



REGULAR MEETING AGENDA

March 3, 2016 at 2:00 p.m.

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

Telephonic Locations:

3252 Southern Hills Drive
Fairfield, CA 94534

County of Butte
7 County Drive, Oroville, CA 9596

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

A. OPENING AND PROCEDURAL ITEMS

1. Roll Call.

_____ Dan Harrison, Chair	_____ Tim Snellings, Member
_____ Larry Combs, Vice Chair	_____ Dan Mierzwa, Member
_____ Kevin O'Rourke, Treasurer	_____ Ron Holly, Alt. Member
_____ Terry Schutten, Secretary	_____ Brian Moura, Alt. Member
_____ Irwin Bornstein, Member	
2. Consideration of the minutes of the February 18, 2016 Regular Meeting.
3. Consideration of the Consent Calendar.
4. Public Comment.

B. ITEMS FOR CONSIDERATION

5. Consideration of the issuance of revenue bonds or other obligations to finance or refinance the following projects, the execution and delivery of related documents, and other related actions:
 - a. Rady Children's Hospital; City of San Diego, County of San Diego; issue up to \$64,320,000 in refunding revenue bonds.

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

6. Statewide Community Infrastructure Program (SCIP):
 - A. Conduct proceedings with respect to SCIP (hearing to be held at 10 a.m. or shortly thereafter):
 1. Open Assessment Districts Public Hearing.
 2. Continue Assessment District No. 16-01 (City of Petaluma, County of Sonoma) to March 17, 2016.
 3. Close Assessment Districts Consolidated Public Hearing for Remaining Assessment Districts.
 4. Open Assessment Ballots and Announce Results.
 - B. Consideration of the following resolutions for SCIP:
 1. Resolution approving final engineer's reports, levying assessments, ordering the financing of specified development impact fees and capital improvements, and confirming amounts of unpaid assessments.
 2. Resolution providing for the issuance of six separate series of SCIP limited obligation for improvement bonds and approving the form and substance of a trust agreement.
 3. Resolution authorizing the issuance, sale and delivery of SCIP Revenue Bonds, Series 2016A and approving the forms of a trust agreement, a bond purchase agreement, a continuing disclosure agreement, and a preliminary official statement and authorizing certain other actions.
7. Consideration of revisions to CSCDA's Issuance Policy for non-rated/below investment grade bonds.
8. Consideration of financial hardship fee waivers for KDF Communities.

C. STAFF ANNOUNCEMENTS, REPORTS ON ACTIVITIES OR REQUESTS

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

NEXT MEETING: Thursday, March 17, 2016 at 2:00 p.m.
California State Association of Counties
1100 K Street, 1st Floor, Sacramento, CA 95814

CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY

CONSENT CALENDAR

1. Consent Calendar

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

March 3, 2016



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

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

February 18, 2016

MINUTES

Commission chair Dan Harrison called the meeting to order at 2:01 pm.

1 Roll Call.

Commission members present: Dan Harrison; and Terry Schutten. Larry Combs; Tim Snellings; Alternate commissioner Brian Moura (representing Kevin O'Rourke); and Alternate Commissioner Ron Holly (representing Dan Mierzwa) participated by conference telephone.

CSCDA Executive Director, Catherine Bando also participated by conference telephone.

Others present included: Perry Stottlemeyer, League of California Cities; Jon Penkower, Bridge Strategic Partners; and Mark Paxson, State Treasurer's Office. James Hamill, Bridge Strategic Partners; and Tricia Ortiz, Richards Watson & Gershon participated by conference telephone.

2 Approval of the minutes of the February 4, 2016 regular meeting.

Motion to approve by Schutten; second by Combs; unanimously approved by roll-call vote.

3 Approval of the consent calendar.

a Induce Trower Housing Partners, LP (Rocky Hill Veterans Apartments), (City of Vacaville, County of Solano; issue up to \$11 million in multi-family housing revenue bonds.

b Induce Islas Development, LLC (Lilly Gardens Apartments), (City of Gilroy, County of Santa Clara; issue up to \$18 million in multi-family housing revenue bonds.

Motion to approve by Combs; second by Schutten; unanimously approved by roll-call vote.

4 Public comment.

None.

5 Approval of Bronze Level Patron Program sponsorship of CCAH.

Executive Director Bando explained that this \$1,500 sponsorship of California Council for Affordable Housing (CCAH) is for their Spring Conference. Sponsorship provides exposure in the printed conference materials. Bando recommends approval.

