, Special Tax Consultant, at (949) 955-1500.

Dated: May __, 2013.

California Statewide Communities Development Authority

**RATE AND METHOD OF APPORTIONMENT FOR
CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY
COMMUNITY FACILITIES DISTRICT NO. 2012-01
IMPROVEMENT AREA No. 1
FANCHER CREEK BUSINESS PARK**

A Special Tax as hereinafter defined shall be levied on all Assessor's Parcels in Improvement Area No. 1 of CSCDA Community Facilities District No. 2012-01 (Fancher Creek Business Park) ("CFD No. 2012-01 (IA No. 1)") and collected each Fiscal Year commencing in Fiscal Year 2012-13, in an amount determined by the Commission, through the application of the Rate and Method of Apportionment as described below. All of the real property in CFD No. 2012-01 (IA No. 1) shall be taxed for the purposes, to the extent and in the manner herein provided.

A. DEFINITIONS

This Rate and Method of Apportionment employs terms defined below and terms defined in the Rate and Method of Apportionment for Improvement Area No. 3 of CSCDA Community Facilities District No. 2012-01 (Village Center) ("CFD No. 2012-01 (IA No. 3)"). When necessary, terms defined in the latter shall be distinguished from terms defined in the former by including the words "CFD No. 2012-01 (IA No. 3)" prior to the defined term. The terms hereinafter set forth have the following meanings:

"Acre" or "Acreage" means the land area of an Assessor's Parcel as shown on an Assessor's Parcel Map, or if the land area is not shown on an Assessor's Parcel Map, the land area shown on the applicable final map, parcel map, condominium plan, or other recorded County parcel map.

"Act" means the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5, Division 2 of Title 5 of the Government Code of the State of California.

"Administrative Expenses" means the following actual or reasonably estimated costs directly related to the administration of CFD No. 2012-01 (IA No. 1): the costs of computing the Special Taxes and CFD No. 2012-01 (IA No. 3) Special Taxes and preparing the annual Special Tax and CFD No. 2012-01 (IA No. 3) Special Tax collection schedules (whether by the CSCDA Program Manager or designee thereof or both); the costs of collecting the Special Taxes and CFD No. 2012-01 (IA No. 3) Special Taxes (whether by the County or otherwise); the costs of remitting the Special Taxes and CFD No. 2012-01 (IA No. 3) Special Taxes to the Trustee; the costs of the Trustee (including its legal counsel) in the discharge of the duties required of it under the Indenture; the costs to CSCDA, CFD No. 2012-01 (IA No. 1), or any designee thereof of complying with arbitrage rebate requirements; the costs to CSCDA, CFD No. 2012-01 (IA No. 1), or any designee thereof of complying with CSCDA, CFD No. 2012-01 (IA No. 1), or obligated persons disclosure requirements associated with applicable federal and state securities laws and of the Act; the costs associated with preparing Special Tax and/or CFD No. 2012-01 (IA No. 3) Special Tax disclosure statements and responding to public inquiries regarding the Special Taxes and/or CFD No. 2012-01 (IA No. 3) Special Taxes; the costs of CSCDA, CFD No. 2012-01 (IA No. 1), or any designee thereof related to an appeal of the Special Tax and/or the CFD No. 2012-01 (IA No. 3) Special Tax; the costs associated with the release of funds from an escrow account; and

CSCDA's annual administration fees and third party expenses. Administrative Expenses shall also include amounts estimated or advanced by CSCDA or CFD No. 2012-01 (IA No. 1) for any other administrative purposes of CFD No. 2012-01 (IA No. 1), including attorney's fees and other costs related to commencing and pursuing to completion any foreclosure of delinquent Special Taxes and/or CFD No. 2012-01 (IA No. 3) Special Taxes.

"Assessor's Parcel" means a lot or parcel shown on an Assessor's Parcel Map with an assigned Assessor's parcel number.

"Assessor's Parcel No. 313-270-76" means the Assessor's Parcel in CFD No. 2012-01 (IA No. 1) on which a building with the address 704 North Laverne Avenue, Fresno, California is located.

"Assessor's Parcel Map" means an official map of the County Assessor of the County designating parcels by Assessor's parcel number.

"Bond Costs" means for (i) any bond issue secured by CFD No. 2012-01 (IA No. 1), all debt service payments, administrative expenses, and amounts required to establish or replenish any bond reserve funds, and any other use of Special Taxes for such bond issues required by the indenture, fiscal agent agreement, or other agreement governing the terms of such bond issue.

"Building Permit" means a permit issued by the City or County, as applicable, for the construction of a residential or non-residential building on an Assessor's Parcel.

"CFD No. 2012-01 (IA No. 1)" means CSCDA Community Facilities District No. 2012-01 (Improvement Area No. 1) which covers Fancher Creek Business Park.

"CFD No. 2012-01 (IA No. 3)" means CSCDA Community Facilities District No. 2012-01 (Improvement Area No. 3) which covers the Village Center project.

"CFD No. 2012-01 Bonds" means any bonds or other debt (as defined in Section 53317(d) of the Act), whether in one or more series, issued by CFD No. 2012-01 under the Act and secured by the Special Taxes on the property within CFD No. 2012-01 (IA No. 1) and CFD No. 2012-01 (IA No. 3).

"CFD No. 2012-01 (IA No. 3) RMA" means the Rate and Method of Apportionment for CFD No. 2012-01 (IA No. 3).

"CFD No. 2012-01 (IA No. 3) Special Tax" means the Special Tax to be levied in each Fiscal Year on each Assessor's Parcel of Taxable Property in CFD No. 2012-01 (IA No. 3) to fund the Special Tax Requirement.

"City" means the City of Fresno.

"Commission" means the governing board of CSCDA.

"Construction Inflation Index" means the annual positive percentage change in the Engineering News Record Building Cost Index for the City of Los Angeles, measured as

of the calendar year which ends in the previous Fiscal Year. In the event this index ceases to be published, the Construction Inflation Index shall be another index as determined by the CSCDA Program Manager that is reasonably comparable to the Engineering News Record Building Cost Index for the City of Los Angeles.

“County” means the County of Fresno.

“CSCDA” means the California Statewide Communities Development Authority.

“CSCDA Program Manager” means the CFD program manager for CSCDA.

“Developed Property” means, for each Fiscal Year, (i) Assessor’s Parcel No. 313-270-76, and (ii) all Taxable Property in the Remainder of CFD No. 2012-01 (IA No. 1) for which a building permit for new construction was issued after January 1, 2012 and on or before May 1 of the Fiscal Year preceding the Fiscal Year for which the Special Taxes are being levied.

“Final Subdivision” means a subdivision of property by recordation of a final map, parcel map, or lot line adjustment, approved by the County pursuant to the Subdivision Map Act (California Government Code Section 66410 et seq.) or recordation of a condominium plan pursuant to California Civil Code 1352 that, in either case, creates individual lots for which building permits may be issued without further subdivision.

“Fiscal Year” means the period starting July 1 and ending on the following June 30.

“Goals and Policies” means the Mello-Roos Community Facilities Act of 1982 Goals and Policies, as adopted by the Commission.

“Indenture” means the indenture, fiscal agent agreement, resolution, or other instrument pursuant to which Bonds are issued, as modified, amended, and/or supplemented from time to time, and any instrument replacing or supplementing the same.

“Land Use Class” means any of the classes listed in Table 1, below

“Maximum Special Tax” means the Maximum Special Tax, determined in accordance with Section C below, that can be levied by the Commission in any Fiscal Year on any Assessor’s Parcel of Developed Property or Undeveloped Property.

“Non-Residential Property” means all Assessor’s Parcels of Developed Property for which a building permit permitting the construction of one or more non-residential units or facilities has been issued by the City or other governmental agency.

“Outstanding Bonds” means all CFD No. 2012-01 (IA No. 1) Bonds which remain outstanding under the Indenture.

“Property Owner Association Property” means, for each Fiscal Year, (i) any property within the boundaries of CFD No. 2012-01 (IA No. 1) that was owned by a property owner association, including any master or sub-association, as of January 1 of the prior Fiscal Year, (ii) any property located in a Final Subdivision that was recorded as of the May 1 preceding the Fiscal Year in which the Special Tax is being levied and which, as

determined from such Final Subdivision, is or will be open space, a common area recreation facility, or a private street, or (iii) any property which, as of the May 1 preceding the Fiscal Year for which the Special Tax is being levied, has been conveyed, irrevocably dedicated, or irrevocably offered to a property owner's association, including any master or sub-association, provided such conveyance, dedication, or offer is submitted to the CFD Administrator by May 1 preceding the Fiscal Year for which the Special Tax is being levied. The total number of acres to be classified as Property Owner Association Property or Public Property cannot exceed 17.55 acres, as described in Section F of this RMA.

“Proportionately” means, (i) for Developed Property and Undeveloped Property, that the ratio of the actual Special Tax levy per Acre to the Maximum Special Tax per Acre in the Remainder of CFD No. 2012-01 (IA No. 1) is equal for all Assessor's Parcels of Developed Property and Undeveloped Property, (ii) for Developed Property in CFD No. 2012-01 (IA No. 3) that the ratio of the actual CFD No. 2012-01 (IA No. 3) Special Tax levy per Acre to the Maximum Special Tax per Acre is equal for all Assessor's Parcels of CFD No. 2012-01 (IA No. 3) Developed Property, and (iii) for Undeveloped Property in CFD No. 2012-01 (IA No. 3) that the ratio of the actual Special Tax levy per Acre to the Maximum Special Tax per Acre is equal for all Assessor's Parcels of CFD No. 2012-01 (IA No. 3) Undeveloped Property.