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

6 Executive Director update.

Executive Director Bando explained that James attended the California City Managers Foundation (CCMF) Conference last week, representing CSCDA.

Also, the League of California Cities' Annual Conference is this October 5-6 in Long Beach, and CSCDA will have a well-placed booth in the Expo.

7 Staff updates.

Jon Penkower thanked everyone for participating in the meeting today because, although the meeting was very short, there were two inducements that had to occur today.

8 Chair Dan Harrison adjourned the meeting at 2:07 pm.

Submitted by: Perry Stottlemeyer, League of California Cities staff

*The next regular meeting of the commission is scheduled for
Thursday, March 3, at 2:00 pm
in League of California Cities' office at 1400 K Street, 3rd Floor, Sacramento, California.*

RESOLUTION NO. 16H-__

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

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

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

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

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

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

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

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

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

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

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

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

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

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

PASSED AND ADOPTED by the California Statewide Communities Development Authority this March 3, 2016.

The undersigned, an Authorized Signatory of the California Statewide Communities Development Authority, DOES HEREBY CERTIFY that the foregoing resolution was duly adopted by the Commission of said Authority at a duly called meeting of the Commission of said Authority held in accordance with law on March 3, 2016.

By: _____
Authorized Signatory

EXHIBIT A

Project Name	Project Location	Project Description (units)	New Construction/ Acquisition and Rehabilitation	Legal Name of initial owner/operator	Bond Amount
Evelyn Family Apartments	City of Mountain View, County of Santa Clara	116	New Construction	Bernardo Avenue Family Apartments, L.P.	\$35,000,000
Innovia Apartments	City of Fremont, County of Alameda	290	New Construction	St. Anton Communities, LLC	\$60,000,000
Emerald Gardens Apartments	City of Buena Park, County of Orange	110	Acquisition and Rehabilitation	KDF Communities LLC	\$25,000,000
Heninger Village Apartments	City of Santa Ana, County of Orange	58	Acquisition and Rehabilitation	KDF Communities LLC	\$14,000,000



Agenda Item No. 5a

Agenda Report

DATE: March 3, 2016

TO: CSCDA COMMISSIONERS

FROM: Cathy Bando, Executive Director

PROJECT: Rady Children's Hospital

PURPOSE: Authorize the Issuance of Bonds to Refinance the Acquisition, Construction, Improvement, Renovation and Equipping of Healthcare Facilities located in the City of San Diego, County of San Diego

AMOUNT: Not to Exceed \$64,320,000

EXECUTIVE SUMMARY:

Rady Children's Hospital, a 501c3 nonprofit organization ("Rady"), has requested that CSCDA issue nonprofit revenue bonds in an amount not to exceed \$64,320,000 (the "Bonds") to refinance the acquisition, construction, improvement, renovation and equipping of healthcare facilities located in the City of San Diego (the "Project"). The Bonds are being issued to refinance the aggregate principal amount of CSCDA's 2006A and 2006B bonds previously issued for the benefit of Rady (the "2006 Bonds"). The 2006 Bonds have an average interest rate of 4.60%, while the refinancing is expected to generate an average interest rate of 2.19% (inclusive of issuance costs). This difference drives significant refunding savings, resulting in a net present value savings of \$6.9 million. This will be the fourth CSCDA financing for Rady.

PROJECT ANALYSIS:

About Rady Children's Hospital:

Rady Children's Hospital is a nonprofit, 520-bed pediatric-care facility dedicated to excellence in care, research and teaching. Rady's mission is to restore, sustain and enhance the health and developmental potential of children through excellence in care, education, research and advocacy. Rady is the only hospital in the San Diego area dedicated exclusively to pediatric healthcare and the region's only designated pediatric trauma center. In affiliation with the University of California, San Diego School of Medicine, Rady is the region's teaching hospital for the next generation of pediatric physicians. Rady is also a major pediatric clinical research center, working in collaboration with world-renowned institutions, including UC San Diego and St. Jude Children's Research Hospital.

Public Agency Approval:

TEFRA Hearing: The Project is a current refunding of the 2006 Bonds and bond counsel has confirmed that a TEFRA hearing is not required.

Economic Development:

- Rady employs more than 5,000 staff, 1,000 nurses and 900 physicians throughout its facilities.
- Rady's role in the community has generated the establishment of medical clinics, pharmacies, rehabilitation centers and other medical related businesses to assist children in need of continued medical care. In addition, many Rady employees live, eat and shop within the community and support the local economy.

Public Benefit:

- In 2015, Rady contributed \$64,178,700 in total community benefits, including quantifiable benefits for the poor and broader community.
- Medi-Cal, Medicaid and Medicare acceptance – Rady provides healthcare and helps to subsidize the cost of service for patients that participate in government sponsored programs such as Medi-Cal, Medicaid and Medicare. In 2015, Rady subsidized more than \$35 million for the unpaid cost of federal, state, and local programs.
- Non-reimbursed community benefit costs – In 2015, Rady provided more than \$6 million in traditional charity care charges.
- Rady is the region's only Level 1 Pediatric Trauma Center.
- The Center for Healthier Communities serves as a hub of Rady's community health improvement strategies, helping to improve the lives of vulnerable populations.
- Rady offers multiple childhood obesity initiatives.

Sources and Uses:

Sources of Funds:

Series 2016 Par Amount:	\$ 55,895,000
Premium:	\$ 9,805,167
Debt Service Fund:	\$ 771,167
Total Sources:	\$ 66,471,334

Uses of Funds:

Refunding 2006 Bonds:	\$ 65,768,579
Cost of Issuance	\$ 702,755
Total Uses:	\$ 66,471,334

Finance Partners:

Bond Counsel: Orrick, Herrington & Sutcliffe, LLP, Sacramento
Authority Counsel: Orrick, Herrington & Sutcliffe, LLP, Sacramento
Underwriter: Wells Fargo Securities, San Francisco

Finance Terms:

Rating: AA- (Fitch) & Aa3 (Moody's)
Term: The Bonds will have maturities that mirror the 2006 Bonds, with serial maturity dates ranging from August 15, 2016 to the final maturity date of August 15, 2028
Structure: Public offering
Estimated Closing: May 16, 2016

CSCDA Policy Compliance:

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

DOCUMENTS: (as attachments)

1. CSCDA Resolution (Attachment A)

COMMISSION ACTION RECOMMENDED BY THE EXECUTIVE DIRECTOR:

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

ATTACHMENT A

RESOLUTION NO. 16NP-__

CALIFORNIA STATEWIDE COMMUNITIES

DEVELOPMENT AUTHORITY

A RESOLUTION AUTHORIZING THE ISSUANCE OF REFUNDING REVENUE BONDS IN ONE OR MORE SERIES IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$[PAR] TO REFINANCE THE ACQUISITION, CONSTRUCTION, IMPROVEMENT, RENOVATION AND EQUIPPING OF HEALTH CARE FACILITIES FOR RADY CHILDREN'S HOSPITAL – SAN DIEGO AND OTHER MATTERS RELATING THERETO

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

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

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

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

WHEREAS, the County of San Diego, California (the "County") is a Program Participant, and such County is authorized to acquire and dispose of property, both real and personal, pursuant to the provisions of Chapter 1, Division 1 of Title 3 of the Government Code of the State of California;

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

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

WHEREAS, the Authority had previously issued its Insured Revenue Refunding Bonds (Rady Children's Hospital – San Diego), Series 2006A and Series 2006B (collectively, the "Prior Bonds"), the proceeds of which were used to refinance the acquisition, construction, improvement, renovation and equipping of certain health care facilities (the "Facilities") owned and/or operated by the Rady Children's Hospital – San Diego, a California nonprofit public benefit corporation and an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986 (the "Corporation");

WHEREAS, the Facilities are located in the County;

WHEREAS, the Corporation wishes to refinance the outstanding Prior Bonds and is requesting the assistance of the Authority in refinancing the outstanding Prior Bonds;

WHEREAS, pursuant to one or more Bond Indentures (the "Bond Indentures"), between the Authority and Wells Fargo Bank, National Association (the "Bond Trustee"), the Authority will issue, from time to time, one or more series of the California Statewide Communities Development Authority Refunding Revenue Bonds (Rady Children's Hospital – San Diego) (the "Bonds") for the purpose, among others, of refinancing the outstanding Prior Bonds;

WHEREAS, the Bonds will be purchased on a "forward delivery basis" whereby the Bonds would be priced in anticipation of an issuance at a future date in this current year that is no more than 90 days prior to the first call date of the Prior Bonds of August 15, 2016 (the "Call Date");