“Public Property” means, for each Fiscal Year, any property within the boundaries of CFD No. 2012-01 (IA No. 1) that is (i) owned by, irrevocably offered or dedicated to the federal government, the State, the County, the City, or any local government or other public agency, provided that any property leased by a public agency to a private entity and subject to taxation under Section 53340.1 of the Act shall be taxed and classified according to its use; or (ii) encumbered by a public utility easement making impractical its use for any purpose other than that set forth in the easement. The total number of acres to be classified as Property Owner Association Property or Public Property cannot exceed 17.55 acres, as described in Section E of this RMA.

“Remainder of CFD No. 2012-01 (IA No. 1)” means all of the Assessor's Parcels in CFD No. 2012-01 (IA No. 1) with the exception of Assessor's Parcel No. 313-270-76.

“Residential Property” means all Assessor's Parcels of Developed Property for which a building permit has been issued for purposes of constructing one or more residential dwelling units.

“Special Tax” means the special tax to be levied in each Fiscal Year on each Assessor's Parcel of Taxable Property in CFD No. 2012-01 (IA No. 1) to fund the Special Tax Requirement.

“Special Tax Requirement” means that amount required in any Fiscal Year for CFD No. 2012-01 (IA No. 1) and CFD No. 2012-01 (IA No. 3) to: (i) pay debt service on all Outstanding Bonds; (ii) pay periodic costs on the CFD No. 2012-01 Bonds, including but not limited to, credit enhancement and rebate payments on the CFD No. 2012-01 Bonds; (iii) pay Administrative Expenses; (iv) pay any amounts required to establish or replenish any reserve funds for all Outstanding Bonds; and (v) pay for reasonably anticipated delinquent Special Taxes and delinquent CFD No. 2012-01 (IA No. 3) Special Taxes based on the delinquency rate for Special Taxes levied in the previous Fiscal Year; less

(vi) a credit for funds available to reduce the annual Special Tax levy and the CFD No. 2012-01 (IA No. 3) Special Tax levy, as determined by the CSCDA Program Manager pursuant to the Indenture. The Special Tax Requirement represents the total amount to be levied in any Fiscal Year within CFD No. 2012-01 (IA No. 1) and CFD No. 2012-01 (IA No. 3).

“State” means the State of California

“Taxable Property” means all of the Assessor’s Parcels within the boundaries of CFD No. 2012-01 (IA No. 1) that are not Public Property or Property Owner Association Property that have been exempted from the Special Tax under Section E, below.

“Trustee” means the trustee or fiscal agent under the Indenture.

“Undeveloped Property” means, for each Fiscal Year, all Taxable Property not classified as Developed Property.

B. ASSIGNMENT TO LAND USE CATEGORIES

Each Fiscal Year, all Taxable Property within CFD No. 2012-01 (IA No. 1) shall be classified as Developed Property or Undeveloped Property, and shall be subject to Special Taxes in accordance with the rate and method of apportionment determined pursuant to Sections C and D, below.

C. MAXIMUM SPECIAL TAX RATE

1. Taxable Property

(a). Maximum Special Tax

The Maximum Special Tax that may be levied and escalated as explained further in Section C.1.(b) below in any Fiscal Year for each Assessor’s Parcel classified as Developed Property or Undeveloped Property in CFD No. 2012-01 (IA No. 1) is shown below in Table 1.

TABLE 1
Maximum Special Tax for Developed Property and Undeveloped Property
Improvement Area No. 1 of CFD No. 2012-01
Fiscal Year 2012-13

Land Use Class	Maximum Special Tax
Non-Residential Property in Assessor’s Parcel No. 313-270-76	\$17,074 per Acre
Residential or Non-Residential Property in Remainder of IA No. 1	\$1,135 per Acre

(b). Increase in the Maximum Special Tax

The Fiscal Year 2012-13 Maximum Special Taxes, identified in Table 1 above, shall increase on July 1 of each Fiscal Year thereafter, commencing on July 1, 2013, by an amount equal to two percent (2%) of the amount in effect for the previous Fiscal Year.

D. METHOD OF APPORTIONMENT OF THE SPECIAL TAX

Commencing with Fiscal Year 2012-13 and for each following Fiscal Year, the CSCDA Program Manager shall determine the Special Tax Requirement, taking into consideration the levy of the CFD No. 2012-01 (IA No. 3) Special Tax, and shall levy the Special Tax until the amount of Special Taxes and CFD No. 2012-01 (IA No. 3) Special Taxes equal the Special Tax Requirement. The Special Tax shall be levied each Fiscal Year as follows:

First: The Special Tax shall be levied on Assessor's Parcel No. 313-270-76 at 100% of the applicable Maximum Special Tax for Assessor's Parcel No. 313-270-76;

Second: If additional monies are needed to satisfy the Special Tax Requirement after the first step has been completed, the Special Tax shall be levied Proportionately on each Assessor's Parcel of Developed Property and Undeveloped Property in the Remainder of CFD No. 2012-01 (IA No. 1) at up to 100% of the Maximum Special Tax for Developed Property and Undeveloped Property in the Remainder of CFD No. 2012-01 (IA No. 1);

Third: If additional monies are needed to satisfy the Special Tax Requirement after the first two steps have been completed, then under the terms of the CFD No. 2012-01 (IA No. 3) RMA, the CFD No. 2012-01 (IA No. 3) Special Tax shall be levied Proportionately on each Assessor's Parcel of CFD No. 2012-01 (IA No. 3) Developed Property at up to 100% of the Maximum Special Tax for Developed Property in CFD No. 2012-01 (IA No. 3);

Fourth: If additional monies are needed to satisfy the Special Tax Requirement after the first three steps have been completed, then under the terms of the CFD No. 2012-01 (IA No. 3) RMA, the CFD No. 2012-01 (IA No. 3) Special Tax shall be levied Proportionately on each Assessor's Parcel of CFD No. 2012-01 (IA No. 3) Undeveloped Property at up to 100% of the Maximum Tax for Undeveloped Property in CFD No. 2012-01 (IA No. 3);

Fifth: If additional monies are needed to satisfy the Special Tax Requirement after the first four steps have been completed, then the Special Tax shall be levied Proportionately on each Assessor's Parcel of non-exempt Public Property or Property Owner Association Property in the Remainder of CFD No. 2012-01 (IA No. 1) at up to the Maximum Special Tax for Non-Residential Property in the Remainder of CFD No. 2012-01 (IA No. 1);

Sixth: If additional monies are needed to satisfy the Special Tax Requirement after the first five steps have been completed, then the Special Tax shall be levied Proportionately on each Assessor's Parcel of non-exempt Public Property or Property Owner Association Property in CFD No. 2012-01 (IA No. 3) at up to the Maximum Special Tax for Non-Residential Property in CFD No. 2012-01 (IA No. 3).

Notwithstanding the above, the CSCDA Program Manager or its designee may, in any Fiscal Year, levy Proportionately less than 100% of the Maximum Special Tax in the first step (above) when (i) the Commission or its designee is no longer required to levy the Special Tax pursuant to the second through sixth steps (above) in order to meet the Special Tax Requirement; and (ii) all authorized CFD No. 2012-01 (IA No. 1) Bonds have already been issued or the Commission has covenanted that it will not issue any additional CFD No. 2012-01 (IA No. 1) Bonds (except refunding bonds) to be supported by the Special Tax.

E. EXEMPTIONS

No Special Tax shall be levied on up to 17.55 Acres of Public Property or Property Owner Association Property in the Remainder of CFD No. 2012-01 (IA No. 1). Tax-exempt status will be assigned by the CSCDA Program Manager in the chronological order in which property in the Remainder of CFD No. 2012-01 (IA No. 1) becomes Public Property or Property Owner Association Property. However, should an Assessor's Parcel in the Remainder of CFD No. 2012-01 no longer be classified as Public Property or Property Owner Association Property, it will, from that point forward, be subject to the Special Tax.

Prior to sixty (60) days before the issuance of a first series of CFD No. 2012-01 (IA No. 1) Bonds, the CSCDA Program Manager may increase the final number of tax-exempt acres of Public Property and Property Owner Association Property in the Remainder of CFD No. 2012-01 (IA No. 1) to better reflect the actual tax-exempt acreage within the Remainder of CFD No. 2012-01 (IA No. 1). However, after the issuance of a first series of CFD No. 2012-01 (IA No. 1) Bonds, Public Property and Property Owner Association Property that exceed the 17.55 Acre limit shall be taxed as Non-Residential Property under the 5th Step in Section D.

F. REVIEW/APPEAL PROCESS

Any taxpayer may file a written appeal of the Special Tax on his/her property with CSCDA, provided that the appellant is current in his/her payments of Special Taxes. During the pendency of an appeal, all Special Taxes previously levied must be paid on or before the payment date established when the levy was made. The appeal must specify the reasons why the appellant claims the Special Tax is in error. The CSCDA Program Manager or its designee shall review the appeal, meet with the appellant if the CSCDA Program Manager deems necessary, and advise the appellant of its determination within sixty (60) days after receipt of the appeal. If the CSCDA Program Manager agrees with the appellant, the CSCDA Program Manager shall make a recommendation to the Commission to eliminate or reduce the Special Tax on the appellant's property or to provide a refund to appellant. The approval of the Commission or its designee must be obtained prior to any such elimination or reduction. If the CSCDA Program Manager disagrees with the appellant and the appellant is dissatisfied with the determination, the appellant then has thirty (30) days in which to appeal to the Commission by filing a written notice of appeal with the Secretary of the Commission, provided that the appellant is current in his/her payments of the Special Taxes. The second appeal must specify the reasons for the appellant's disagreement with the CSCDA Program

Manager's determination. The Secretary of the Commission shall schedule the appeal to be heard before the Commission within sixty (60) days after receipt of the second appeal.

Interpretations may be made by the Commission by ordinance or resolution for purposes of clarifying any vagueness or ambiguity in this Rate and Method of Apportionment.

G. MANNER OF COLLECTION

The Special Tax will be collected in the same manner and at the same time as ordinary *ad valorem* property taxes; provided, however, that CFD No. 2012-01 (IA No. 1) may directly bill the Special Tax, may collect Special Taxes at a different time or in a different manner if necessary to meet its financial obligations, and may covenant to foreclose and may actually foreclose on delinquent Assessor's Parcels as permitted by the Act.

H. PREPAYMENT OF SPECIAL TAX

Under this Rate and Method of Apportionment, any Assessor's Parcel of Taxable Property within CFD No. 2012-01 (IA No. 1) is permitted to prepay the Special Tax. The obligation of the Assessor's Parcel to pay the Special Tax may be fully or partially prepaid and permanently satisfied as described herein only if there are no delinquent Special Taxes with respect to such Assessor's Parcel at the time of prepayment.

An owner of an Assessor's Parcel intending to prepay the Special Tax obligation shall provide the CSCDA Program Manager with written notice of intent to prepay. Within thirty (30) days of receipt of such written notice, the CSCDA Program Manager shall notify such owner of the prepayment amount of such Assessor's Parcel. The CSCDA Program Manager may charge a reasonable fee for providing this service. If there are Outstanding Bonds, Prepayment must be made not less than forty-five (45) days prior to the next occurring date that notice of redemption of CFD No. 2012-01 Bonds from the proceeds of such prepayment may be given to the Trustee pursuant to the Indenture.

The following definition applies to this Section H:

"CFD Public Facilities" means either (i) \$3,000,000 in 2012 dollars, or (ii) shall be determined by the Commission concurrently with a covenant that it will not issue any more CFD No. 2012-01 (IA No. 1) Bonds (other than refunding CFD No. 2012-01 (IA No. 1) Bonds) to be supported by Special Taxes levied under this Rate and Method of Apportionment as described in Section D.

"Construction Fund" means an account specifically identified in the Indenture to hold funds which are currently available for expenditure to acquire or construct public facilities eligible under the Act.

"Future Facilities Costs" means the CFD Public Facilities minus (i) public facility costs previously paid from the Construction Fund, (ii) moneys currently on deposit in the Construction Fund, and (iii) moneys currently on deposit in an escrow fund that are expected to be available to finance facilities costs.

“Outstanding Bonds” means all Bonds which are deemed to be outstanding under the Indenture after the first interest and/or principal payment date following the current Fiscal Year.

1. Prepayment in Full – After Issuance of Bonds

The Prepayment Amount (defined below) shall be calculated as summarized below (capitalized terms as defined below):

	Bond Redemption Amount
plus	Redemption Premium
plus	Future Facilities Amount
plus	Defeasance Amount
plus	Administrative Fees and Expenses
less	Reserve Fund Credit
<u>less</u>	<u>Capitalized Interest Credit</u>
Total: equals	Prepayment Amount

As of the proposed date of prepayment, the Prepayment Amount (defined below) shall be calculated as follows:

Paragraph No.:

1. Confirm that no Special Tax delinquencies apply to the Assessor’s Parcel to be prepaid, and that such Assessor’s Parcel is Taxable Property.
2. For each Assessor’s Parcel of Taxable Property in CFD No. 2012-01 (IA No. 1) to be prepaid, compute the current Maximum Special Tax for that Assessor’s Parcel.
3. Divide the Maximum Special Tax computed pursuant to paragraph 2 by the sum of the total estimated Maximum Special Taxes for the entire CFD No. 2012-01 (IA No. 1) based on the Maximum Special Taxes which could be charged in the current Fiscal Year on all Assessor’s Parcels in CFD No. 2012-01 (IA No. 1) plus the Maximum Special Taxes for the entire CFD No. 2012-01 (IA No. 3) based on the Maximum Special Taxes which could be charged in the current Fiscal Year on all Assessor’s Parcels in CFD No. 2012-01 (IA No. 3), excluding any Assessor’s Parcels which have been prepaid.
4. Multiply the quotient computed pursuant to paragraph 3 by the Outstanding Bonds to compute the amount of Outstanding Bonds to be retired and prepaid (the “Bond Redemption Amount”).
5. Multiply the Bond Redemption Amount computed pursuant to paragraph 4 by the applicable redemption premium, if any, on the Outstanding Bonds to be redeemed (the “Redemption Premium”).
6. Compute the current Future Facilities Costs.

7. Multiply the quotient computed pursuant to paragraph 3 by the amount determined pursuant to paragraph 6 to compute the amount of Future Facilities Costs to be prepaid (the "Future Facilities Amount").
8. Compute the amount needed to pay interest on the Bond Redemption Amount from the first bond interest and/or principal payment date following the current Fiscal Year until the earliest redemption date for the Outstanding Bonds.
9. Determine the Special Taxes levied on the Assessor's Parcel in the current Fiscal Year which have not yet been paid.
10. Compute the amount the CSCDA Program Manager reasonably expects to derive from the reinvestment of the Prepayment Amount less the Future Facilities Amount and the Administrative Fees and Expenses from the date of prepayment until the redemption date for the Outstanding Bonds to be redeemed with the prepayment.
11. Add the amounts computed pursuant to paragraphs 8 and 9 and subtract the amount computed pursuant to paragraph 10 (the "Defeasance Amount").
12. Verify the administrative fees and expenses of CFD No. 2012-01 (IA No. 1), including the costs of computation of the prepayment, the costs to invest the prepayment proceeds, the costs of redeeming CFD No. 2012-01 (IA No. 1) Bonds, and the costs of recording any notices to evidence the prepayment and the redemption (the "Administrative Fees and Expenses").
13. If reserve funds for the Outstanding Bonds, if any, are at or above 100% of the reserve requirement (as defined in the Indenture) on the prepayment date, a reserve fund credit shall be calculated as a reduction in the applicable reserve fund for the Outstanding Bonds to be redeemed pursuant to the prepayment (the "Reserve Fund Credit"). No Reserve Fund Credit shall be granted if reserve funds are below 100% of the reserve requirement.
14. If any capitalized interest for the Outstanding Bonds will not have been expended at the time of the first interest and/or principal payment following the current Fiscal Year, a capitalized interest credit shall be calculated by multiplying the quotient computed pursuant to paragraph 3 by the expected balance in the capitalized interest fund after such first interest and/or principal payment (the "Capitalized Interest Credit").
15. The Special Tax prepayment is equal to the sum of the amounts computed pursuant to paragraphs 4, 5, 7, 11 and 12, less the amounts computed pursuant to paragraphs 13 and 14 (the "Prepayment Amount").
16. The Prepayment Amount (less the amount computed pursuant to paragraph 12) shall be deposited into the appropriate fund and applied as set forth in the Indenture. The amount computed pursuant to paragraph 12 shall be retained by CFD No. 2012-01 (IA No. 1).

The Prepayment Amount may be sufficient to redeem other than a \$5,000 increment of CFD No. 2012-01 Bonds. In such cases, the increment above \$5,000 or integral multiple thereof will be retained in the appropriate fund established under the

Indenture to be used with the next prepayment of bonds or to make debt service payments.

As a result of the payment of the current Fiscal Year's Special Tax levy as determined under paragraph 9 (above), the CSCDA Program Manager shall remove the current Fiscal Year's Special Tax levy for such Assessor's Parcel from the County tax rolls. With respect to any Assessor's Parcel that is prepaid, the Commission shall cause a suitable notice to be recorded in compliance with the Act, to indicate the prepayment of Special Taxes and the release of the Special Tax lien on such Assessor's Parcel, and the obligation of such Assessor's Parcel to pay the Special Tax shall cease.

Notwithstanding the foregoing, no Special Tax prepayment shall be allowed unless the amount of Maximum Special Taxes that may be levied on Taxable Property in CFD No. 2012-01 (IA No. 1) plus the amount of Maximum Special Taxes that may be levied on expected Taxable Property at buildout in CFD No. 2012-01 (IA No. 3) both prior to and after the proposed prepayment is at least 1.1 times the maximum annual debt service on all Outstanding Bonds through the retirement of such Bonds.