WHEREAS, pursuant to one or more Loan Agreements (the "Loan Agreements"), between the Authority and the Corporation, the Authority will loan the proceeds of the Bonds to the Corporation for the purpose, among others, of refinancing the outstanding Prior Bonds;

WHEREAS, pursuant to one or more Forward Delivery Bond Purchase Agreements, each to be dated the date of sale of the related series of the Bonds (the "Forward Delivery Purchase Agreements"), among Wells Fargo Securities, LLC, as underwriter (the "Underwriter"), the Authority and the Corporation, the Bonds will be sold to the Underwriter, and the proceeds of such sale will be used as set forth in the Bond Indentures to refinance the outstanding Prior Bonds and to pay costs incurred in connection

with the issuance of the Bonds, such issuance to take place at a future date in this current year that is no more than 90 days prior to the Call Date;

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

- (1) A proposed form of the Bond Indentures;
 - (2) A proposed form of the Loan Agreements;
 - (3) A proposed form of the Forward Delivery Purchase Agreements;
- and
- (4) A proposed form of the official statement (the "Official Statement") to be used by the Underwriter in connection with the offering and sale of the Bonds.

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

Section 1. Pursuant to the Act and the Bond Indentures, the Authority is hereby authorized to issue its refunding revenue bonds, in one or more series, and from time to time, designated as the "California Statewide Communities Development Authority Refunding Revenue Bonds (Rady Children's Hospital – San Diego)" in an aggregate principal amount not to exceed sixty-four million three hundred twenty thousand dollars (\$64,320,000). 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 Bond Indentures. 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. 15R-53 of the Authority, adopted on October 22, 2015 (each, an "Authorized Signatory") and attested by the manual or facsimile signature of the Secretary of the Authority or the Assistant to the Secretary of the Authority or the manual signature of any Authorized Signatory.

Section 2. The proposed form of Bond Indentures, as made available to the Commissioners, is hereby approved. Any Authorized Signatory is hereby authorized and directed, for and on behalf of the Authority, to execute and deliver the Bond Indentures in substantially said form, with such changes and insertions therein as any member of the Commission, with the advice of counsel to the Authority, may approve, such approval to be conclusively evidenced by the execution and delivery thereof. The series designations, 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 Bond Indentures, as finally executed.

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

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

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

Section 6. The Bonds, when executed as provided in Section 1, shall be delivered to the Bond Trustee for authentication by the Bond Trustee. The Bond Trustee is hereby requested and directed to authenticate the Bonds by executing the Bond Trustee's Certificate of Authentication appearing thereon, and to deliver the Bonds, when duly executed and authenticated, to the purchaser or purchasers thereof in accordance with written instructions executed on behalf of the Authority by an Authorized Signatory, which any Authorized Signatory, acting alone, is authorized and directed, for and on behalf of the Authority, to execute and deliver to the Bond Trustee. Such instructions shall provide for the delivery of the Bonds to the purchaser or purchasers thereof, upon payment of the purchase price thereof.

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

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

Section 9. This Resolution shall take effect from and after its adoption.

PASSED AND ADOPTED by the California Statewide Communities Development Authority this 3rd day of March, 2016.

I, the undersigned, an Authorized Signatory of the California Statewide Communities Development Authority, DO HEREBY CERTIFY that the foregoing resolution was duly adopted by the Commission of the Authority at a duly called meeting of the Commission of the Authority held in accordance with law on March 3, 2016.

By: _____
Authorized Signatory
California Statewide Communities
Development
Authority



Agenda Item No. 6

Agenda Report

DATE: March 3, 2016

TO: CSCDA COMMISSIONERS

FROM: Cathy Bando, Executive Director

PURPOSE: Consideration of Statewide Community Infrastructure Program (SCIP) 2016A

EXECUTIVE SUMMARY:

At the January 7, 2016 meeting, the Commission adopted resolutions of intention to finance the payment of impact fees and improvements, and the preliminary engineers reports for SCIP 2016A. The anticipated bond amount will be approximately \$16,000,000.

The projects in SCIP 2016A include the following:

1. Milner Terrace (City of Manteca, San Joaquin County)
Impact Fees & Capital Improvements:
Well Water Fees, Water Meter Installation, Street Roadway Improvements, Storm Drain Improvements, Sanitary Sewer Improvements, Water Improvements, Landscaping.
2. Ferro Ronconi (City of Brentwood, Contra Costa County)
Impact Fees:
Water Facilities Fee, Wastewater Facilities Fee, Roadway Fee, Park and Trails Fee.
3. Cader Commerce (City of Petaluma, Sonoma County)
Impact Fees:
Park Land Acquisition Fee, Park Land Development Fee, Traffic Mitigation Fee.
NOTE: The public hearing for this portion of the SCIP financing is being continued to March 17, 2016 due to some outstanding information required for approval.
4. Kawana Meadows (City of Santa Rosa, Sonoma County)
Impact Fees & Capital Improvements:
Southeast Area Development Fee, Water Demand Fee, Wastewater Fee, Park Fee, Street/Roadway Improvements, Sanitary Sewer Improvements, Storm Drain Improvements, Water Improvements.
5. The Overlook (El Dorado Irrigation District)
Impact Fees:
Water Facilities Fee, Sewer Facilities Fee, Traffic Impact Mitigation Fee.

6. Newfield (City of Gardena, Los Angeles County)

Impact Fee:

Parks and Recreation Dedication Fee.

7. Evans Estates (City of Manteca, San Joaquin County)

Impact Fees & Capital Improvements:

Well Water Fees, Water Meter Installation, Street Roadway Improvements, Storm Drain Improvements, Sanitary Sewer Improvements, Water Improvements, Landscaping.

Today's actions are the next steps in completing the SCIP 2016A financing as outlined below. The final approval for SCIP 2016A will be brought back to the Commission at a later date.

RECOMMENDED ACTIONS: (EACH TO BE ADDRESSED SEPARATELY)

CSCDA's Executive Director recommends that the following actions be taken by the Commission for SCIP 2016A:

A. Conduct proceedings with respect to SCIP (hearing to be held at 10 a.m. or shortly thereafter):

1. Open Assessment Districts Public Hearing.
2. Continue Assessment District No. 16-01 (City of Petaluma, County of Sonoma) to March 17, 2016.
3. Close Assessment Districts Consolidated Public Hearing for Remaining Assessment Districts.
4. Open Assessment Ballots and Announce Results.

B. Consideration of the following resolutions for SCIP:

1. Resolution approving final engineer's reports, levying assessments, ordering the financing of specified development impact fees and capital improvements, and confirming amounts of unpaid assessments. (**Attachment A**)
2. Resolution providing for the issuance of six separate series of SCIP limited obligation for improvement bonds and approving the form and substance of a trust agreement. (**Attachment B**)
3. Resolution authorizing the issuance, sale and delivery of SCIP Revenue Bonds, Series 2016A and approving the forms of a trust agreement, a bond purchase agreement, a continuing disclosure agreement, and a preliminary official statement and authorizing certain other actions. (**Attachment C**)

ATTACHMENT A

RESOLUTION NO. _____

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

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

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

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

WHEREAS, on January 7, 2016, this Commission approved the boundary maps for the Districts and adopted its Resolutions of Intention (the "Resolutions of Intention") relating to the Districts, and such boundary maps were thereafter filed for record in the office of the County Recorders of the Counties in which the Districts are located; and

WHEREAS, in accordance with the direction of this Commission provided in the Resolutions of Intention, the Assessment Engineer of the Authority for SCIP, as Engineer of Work (the "Engineer of Work"), prepared and filed with the Authority on January 7, 2016, six separate reports containing the information regarding the Districts required by Section 10204 of the Streets and Highways Code of the State of California, which reports were duly presented to this Commission for preliminary consideration; and

WHEREAS, this Commission, by six separate resolutions duly adopted on January 7, 2016 (the “Resolutions of Preliminary Approval”), corresponding to the six proposed Districts, preliminarily approved the reports, and fixed 2:00 p.m., or as soon thereafter as the matter might be heard, on March 3, 2016, at the offices of League of California Cities, 1400 K Street, 3rd Floor, Sacramento, California, as the time and place for a public hearing with respect to the financing of the Fees and Improvements, to the extent of the Districts and to the levy of the assessments therein (the “Assessments”); and

WHEREAS, prior to the public hearing on the date hereof, the Engineer of Work found it necessary to prepare and submit modified engineer’s reports for two of the Districts due to a request from a developer to reduce the assessment amount and certain ministerial modifications; and