2. Prepayment in Part

The amount of the prepayment shall be calculated as in Section H.1; except that a partial prepayment shall be calculated according to the following formula:

$$PP = (PE - A) \times F + A.$$

These terms have the following meaning:

PP = the partial prepayment
PE = the Prepayment Amount calculated according to Section H.1
F = the percentage by which the owner of the Assessor's Parcel(s) is partially prepaying the Special Tax.
A = the Administration Fees and Expenses from Section H.1.

The owner of any Assessor's Parcel who desires such prepayment shall notify the CSCDA Program Manager of such owner's intent to partially prepay the Special Tax and the percentage by which the Special Tax shall be prepaid.

With respect to any Assessor's Parcel that is partially prepaid, the Commission shall (i) distribute the funds remitted to it according to Section H.1, and (ii) indicate in the records of CFD No. 2012-01 (IA No. 1) that there has been a partial prepayment of the Special Tax and that a portion of the Special Tax with respect to such Assessor's Parcel, equal to the outstanding percentage $(1.00 - F)$ of the remaining Maximum Special Tax, shall continue to be levied on such Assessor's Parcel pursuant to Section D.

I. TERM OF SPECIAL TAX

The Special Tax shall be levied upon an Assessor's Parcel of Developed Property for a maximum of forty (40) years, provided however that Special Taxes will cease to be levied in an earlier Fiscal Year if the CSCDA Program Manager has determined that all required interest and principal payments on the CFD No. 2012-01 Bonds have been paid and the Commission has covenanted that it will not issue any more Bonds (other than refunding Bonds) to be supported by Special Taxes levied under this Rate and Method of Apportionment as described in Section D.

**RATE AND METHOD OF APPORTIONMENT FOR
CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY
COMMUNITY FACILITIES DISTRICT NO. 2012-01
IMPROVEMENT AREA No. 3
VILLAGE CENTER**

A Special Tax as hereinafter defined shall be levied on all Assessor's Parcels in Improvement Area No. 3 of CSCDA Community Facilities District No. 2012-01 (Village Center) ("CFD No. 2012-01 (IA No. 3)") and collected each Fiscal Year commencing in Fiscal Year 2012-13, in an amount determined by the Commission, through the application of the Rate and Method of Apportionment as described below. All of the real property in CFD No. 2012-01 (IA No. 3) shall be taxed for the purposes, to the extent and in the manner herein provided.

A. DEFINITIONS

This Rate and Method of Apportionment employs terms defined below and terms defined in the Rate and Method of Apportionment for Improvement Area No. 1 of CSCDA Community Facilities District No. 2012-01 (Fancher Creek Business Park) ("CFD No. 2012-01 (IA No. 1).") When necessary, terms defined in the latter shall be distinguished from terms defined in the former by including the words "CFD No. 2012-01 (IA No. 1)" prior to the defined term. The terms hereinafter set forth have the following meanings:

"Acre" or "Acreage" means the land area of an Assessor's Parcel as shown on an Assessor's Parcel Map, or if the land area is not shown on an Assessor's Parcel Map, the land area shown on the applicable final map, parcel map, condominium plan, or other recorded County parcel map.

"Act" means the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5, Division 2 of Title 5 of the Government Code of the State of California.

"Administrative Expenses" means the following actual or reasonably estimated costs directly related to the administration of CFD No. 2012-01 (IA No. 3): the costs of computing the Special Taxes and CFD No. 2012-01 (IA No. 1) Special Taxes and preparing the annual Special Tax and CFD No. 2012-01 (IA No. 1) Special Tax collection schedules (whether by the CSCDA Program Manager or designee thereof or both); the costs of collecting the Special Taxes and CFD No. 2012-01 (IA No. 1) Special Taxes (whether by the County or otherwise); the costs of remitting the Special Taxes and CFD No. 2012-01 (IA No. 1) Special Taxes to the Trustee; the costs of the Trustee (including its legal counsel) in the discharge of the duties required of it under the Indenture; the costs to CSCDA, CFD No. 2012-01 (IA No. 3), or any designee thereof of complying with arbitrage rebate requirements; the costs to CSCDA, CFD No. 2012-01 (IA No. 3), or any designee thereof of complying with CSCDA, CFD No. 2012-01 (IA No. 3), or obligated persons disclosure requirements associated with applicable federal and state securities laws and of the Act; the costs associated with preparing Special Tax and/or CFD No. 2012-01 (IA No. 1) Special Tax disclosure statements and responding to public inquiries regarding the Special Taxes and/or CFD No. 2012-01 (IA No. 1) Special Taxes; the costs of CSCDA, CFD No. 2012-01 (IA No. 3), or any designee thereof related to an appeal of the Special Tax and/or the CFD No. 2012-01 (IA No. 1) Special Tax; the costs associated with the release of funds from an escrow account; and

CSCDA's annual administration fees and third party expenses. Administrative Expenses shall also include amounts estimated or advanced by CSCDA or CFD No. 2012-01 (IA No. 3) for any other administrative purposes of CFD No. 2012-01 (IA No. 3), including attorney's fees and other costs related to commencing and pursuing to completion any foreclosure of delinquent Special Taxes and/or CFD No. 2012-01 (IA No. 1) Special Taxes.

"Assessor's Parcel" means a lot or parcel shown on an Assessor's Parcel Map with an assigned Assessor's parcel number.

"Assessor's Parcel No. 313-270-76" means the Assessor's Parcel in CFD No. 2012-01 (IA No. 1) on which a building with the address 704 North Laverne Avenue, Fresno, California is located.

"Assessor's Parcel Map" means an official map of the County Assessor of the County designating parcels by Assessor's parcel number.

"Bond Costs" means for (i) any bond issue secured by CFD No. 2012-01 (IA No. 3), all debt service payments, administrative expenses, and amounts required to establish or replenish any bond reserve funds, and any other use of Special Taxes for such bond issues required by the indenture, fiscal agent agreement, or other agreement governing the terms of such bond issue.

"Building Permit" means a permit issued by the City or County, as applicable, for the construction of a residential or non-residential building on an Assessor's Parcel.

"CFD No. 2012-01 (IA No. 1)" means CSCDA Community Facilities District No. 2012-01 (Improvement Area No. 1) which covers Fancher Creek Business Park.

"CFD No. 2012-01 (IA No. 3)" means CSCDA Community Facilities District No. 2012-01 (Improvement Area No. 3) which covers the Village Center project.

"CFD No. 2012-01 Bonds" means any bonds or other debt (as defined in Section 53317(d) of the Act), whether in one or more series, issued by CSCDA under the Act and secured by the special taxes on the property within CFD No. 2012-01 (IA No. 1) and CFD No. 2012-01 (IA No. 3).

"CFD No. 2012-01 (IA No. 1) RMA" means the Rate and Method of Apportionment for CFD No. 2012-01 (IA No. 1).

"CFD No. 2012-01 (IA No. 1) Special Tax" means the Special Tax to be levied in each Fiscal Year on each Assessor's Parcel of Taxable Property in CFD No. 2012-01 (IA No. 1) to fund the Special Tax Requirement.

"City" means the City of Fresno.

"Commission" means the governing board of CSCDA.

"Construction Inflation Index" means the annual positive percentage change in the Engineering News Record Building Cost Index for the City of Los Angeles, measured as

of the calendar year which ends in the previous Fiscal Year. In the event this index ceases to be published, the Construction Inflation Index shall be another index as determined by the CSCDA Program Manager that is reasonably comparable to the Engineering News Record Building Cost Index for the City of Los Angeles.

“County” means the County of Fresno.

“CSCDA” means the California Statewide Communities Development Authority.

“CSCDA Program Manager” means the CFD program manager for CSCDA.

“Developed Property” means, for each Fiscal Year, all Taxable Property for which a building permit for new construction was issued after January 1, 2012 and on or before May 1 of the Fiscal Year preceding the Fiscal Year for which the Special Taxes are being levied.

“Final Subdivision” means a subdivision of property by recordation of a final map, parcel map, or lot line adjustment, approved by the County pursuant to the Subdivision Map Act (California Government Code Section 66410 et seq.) or recordation of a condominium plan pursuant to California Civil Code 1352 that, in either case, creates individual lots for which building permits may be issued without further subdivision.

“Fiscal Year” means the period starting July 1 and ending on the following June 30.

“Goals and Policies” means the Mello-Roos Community Facilities Act of 1982 Goals and Policies, as adopted by the Commission.

“Indenture” means the indenture, fiscal agent agreement, resolution, or other instrument pursuant to which Bonds are issued, as modified, amended, and/or supplemented from time to time, and any instrument replacing or supplementing the same.

“Land Use Class” means any of the classes listed in Table 1, below

“Maximum Special Tax” means the Maximum Special Tax, determined in accordance with Section C below, that can be levied by the Commission in any Fiscal Year on any Assessor’s Parcel of Developed Property or Undeveloped Property.

“Non-Residential Property” means all Assessor’s Parcels of Developed Property for which a building permit permitting the construction of one or more non-residential units or facilities has been issued by the City or other governmental agency.

“Outstanding Bonds” means all CFD No. 2012-01 Bonds which remain outstanding under the Indenture.