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

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

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

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

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

WHEREAS, this Commission has elected to comply with the requirements of Part 7.5 of the Special Assessment Investigation, Limitation and Majority Protest Act of 1931 (the “1931 Act”), being Division 4 (commencing with Section 2800) of Streets and Highways Code of the State of California, and on the basis of the information included in each Final Engineer’s Report, this Commission hereby finds and determines that the requirements of the 1931 Act are satisfied in the manner provided by subsection (d) of Section 2961 of said Part 7.5 of the 1931 Act; and

WHEREAS, there has been filed with the Authority a Consent and Waiver executed by each owner of each of the parcels upon which an Assessment is proposed to be levied or by an authorized representative of each owner, waiving any defect in the notice or procedure in the conduct of the public hearing and the assessment ballot procedure including the timing of receipt of the notice of the public hearing, waiving the entitlement to pay all or any part the Assessment in cash within the 30-day cash

payment period, and consenting to the modifications made to the applicable Engineer's Report between the preliminary approval thereof and approval of the Final Engineer's Reports by this Resolution; and

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

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

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

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

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

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

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

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

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

Section 8. This Commission hereby finds and determines that either each of the owners or an authorized representative of each of the owners of each of the parcels assessed in these proceedings has executed and filed with the administrator of SCIP (the "Program Administrator") a form of Consent and Waiver by which the entitlement otherwise given to each such owner to pay all

or any part of the subject Assessment or Assessments in cash within the 30-day cash payment period has been waived, and by which the property owner consents to the changes to the Engineer's Report between the preliminary approval thereof on January 7, 2016, and the approval of the Final Engineer's Reports by this Resolution. Accordingly, this Commission hereby confirms that the amount of unpaid Assessments is equal to the full amount of the Assessments levied and directs the Program Administrator to proceed forthwith, without the necessity of the 30-day cash payment period otherwise required, to provide for the issuance, sale and delivery of limited obligation improvement bonds in a principal amount equal to the Assessments levied.

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

Section 10. The Program Administrator is hereby directed to record the Final Engineer's Reports with the Authority. The Program Administrator is hereby further directed to record the assessment diagrams contained in the Final Engineer's Reports and the notices of assessment in the office of the County Recorder of the County within which each District is located in the time, form and manner as required by law.

Section 11. This Resolution shall take effect immediately upon its passage.

PASSED AND ADOPTED by the Commission of the California Statewide Communities Development Authority this March 3, 2016.

I, the undersigned, an Authorized Signatory of the California Statewide Communities Development Authority, DO HEREBY CERTIFY that the foregoing resolution was duly adopted by the Commission of the Authority at a duly called meeting of the Commission of the Authority held in accordance with law on March 3, 2016.

By: _____
Authorized Signatory
California Statewide Communities
Development Authority

EXHIBIT A

District Name	Assessment/Local Obligation Amount
Statewide Community Infrastructure Program Assessment District No. 16-01 (City of Brentwood, County of Contra Costa, California)	\$3,200,000
Statewide Community Infrastructure Program Assessment District No. 16-01 (El Dorado Irrigation District, County of El Dorado, California)	\$1,510,518
Statewide Community Infrastructure Program Assessment District No. 16-01 (City of Gardena, County of Los Angeles, California)	\$1,038,314
Statewide Community Infrastructure Program Assessment District No. 16-01 (City of Manteca, County of San Joaquin, California)	\$1,391,045
Statewide Community Infrastructure Program Assessment District No. 16-02 (City of Manteca, County of San Joaquin, California)	\$2,363,000
Statewide Community Infrastructure Program Assessment District No. 16-02 (City of Santa Rosa, County of Sonoma, California)	\$4,970,000

ATTACHMENT B

RESOLUTION NO. _____

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

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

WHEREAS, this Commission, on January 7, 2016, adopted its Resolutions of Intention (the “Resolutions of Intention”) relating to the financing of certain development impact fees and capital improvements in six separate assessment districts (the “Districts”) designated by the names set forth in Exhibit A attached hereto and by this reference incorporated herein; and

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

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

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

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

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

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

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

WHEREAS, for the purpose of funding the Local Obligations and thereby financing the development impact fees and public capital improvements in the Districts as described above, this Commission, in accordance with the Program, has on the same date hereof authorized its Statewide Community Infrastructure Program Revenue Bonds (the "Revenue Bonds") pursuant to the same Trust Agreement; and

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

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

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

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

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

Section 2. This Commission has reviewed all proceedings heretofore taken relative to the foregoing and has found, as a result of such review, and does hereby find and determine that all acts,

conditions and things required by law to exist, to happen and to be performed precedent to and in the issuance of the Local Obligations as hereinafter authorized and provided do exist, have happened and have been performed in due time, form and manner as required by law, and the Authority, upon approval by the Authority of the issuance of the Revenue Bonds, shall be authorized pursuant to each and every requirement of law to issue the Local Obligations.

Section 3. A separate series of Local Obligations shall be issued for each District as provided in the Trust Agreement and shall represent and shall be secured by the unpaid Assessments of each such District in accordance with the provisions of the 1915 Act and pursuant to the provisions of the Resolutions of Intention and proceedings taken thereunder. Each series of the Local Obligations shall be issued in an aggregate principal amount equal to the unpaid Assessments as set forth in Exhibit A to this Resolution, shall bear interest at rates not to exceed 12%, and shall be known as the “California Statewide Communities Development Authority Statewide Community Infrastructure Program Limited Obligation Improvement Bonds,” with appropriate series and sub-series designations as determined by the Authority. The Local Obligations may be issued pursuant to the same Trust Agreement as other Local Obligations of the Authority.

Section 4. The form and substance of the Trust Agreement made available to the Commissioners at this meeting is hereby approved. Any member of the Commission of the Authority, the Executive Director of the Authority, or their administrative delegates duly authorized pursuant to a resolution of the Authority (each, an “Authorized Signatory”), is hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver the Trust Agreement in substantially said form, with such changes therein as any member of the Commission may require or approve in consultation with Bond Counsel, such approval to be conclusively evidenced by the execution and delivery thereof.

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

Section 6. The Chair, the Vice Chair, the Secretary, the Treasurer, any other members of the Commission of the Authority and other appropriate officers and agents of the Authority are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents, or to make any necessary modifications thereto, which are acceptable to the members of the Commission of the Authority, the Authority’s general legal counsel and Bond Counsel and which they deem necessary or advisable in order to consummate the issuance, sale and delivery of the Local Obligations and to carry out the purposes of this Resolution.

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

PASSED AND ADOPTED by the Commission of the California Statewide Communities Development Authority this March 3, 2016.

I, the undersigned, an Authorized Signatory of the California Statewide Communities Development Authority, DO HEREBY CERTIFY that the foregoing resolution was duly adopted by the Commission of the Authority at a duly called meeting of the Commission of the Authority held in accordance with law on March 3, 2016.

By: _____
Authorized Signatory
California Statewide Communities
Development Authority

EXHIBIT A

District Name (County)	Local Obligation Amount
Statewide Community Infrastructure Program Assessment District No. 16-01 (City of Brentwood, County of Contra Costa, California)	per Engineer's Report, not to exceed \$3,200,000
Statewide Community Infrastructure Program Assessment District No. 16-01 (El Dorado Irrigation District, County of El Dorado, California)	per Engineer's Report, not to exceed \$1,510,518
Statewide Community Infrastructure Program Assessment District No. 16-01 (City of Gardena, County of Los Angeles, California)	per Engineer's Report, not to exceed \$1,038,314
Statewide Community Infrastructure Program Assessment District No. 16-01 (City of Manteca, County of San Joaquin, California)	per Engineer's Report, not to exceed \$1,391,045
Statewide Community Infrastructure Program Assessment District No. 16-02 (City of Manteca, County of San Joaquin, California)	per Engineer's Report, not to exceed \$2,363,000
Statewide Community Infrastructure Program Assessment District No. 16-02 (City of Santa Rosa, County of Sonoma, California)	per Engineer's Report, not to exceed \$4,970,000