“Property Owner Association Property” means, for each Fiscal Year, (i) any property within the boundaries of CFD No. 2012-01 (IA No. 3) that was owned by a property owner association, including any master or sub-association, as of January 1 of the prior Fiscal Year, (ii) any property located in a Final Subdivision that was recorded as of the May 1 preceding the Fiscal Year in which the Special Tax is being levied and which, as determined from such Final Subdivision, is or will be open space, a common area

recreation facility, or a private street, or (iii) any property which, as of the May 1 preceding the Fiscal Year for which the Special Tax is being levied, has been conveyed, irrevocably dedicated, or irrevocably offered to a property owner's association, including any master or sub-association, provided such conveyance, dedication, or offer is submitted to the CFD Administrator by May 1 preceding the Fiscal Year for which the Special Tax is being levied. The total number of acres to be classified as Property Owner Association Property or Public Property cannot exceed 6.82 acres, as described in Section E of this RMA.

“Proportionately” means, (i) for Developed Property and Undeveloped Property, that the ratio of the actual Special Tax levy per Acre to the Maximum Special Tax per Acre in the Remainder of CFD No. 2012-01 (IA No. 1) is equal for all Assessor's Parcels of Developed Property and Undeveloped Property, (ii) for Developed Property in CFD No. 2012-01 (IA No. 3) that the ratio of the actual CFD No. 2012-01 (IA No. 3) Special Tax levy per Acre to the Maximum Special Tax per Acre is equal for all Assessor's Parcels of CFD No. 2012-01 (IA No. 3) Developed Property, and (iii) for Undeveloped Property in CFD No. 2012-01 (IA No. 3) that the ratio of the actual Special Tax levy per Acre to the Maximum Special Tax per Acre is equal for all Assessor's Parcels of CFD No. 2012-01 (IA No. 3) Undeveloped Property.

“Public Property” means, for each Fiscal Year, any property within the boundaries of CFD No. 2012-01 (IA No. 3) that is (i) owned by, irrevocably offered or dedicated to the federal government, the State, the County, the City, or any local government or other public agency, provided that any property leased by a public agency to a private entity and subject to taxation under Section 53340.1 of the Act shall be taxed and classified according to its use; or (ii) encumbered by a public utility easement making impractical its use for any purpose other than that set forth in the easement. The total number of acres to be classified as Property Owner Association Property or Public Property cannot exceed 6.82 acres, as described in Section E of this RMA.

“Remainder of CFD No. 2012-01 (IA No. 1)” means all of the Assessor's Parcels in CFD No. 2012-01 (IA No. 1) with the exception of Assessor's Parcel No. 313-270-76.

“Residential Property” means all Assessor's Parcels of Developed Property for which a building permit has been issued for purposes of constructing one or more residential dwelling units.

“Special Tax” means the special tax to be levied in each Fiscal Year on each Assessor's Parcel of Taxable Property in CFD No. 2012-01 (IA No. 3) to fund the Special Tax Requirement.

“Special Tax Requirement” means that amount required in any Fiscal Year for CFD No. 2012-01 (IA No. 1) and CFD No. 2012-01 (IA No. 3) to: (i) pay debt service on all Outstanding Bonds; (ii) pay periodic costs on the CFD No. 2012-01 Bonds, including but not limited to, credit enhancement and rebate payments on the CFD No. 2012-01 Bonds; (iii) pay Administrative Expenses; (iv) pay any amounts required to establish or replenish any reserve funds for all Outstanding Bonds; and (v) pay for reasonably anticipated delinquent Special Taxes and delinquent CFD No. 2012-01 (IA No. 1) Special Taxes based on the delinquency rate for Special Taxes levied in the previous Fiscal Year; less (vi) a credit for funds available to reduce the annual Special Tax levy and the CFD No.

2012-01 (IA No. 1) Special Tax levy, as determined by the CSCDA Program Manager pursuant to the Indenture. The Special Tax Requirement represents the total amount to be levied in any Fiscal Year within CFD No. 2012-01 (IA No. 1) and CFD No. 2012-01 (IA No. 3).

“**State**” means the State of California.

“**Taxable Property**” means all of the Assessor’s Parcels within the boundaries of CFD No. 2012-01 (IA No. 3) that are not Public Property or Property Owner Association Property that have been exempted from the Special Tax under Section E, below.

“**Trustee**” means the trustee or fiscal agent under the Indenture.

“**Undeveloped Property**” means, for each Fiscal Year, all Taxable Property not classified as Developed Property.

B. ASSIGNMENT TO LAND USE CATEGORIES

Each Fiscal Year, all Taxable Property within CFD No. 2012-01 (IA No. 3) shall be classified as Developed Property or Undeveloped Property, and shall be subject to Special Taxes in accordance with the rate and method of apportionment determined pursuant to Sections C and D, below.

C. MAXIMUM SPECIAL TAX RATE

1. Taxable Property

(a). Maximum Special Tax

The Maximum Special Tax that may be levied and escalated as explained further in Section C.1.(b) below in any Fiscal Year for each Assessor’s Parcel classified as Developed Property or Undeveloped Property in CFD No. 2012-01 (IA No. 3) is shown below in Table 1.

TABLE 1
Maximum Special Tax for Developed Property
Improvement Area No. 3 of CFD No. 2012-01
Fiscal Year 2012-13

Land Use Class	Maximum Special Tax
Residential or Non-Residential Property in IA No. 3	\$4,530 per Acre

(b). Increase in the Maximum Special Tax

The Fiscal Year 2012-13 Maximum Special Tax, identified in Table 1 above, shall increase on July 1 of each Fiscal Year thereafter, commencing

on July 1, 2013, by an amount equal to two percent (2%) of the amount in effect for the previous Fiscal Year.

2. Undeveloped Property

(a). Maximum Special Tax

The Fiscal Year 2012-13 Maximum Special Tax for each Assessor's Parcel of Undeveloped Property shall be \$5,210 per Acre, and shall increase on July 1 of each Fiscal Year thereafter, commencing on July 1, 2013, by an amount equal to two percent (2%) of the Maximum Special Tax for the previous Fiscal Year.

D. METHOD OF APPORTIONMENT OF THE SPECIAL TAX

Commencing with Fiscal Year 2012-13 and for each following Fiscal Year, the CSCDA Program Manager shall determine the Special Tax Requirement, taking into consideration the levy of the CFD No. 2012-01 (IA No. 1) Special Tax, and shall levy the Special Tax until the amount of Special Taxes and CFD No. 2012-01 (IA No. 1) Special Taxes equal the Special Tax Requirement. The Special Tax shall be levied each Fiscal Year as follows:

First: The CFD No. 2012-01 (IA No. 1) Special Tax shall be levied on Assessor's Parcel No. 313-270-76 in CFD No. 2012-01 (IA No. 1) at 100% of the applicable Maximum Special Tax for Assessor's Parcel No. 313-270-76;

Second: If additional monies are needed to satisfy the Special Tax Requirement after the first step has been completed, the CFD No. 2012-01 (IA No. 1) Special Tax shall be levied Proportionately on each Assessor's Parcel of Developed Property and Undeveloped Property in the Remainder of CFD No. 2012-01 (IA No. 1) at up to 100% of the Maximum Special Tax for Developed Property and Undeveloped Property in the Remainder of CFD No. 2012-01 (IA No. 1);

Third: If additional monies are needed to satisfy the Special Tax Requirement after the first two steps have been completed, then under the terms of the CFD No. 2012-01 (IA No. 3) RMA, the Special Tax shall be levied Proportionately on each Assessor's Parcel of CFD No. 2012-01 (IA No. 3) Developed Property at up to 100% of the Maximum Special Tax for Developed Property in CFD No. 2012-01 (IA No. 3);

Fourth: If additional monies are needed to satisfy the Special Tax Requirement after the first three steps have been completed, then under the terms of the CFD No. 2012-01 (IA No. 3) RMA, the Special Tax shall be levied Proportionately on each Assessor's Parcel of CFD No. 2012-01 (IA No. 3) Undeveloped Property at up to 100% of the Maximum Tax for Undeveloped Property in CFD No. 2012-01 (IA No. 3);

Fifth: If additional monies are needed to satisfy the Special Tax Requirement after the first four steps have been completed, then the Special Tax shall be levied Proportionately on each Assessor's Parcel of non-exempt Public Property or Property Owner Association

Property in the Remainder of CFD No. 2012-01 (IA No. 1) at up to the Maximum Special Tax for Non-Residential Property in the Remainder of CFD No. 2012-01 (IA No. 1);

Sixth: If additional monies are needed to satisfy the Special Tax Requirement after the first five steps have been completed, then the Special Tax shall be levied Proportionately on each Assessor's Parcel of non-exempt Public Property or Property Owner Association Property in CFD No. 2012-01 (IA No. 3) at up to the Maximum Special Tax for Non-Residential Property in CFD No. 2012-01 (IA No. 3).

Notwithstanding the above, the CSCDA Program Manager or its designee may, in any Fiscal Year, levy Proportionately less than 100% of the Maximum Special Tax in the first step (above), when (i) the Commission or its designee is no longer required to levy the Special Tax pursuant to the second through sixth steps (above) in order to meet the Special Tax Requirement; and (ii) all authorized CFD No. 2012-01 Bonds have already been issued or the Commission has covenanted that it will not issue any additional CFD No. 2012-01 Bonds (except refunding bonds) to be supported by the Special Tax.

E. EXEMPTIONS

No Special Tax shall be levied on up to 6.82 Acres of Public Property or Property Owner Association Property in CFD No. 2012-01 (IA No. 3). Tax-exempt status will be assigned by the CSCDA Program Manager in the chronological order in which property in CFD No. 2012-01 (IA No. 3) becomes Public Property or Property Owner Association Property. However, should an Assessor's Parcel in the CFD No. 2012-01 no longer be classified as Public Property or Property Owner Association Property, it will, from that point forward, be subject to the Special Tax.

Prior to sixty (60) days before the issuance of a first series of CFD No. 2012-01 Bonds, the CSCDA Program Manager may increase the final number of tax-exempt acres of Public Property and Property Owner Association Property in CFD No. 2012-01 (IA No. 3) to better reflect the actual tax-exempt acreage within CFD No. 2012-01 (IA No. 3). However, after the issuance of a first series of CFD No. 2012-01 Bonds, Public Property and Property Owner Association Property that exceed the 6.82 Acre limit shall be taxed as Non-Residential Property under the 6th Step in Section D.

F. REVIEW/APPEAL PROCESS

Any taxpayer may file a written appeal of the Special Tax on his/her property with CSCDA, provided that the appellant is current in his/her payments of Special Taxes. During the pendency of an appeal, all Special Taxes previously levied must be paid on or before the payment date established when the levy was made. The appeal must specify the reasons why the appellant claims the Special Tax is in error. The CSCDA Program Manager or its designee shall review the appeal, meet with the appellant if the CSCDA Program Manager deems necessary, and advise the appellant of its determination within sixty (60) days after receipt of the appeal. If the CSCDA Program Manager agrees with the appellant, the CSCDA Program Manager shall make a recommendation to the Commission to eliminate or reduce the Special Tax on the appellant's property or to provide a refund to appellant. The approval of the Commission or its designee must be obtained prior to any such elimination or reduction. If the CSCDA Program Manager disagrees with the appellant and the appellant is dissatisfied with the determination, the

appellant then has thirty (30) days in which to appeal to the Commission by filing a written notice of appeal with the Secretary of the Commission, provided that the appellant is current in his/her payments of the Special Taxes. The second appeal must specify the reasons for the appellant's disagreement with the CSCDA Program Manager's determination. The Secretary of the Commission shall schedule the appeal to be heard before the Commission within sixty (60) days after receipt of the second appeal.

Interpretations may be made by the Commission by ordinance or resolution for purposes of clarifying any vagueness or ambiguity in this Rate and Method of Apportionment.

G. MANNER OF COLLECTION

The Special Tax will be collected in the same manner and at the same time as ordinary *ad valorem* property taxes; provided, however, that CFD No. 2012-01 (IA No. 3) may directly bill the Special Tax, may collect Special Taxes at a different time or in a different manner if necessary to meet its financial obligations, and may covenant to foreclose and may actually foreclose on delinquent Assessor's Parcels as permitted by the Act.

H. PREPAYMENT OF SPECIAL TAX

Under this Rate and Method of Apportionment, any Assessor's Parcel of Taxable Property within CFD No. 2012-01 (IA No. 3) is permitted to prepay the Special Tax. The obligation of the Assessor's Parcel to pay the Special Tax may be fully or partially prepaid and permanently satisfied as described herein only if there are no delinquent Special Taxes with respect to such Assessor's Parcel at the time of prepayment.

An owner of an Assessor's Parcel intending to prepay the Special Tax obligation shall provide the CSCDA Program Manager with written notice of intent to prepay. Within thirty (30) days of receipt of such written notice, the CSCDA Program Manager shall notify such owner of the prepayment amount of such Assessor's Parcel. The CSCDA Program Manager may charge a reasonable fee for providing this service. If there are Outstanding Bonds, Prepayment must be made not less than forty-five (45) days prior to the next occurring date that notice of redemption of CFD No. 2012-01 Bonds from the proceeds of such prepayment may be given to the Trustee pursuant to the Indenture.

The following definition applies to this Section H:

"CFD Public Facilities" means either (i) \$3,000,000 in 2012 dollars, or (ii) shall be determined by the Commission concurrently with a covenant that it will not issue any more CFD No. 2012-01 Bonds (other than refunding CFD No. 2012-01 Bonds) to be supported by Special Taxes levied under this Rate and Method of Apportionment as described in Section D.

"Construction Fund" means an account specifically identified in the Indenture to hold funds which are currently available for expenditure to acquire or construct public facilities eligible under the Act.

"Future Facilities Costs" means the CFD Public Facilities minus (i) public facility costs previously paid from the Construction Fund, (ii) moneys currently on deposit in the

Construction Fund, and (iii) moneys currently on deposit in an escrow fund that are expected to be available to finance facilities costs.

“Outstanding Bonds” means all Bonds which are deemed to be outstanding under the Indenture after the first interest and/or principal payment date following the current Fiscal Year.

1. Prepayment in Full – After Issuance of Bonds

The Prepayment Amount (defined below) shall be calculated as summarized below (capitalized terms as defined below):

	Bond Redemption Amount
plus	Redemption Premium
plus	Future Facilities Amount
plus	Defeasance Amount
plus	Administrative Fees and Expenses
less	Reserve Fund Credit
less	<u>Capitalized Interest Credit</u>
Total: equals	Prepayment Amount

As of the proposed date of prepayment, the Prepayment Amount (defined below) shall be calculated as follows:

Paragraph No.:

1. Confirm that no Special Tax delinquencies apply to the Assessor’s Parcel to be prepaid, and that such Assessor’s Parcel is Taxable Property.
2. For each Assessor’s Parcel of Taxable Property in CFD No. 2012-01 (IA No. 3) to be prepaid, compute the Maximum Special Tax which could be charged in the current Fiscal Year for that Assessor’s Parcel
3. Divide the Maximum Special Tax computed pursuant to paragraph 2 by the sum of the total estimated Maximum Special Taxes for the entire CFD No. 2012-01 (IA No. 3) based on the Maximum Special Taxes which could be charged in the current Fiscal Year on all Assessor's Parcels in CFD No. 2012-01 (IA No. 3) plus the Maximum Special Taxes for the entire CFD No. 2012-01 (IA No. 1) based on the Maximum Special Taxes which could be charged in the current Fiscal Year on all Assessor's Parcels in CFD No. 2012-01 (IA No. 1), excluding any Assessor’s Parcels which have been prepaid.
4. Multiply the quotient computed pursuant to paragraph 3 by the Outstanding Bonds to compute the amount of Outstanding Bonds to be retired and prepaid (the “Bond Redemption Amount”).
5. Multiply the Bond Redemption Amount computed pursuant to paragraph 4 by the applicable redemption premium, if any, on the Outstanding Bonds to be redeemed (the “Redemption Premium”).

6. Compute the current Future Facilities Costs.
7. Multiply the quotient computed pursuant to paragraph 3 by the amount determined pursuant to paragraph 6 to compute the amount of Future Facilities Costs to be prepaid (the "Future Facilities Amount").
8. Compute the amount needed to pay interest on the Bond Redemption Amount from the first bond interest and/or principal payment date following the current Fiscal Year until the earliest redemption date for the Outstanding Bonds.
9. Determine the Special Taxes levied on the Assessor's Parcel in the current Fiscal Year which have not yet been paid.
10. Compute the amount the CSCDA Program Manager reasonably expects to derive from the reinvestment of the Prepayment Amount less the Future Facilities Amount and the Administrative Fees and Expenses from the date of prepayment until the redemption date for the Outstanding Bonds to be redeemed with the prepayment.
11. Add the amounts computed pursuant to paragraphs 8 and 9 and subtract the amount computed pursuant to paragraph 10 (the "Defeasance Amount").
12. Verify the administrative fees and expenses of CFD No. 2012-01 (IA No. 3), including the costs of computation of the prepayment, the costs to invest the prepayment proceeds, the costs of redeeming CFD No. 2012-01 Bonds, and the costs of recording any notices to evidence the prepayment and the redemption (the "Administrative Fees and Expenses").
13. If reserve funds for the Outstanding Bonds, if any, are at or above 100% of the reserve requirement (as defined in the Indenture) on the prepayment date, a reserve fund credit shall be calculated as a reduction in the applicable reserve fund for the Outstanding Bonds to be redeemed pursuant to the prepayment (the "Reserve Fund Credit"). No Reserve Fund Credit shall be granted if reserve funds are below 100% of the reserve requirement.
14. If any capitalized interest for the Outstanding Bonds will not have been expended at the time of the first interest and/or principal payment following the current Fiscal Year, a capitalized interest credit shall be calculated by multiplying the quotient computed pursuant to paragraph 3 by the expected balance in the capitalized interest fund after such first interest and/or principal payment (the "Capitalized Interest Credit").
15. The Special Tax prepayment is equal to the sum of the amounts computed pursuant to paragraphs 4, 5, 7, 11 and 12, less the amounts computed pursuant to paragraphs 13 and 14 (the "Prepayment Amount").
16. The Prepayment Amount (less the amount computed pursuant to paragraph 12) shall be deposited into the appropriate fund and applied as set forth in the Indenture. The amount computed pursuant to paragraph 12 shall be retained by CFD No. 2012-01 (IA No. 3).

The Prepayment Amount may be sufficient to redeem other than a \$5,000 increment of CFD No. 2012-01 Bonds. In such cases, the increment above \$5,000 or integral multiple thereof will be retained in the appropriate fund established under the Indenture to be used with the next prepayment of bonds or to make debt service payments.

As a result of the payment of the current Fiscal Year's Special Tax levy as determined under paragraph 9 (above), the CSCDA Program Manager shall remove the current Fiscal Year's Special Tax levy for such Assessor's Parcel from the County tax rolls. With respect to any Assessor's Parcel that is prepaid, the Commission shall cause a suitable notice to be recorded in compliance with the Act, to indicate the prepayment of Special Taxes and the release of the Special Tax lien on such Assessor's Parcel, and the obligation of such Assessor's Parcel to pay the Special Tax shall cease.

Notwithstanding the foregoing, no Special Tax prepayment shall be allowed unless the amount of Maximum Special Taxes that may be levied on Taxable Property in CFD No. 2012-01 (IA No. 3) plus the amount of Maximum Special Taxes that may be levied on expected Taxable Property at buildout of CFD No. 2012-01 (IA No. 1) both prior to and after the proposed prepayment is at least 1.1 times the maximum annual debt service on all Outstanding Bonds through the retirement of such Bonds.

2. Prepayment in Part

The amount of the prepayment shall be calculated as in Section H.1; except that a partial prepayment shall be calculated according to the following formula:

$$PP = (PE - A) \times F + A.$$

These terms have the following meaning:

PP = the partial prepayment

PE = the Prepayment Amount calculated according to Section H.1

F = the percentage by which the owner of the Assessor's Parcel(s) is partially prepaying the Special Tax.

A = the Administration Fees and Expenses from Section H.1.

The owner of any Assessor's Parcel who desires such prepayment shall notify the CSCDA Program Manager of such owner's intent to partially prepay the Special Tax and the percentage by which the Special Tax shall be prepaid.

With respect to any Assessor's Parcel that is partially prepaid, the Commission shall (i) distribute the funds remitted to it according to Section H.1, and (ii) indicate in the records of CFD No. 2012-01 (IA No. 3) that there has been a partial prepayment of the Special Tax and that a portion of the Special Tax with respect to such Assessor's Parcel, equal to the outstanding percentage (1.00 - F) of the remaining Maximum Special Tax, shall continue to be levied on such Assessor's Parcel pursuant to Section D.

I. TERM OF SPECIAL TAX

The Special Tax shall be levied upon an Assessor's Parcel of Developed Property for a maximum of forty (40) years, provided however that Special Taxes will cease to be levied in an earlier Fiscal Year if the CSCDA Program Manager has determined that all required interest and principal payments on the CFD No. 2012-01 Bonds have been paid and the Commission has covenanted that it will not issue any more Bonds (other than refunding Bonds) to be supported by Special Taxes levied under this Rate and Method of Apportionment as described in Section D.

Item VIII

Discuss and Approve Intention to Refinance Statewide Community Infrastructure Program (SCIP)
2003A and 2005A.

SUMMARY AND APPROVALS

PROJECT: SCIP 2003A & 2005A REFINANCING
PRIMARY ACTIVITY: FINANCING PUBLIC IMPROVEMENTS AND IMPACT FEES

Background:

In 2003 and 2005 CSCDA through the Statewide Community Infrastructure Program (SCIP) issued \$6,270,000 and \$10,645,000 respectively in bonds (the “Bonds”).

These districts are fully built out, and consist of 55% residential property and 45% commercial and medical office property. The projects include Metro Walk in Richmond (residential), Los Trancos Woods in Portola (residential), John Muir Hospital in Brentwood (medical), and Shell Vacations in Napa (commercial).

Discussion:

Interest rates have fallen substantially since the Bonds were issued, and there are favorable market conditions to refinance the bonds.

At current interest rates RBC Capital Markets expect the savings would be approximately \$1.2 million over the life of the bonds. The net present value is approximately \$800,000 of the outstanding par amount. The next call date for the Bonds is September 2, 2013, and the SCIP Finance Team would expect to bring the issue back to CSCDA in May, 2013 to authorize the sale of bonds. The savings would be credited back to property owners within the districts. The expected par amount of the issue would approximately \$15,300,000, and the property owners would not pay any out of pocket expenses for the refinancing.

Approvals:

Adopt the attached resolution authorizing the SCIP Finance Team to begin the steps of refinancing of the 2003 and 2005 SCIP Bonds.

RESOLUTION NO. 13R-___

**RESOLUTION OF THE CALIFORNIA STATEWIDE
COMMUNITIES DEVELOPMENT AUTHORITY DIRECTING
AND AUTHORIZING STAFF TO PREPARE DOCUMENTS
FOR THE ISSUANCE OF REFUNDING BONDS AND
APPOINTING A FINANCING TEAM**

WHEREAS, the California Statewide Communities Development Authority (the “Authority”) has previously issued its \$6,270,000 Statewide Communities Infrastructure Program Revenue Bonds, Series 2003A and \$10,645,000 Statewide Communities Infrastructure Program Revenue Bonds, Series 2005A (together, the “Prior Bonds”); and

WHEREAS, the Authority has determined to pursue the issuance of bonds to refund the Prior Bonds; and

WHEREAS, the Authority now desires to appoint the members of the financing team to enable the Authority to pursue said refunding;

NOW, THEREFORE, be it resolved that:

Section 1. The Authority hereby determines to pursue the issuance of bonds to refund the Prior Bonds and hereby directs the Chair, the Vice Chair, the Secretary, the Treasurer, and any other members of the Commission of the Authority and other appropriate officers and agents of the Authority to prepare or cause to be prepared proceedings to accomplish same.

Section 2. The Authority desires to use the same financing team as was used for the issuance of the Prior Bonds and hereby directs the appropriate officers and agents of the Authority to work with such financing team to implement such refunding.

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

I, the undersigned, a duly appointed and qualified Authorized Signatory of the Commission of the California Statewide Communities Development Authority, DO HEREBY CERTIFY that the foregoing resolution was duly adopted by the Commission of said Authority at a duly called meeting of the Commission of said Authority held in accordance with law on March 28, 2013.

By: _____
Authorized Signatory
California Statewide Communities
Development Authority

Item IX

Discuss CDLAC Deposit Forfeiture Process (Information Item Only).

SUMMARY AND APPROVALS

DATE: MARCH 28, 2013

INFORMATION ITEM: DISCUSS CDLAC DEPOSIT FORFEITURE PROCESS

Background/Discussion:

When CSCDA staff submits multifamily housing application to the California Debt Limit Allocation Committee (“CDLAC”) for an allocation of tax exempt bonds, a deposit is collected from the developer for .5% of the requested bond amount, not to exceed \$100,000 (the “Performance Deposit”).

The Performance Deposit is held in a CSCDA escrow account until either of the following events occur:

1. The bonds are issued and the Performance Deposit is returned to the developer with CDLAC’s approval of such release; or
2. If the allocation is not used by the developer, the Performance Deposit is forfeited by the developer.

The payment and forfeiture of the Performance Deposit is by the developer and not CSCDA.

This issue has come up recently with Redevelopment Agencies (RDA) being extinguished. On March 11, 2011 (subsequently updated March 15, 2013) CDLAC initiated a policy for projects with redevelopment funding in response to the Governor’s proposal to abolish RDAs. (see Attachment 1) The policy deemed that all projects with RDA funding receiving an award of allocation after March 16, 2011, which subsequently failed to issue bonds, would be subject to all non-issuance penalties as described in the CDLAC regulations. The penalties include a forfeiture of the performance deposit and the assessment of 10 negative points for two calendar years. The negative points can affect a developer’s ability to meet the minimum threshold requirements to receive an allocation.

At the current time only two CSCDA projects have been subject to this forfeiture, but there may be more in the future as the fallout from the RDAs continues.

This is an informational item that is being brought to the Commission at the request of Terry Schutten. Staff would like to confirm that no negative points or penalties are applied to CSCDA when allocation is forfeited.

Attachments:

1. CDLAC Policy Memorandum, March 11, 2011 and updated March 15, 2013



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State Controller

EXECUTIVE DIRECTOR
Sean L. Spear

To: All Interested Parties

From: Sean L. Spear, Executive Director

Date: March 15, 2013

Re: UPDATE to the CDLAC March 11, 2011 Memorandum on Existing and Future
Redevelopment Agency-Financed Projects

Regularly, the California Debt Limit Allocation Committee (“CDLAC”) awards allocation to applicants for projects that may utilize former redevelopment agency (“RDA”) funds as a source of financing. Given their unclear future at that time, CDLAC issued an informational memorandum on March 11, 2011 describing how projects that failed to issue awarded allocation and/or deliver their required public benefits as a result of the loss of RDA participation would be fully subject to all penalties as prescribed by the CDLAC Regulations.

In the two years since the issuance of the memorandum, related state law, court decisions, and regulatory procedures have been enacted which provide a clearer understanding to the development community of the steps needed in order to fully confirm and secure whatever RDA support a project may be relying upon. Based upon this, CDLAC feels compelled to provide an update to the March 11, 2011 memorandum detailing CDLAC’s new application requirement for RDA-supported projects in the future; as well as CDLAC’s revised policy position on projects that fail to proceed due to an RDA-related issue.

Background - AB1484 and the Option to Receive a Final Determination Letter from the Department of Finance

In the wake of the passage of AB1X26 and the elimination of the redevelopment agencies, Project Sponsors have continued to pursue projects with reliance on commitments involving former redevelopment agency funding and/or other assets. These RDA commitments are now administered by various Successor Entities, with periodic reviews and approvals from the State Department of Finance (DOF). The Recognized Obligation Payment Schedule (ROPS) review process has been commonly assumed as the way for a Successor Entity (and Project Sponsor) to finally confirm the validity of an RDA-related commitment.

While perhaps not widely known, awarded projects may still be subject to the denial of their RDA-related commitments even after receiving an earlier ROPS approval by DOF. Specifically, DOF reserves the right to re-evaluate obligations in subsequent periodic ROPS submissions. However, as

provided for through AB1484 (signed into law on June 27, 2012), Successor Entities now have the ability to request a Final Determination Letter from DOF on individual commitments if they so choose.

New Final Determination Letter Requirement

CDLAC believes that the parties involved in a RDA-supported project must now seek the strongest assurance possible; which is securing a DOF Final Determination Letter where applicable. For all awarded projects to date, CDLAC strongly encourages the Project Sponsors (via the applicable Successor Entity) to seek and secure a DOF Final Determination Letter. DOF has indicated a four-to-six week process for review and response following receipt of a written request. Assuming no other delaying issues, CDLAC staff is prepared to recommend issuance deadline extensions to provide awarded projects with sufficient additional time (if needed) to secure a DOF Determination Letter. Further, beginning with the **September 2013 Allocation Round** (applications due on July 17th, 2013), all project applications that include some form of RDA-support must include a copy of the applicable DOF Final Determination Letter as proof of a commitment of funds as provided for under Section 5230(h)(1) of the CDLAC Regulations.

Waivers of Penalties Due to Loss of RDA Support

CDLAC acknowledges that there has been an understandable level of confusion and lack of full knowledge of the RDA-related process to-date, and the options for securing an unconditional approval of an RDA-related commitment. Issuers, Project Sponsors and the project financiers have proceeded under the assumption, right or wrong, that the RDA-related element may have been fully secured with a ROPS approval. Nevertheless, CDLAC believes that the parties, by virtue of this memorandum and other sources, should now be fully aware of the potential risk to their project should they attempt to rely on a ROPS approval alone.

That being said, where the bonds have already closed as of this date, the RDA funding and/or amended agreements may already have been acted upon. It may be too late or unnecessary for the applicable Successor Entity to now seek a DOF Final Determination Letter. Nevertheless, if a fatal RDA-related issue should arise for such a closed transaction, CDLAC staff will consider recommending a waiver for Committee consideration.

For projects that have not closed yet, if a Project Sponsor elects to proceed without the Letter and then later revert allocation or default on the bonds as a result of a subsequent DOF denial, then the Committee may elect to not waive the resultant CDLAC penalties since this was a now-known risk. Lastly, as was originally intended by the policy described in the March 2011 CDLAC Memorandum, projects that failed to ever receive a DOF ROPS approval should continue to be subject to all applicable penalties for failure to issue an awarded allocation.

As always, do not hesitate to contact CDLAC should you have questions regarding this matter.

ATTACHMENT A

CDLAC MARCH 13, 2013 MEETING **Item 3 – Executive Director’s Report**

PROPOSED REVISED POLICY FOR RDA-SUPPORTED PROJECTS

<u>Project Scenario 1</u> <i>Bond-Closed Projects Submitted Before AB1484 Enactment</i>	<u>Project Scenario 2</u> <i>Yet-To-Close Projects Submitted Before AB1484 Enactment</i>	<u>Project Scenario 3</u> <i>Projects Submitted After AB1484 Enactment</i>
<i>28 Projects Closed</i> <i>(+5 Post-AB1484 Projects Closed)</i>	<i>2 Projects Pending Closing</i>	<i>3 Projects Pending Closing</i> <i>(+4 Pending Award 3/13/13)</i>
Though they may have received DOF ROPS approvals to-date, these projects may still be subject to a denial of their commitment at a later date. These projects may even be in-construction and/or have completely expended their RDA funding; in which case, a subsequent denial would probably be fatal to the project. At the time of CDLAC approval, the DOF ROPS approval was commonly seen as the final hurdle to concluding that the RDA-related commitment was valid and could be relied upon, even though DOF included conditional language in their approval correspondence.	In this case, the project may still be addressing other development issues preventing them from closing on their bonds. Like the first scenario, these projects are still subject to subsequent denial from DOF, though their financial and legal facilitators may be willing to move forward with the closing once the other issues are resolved.	A small (but increasing) group of newer projects fall into this category. Though it may not be widely known, these projects have had the option to still seek a DOF Final Determination Letter. Such a letter should now be considered a critical assurance for any project that their RDA-related commitment is valid and enforceable into the future.
<i>Staff Recommendation</i>	<i>Staff Recommendation</i>	<i>Staff Recommendation</i>
The RDA funding and/or amended agreements may already have been acted upon. It may be too late or unnecessary for the applicable Successor Entity to now seek a DOF Final Determination Letter. Nevertheless, if a fatal RDA-related issue should arise, staff does not believe that CDLAC should penalize the Project Sponsor for relying upon the Bond Counsel’s Opinion, the good-faith actions of the Successor Entity, and the financing entities that understood all necessary commitments to be in-place at the time of issuance. As a matter of course, CDLAC relies upon the Bond Counsel’s determination that a project can proceed based upon a review of the legal and regulatory circumstances at the time. Staff does not believe that we should call this practice into question now for this situation.	Short of attempting to revise the existing CDLAC Resolutions, CDLAC does not have the ability to require the subject project’s Successor Entities to seek a DOF Final Determination Letter prior to the bond closing. So for such cases, staff recommends that CDLAC publicly state that a DOF ROPS approval is no guarantee of future RDA support; and that such projects <u>are strongly encouraged</u> to seek a DOF Final Determination Letter in order to be assured that the RDA-related commitment is confirmed and enforceable. As provided for in the CDLAC Regulations, Staff would recommend to the Committee that they grant issuance date extensions to currently-awarded projects in order to secure the Letter where applicable. Staff would note that in these cases, if a Project Sponsor elects to proceed without the Letter and then later revert allocation or default on the bonds as a result of a subsequent DOF denial, then the Committee may elect to not waive the resultant CDLAC penalties since this was a known risk.	As provided for under Section 5230(h)(1), CDLAC will no longer consider any RDA funding as a truly committed funding source unless the subject Successor Entity has secured a DOF Final Determination Letter for that funding commitment. Beginning with applications for the September Round, the Letter must be submitted with the CDLAC application. DOF has indicated that receipt of a Letter can be secured within 4-6 weeks after a Successor Entity requests it on behalf of a project. This should be sufficient time for a September applicant to receive a reply by the July 19th application deadline.



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Sean L. Spear

Executive Director

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*Edmund G. Brown Jr.
Governor*

*John Chiang
State Controller*

To: Interested Parties

From: Sean L. Spear, Executive Director

Date: March 11, 2011

Re: Existing and Future Redevelopment Agency-Financed Projects

Regularly, the California Debt Limit Allocation Committee ("CDLAC") awards allocation to redevelopment agencies ("RDA's") and/or other applicants that utilize redevelopment agency ("RDA") funds as a source of financing. However, in light of the Governor's recent proposal to abolish RDA's, CDLAC strongly encourages these applicants to consider the risk of accepting any future awards of allocation at this time. For those in receipt of an existing award of allocation, CDLAC Staff plans to recommend the approval of a waiver of penalties should it be determined that RDA's no longer have the authority to issue bonds and/or enter into contracts for funding. However, this consideration will not be extended to future allocation recipients. The assessment of non-issuance penalties will resume and all RDA-related projects that receive an award of allocation **after March 16, 2011** and subsequently fail to issue bonds will be subject to all non-issuance penalties as described in the CDLAC Regulations. Penalties may include a forfeiture of the performance deposit and the assessment of negative points for two calendar years.

In addition, CDLAC has tentatively scheduled an April 26, 2011 special meeting to accommodate the award of new allocation to projects that wish to return existing allocation awarded to an RDA prior to March 17, 2011. In exchange for the allocation awarded to the RDA, a new allocation will be awarded to a new qualified CDLAC applicant so that the project may move forward without delay. Applicants that are unable to submit a request to CDLAC by the April 26 meeting deadline will have a 2nd opportunity to be considered for an allocation exchange at the previously scheduled May 18th allocation meeting. Please note: Applications associated with a request for an allocation exchange must have no substantive proposed project changes. If the proposed project has changed as a result of the loss of the RDA's participation, the application must be resubmitted through the regular CDLAC application process.

Attached are schedules of critical dates for the April 26, 2011 and the May 18, 2011 meetings. These schedules are exclusive to projects with an RDA as the issuer that were awarded allocation prior to March 17, 2011.

As always, do not hesitate to contact me should you have questions regarding this matter.