ATTACHMENT C

RESOLUTION NO. 16R-_____

A RESOLUTION OF THE COMMISSION OF THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY AUTHORIZING THE ISSUANCE, SALE AND DELIVERY OF NOT TO EXCEED \$16,000,000 OF ITS STATEWIDE COMMUNITY INFRASTRUCTURE PROGRAM REVENUE BONDS, SERIES 2016A; APPROVING THE FORMS OF A TRUST AGREEMENT, A BOND PURCHASE AGREEMENT, AND A CONTINUING DISCLOSURE AGREEMENT, AUTHORIZING CHANGES THERETO AND EXECUTION AND DELIVERY THEREOF AS MODIFIED; APPROVING A PRELIMINARY OFFICIAL STATEMENT AND AUTHORIZING CHANGES THERETO AND DELIVERY THEREOF AS MODIFIED; AUTHORIZING THE PREPARATION OF A FINAL OFFICIAL STATEMENT SUBSTANTIALLY DERIVED FROM THE PRELIMINARY OFFICIAL STATEMENT AND EXECUTION AND DELIVERY THEREOF; AND AUTHORIZING CERTAIN OTHER ACTIONS IN CONNECTION WITH THE ISSUANCE, SALE AND DELIVERY OF SUCH BONDS AND IMPLEMENTATION OF THE RELATED FINANCING PROGRAM

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

WHEREAS, this Commission has completed its legal proceedings under the Municipal Improvement Act of 1913 (Division 12, commencing with Section 10000 of the Streets and Highways Code of the State of California) (the “1913 Act”) in connection with the formation of seven assessment districts identified in said proceedings (the “Districts”); and

WHEREAS, this Commission is empowered under the provisions of the Improvement Bond Act of 1915 (Division 10, commencing with Section 8500, of the Streets and Highways Code of the State of California) (the “1915 Act”) to undertake legal proceedings for the issuance, sale and delivery of limited obligation improvement bonds (the “Local Obligations”) upon the security of the recorded and unpaid assessments (the “Assessments”) of the Districts; and

WHEREAS, this Commission is empowered under the provisions of Article 4, Chapter 5, Division 7, Title 1 of the California Government Code (the “Law”) to issue bonds of the Authority for the purpose of acquiring certain local obligations issued by the Authority, including the Local Obligations; and

WHEREAS, this Commission has determined to issue seven separate series of Local Obligations, one series for each District (collectively, the “Local Obligations”), to be issued pursuant to that certain Trust Agreement (the “Trust Agreement”) between the Authority and Wells Fargo Bank, National Association, as Trustee (the “Trustee”), to be registered in the name of the Trustee and to bear such series designations as set forth in the Trust Agreement, which Local Obligations will fund certain public capital improvements and the payment of certain development impact fees which will, in turn, fund public capital improvements (the “Fees and Improvements”); and

WHEREAS, by this Resolution, this Commission wishes to authorize and undertake the issuance of the Authority’s Statewide Community Infrastructure Program Revenue Bonds, Series 2016A

(the “Bonds”), to acquire the Local Obligations, to fund a reserve fund and to pay costs of issuance (the “Financing Program”); and

WHEREAS, this Commission has determined that the estimated amount necessary to acquire the Local Obligations, to fund a reserve fund and to pay costs of issuance will require the issuance of the Bonds in the aggregate principal amount not to exceed \$16,000,000; and

WHEREAS, this Commission has determined that all things necessary to make the Bonds, when authenticated by the Trustee and issued as provided in the Trust Agreement the valid, binding and legal obligations of the Authority according to the import thereof and hereof have been done and performed; and

WHEREAS, in furtherance of implementing the financing described above, there have been filed with the Secretary of the Authority and submitted to this Commission for consideration and approval at this meeting, forms of the following:

- (a) the Trust Agreement, described above; and
- (b) a Bond Purchase Agreement, under the terms of which, among other things, the Authority agrees to sell and RBC Capital Markets, LLC, the underwriter (the “Underwriter”) agrees to purchase the Bonds; and
- (c) a Continuing Disclosure Agreement, under the terms of which, among other things, the Authority agrees and covenants to provide certain annual financial information and notice of material events to assist the Underwriter in complying with Rule 15c2-12 of the Securities Exchange Commission; and
- (d) a Preliminary Official Statement, describing the Bonds and the Local Obligations.

WHEREAS, being fully advised in the matter of the financing, this Commission wishes to proceed with implementation of the Financing Program; and

WHEREAS, all acts, conditions and things required by the Constitution and laws of the State of California to exist, to have happened and to have been performed precedent to and in connection with the consummation of the Financing Program do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the Authority is now duly authorized and empowered, pursuant to each and every requirement of law, to authorize the execution and delivery of certain documents in order to further implement the financing in the manner and upon the terms herein provided; and

WHEREAS, the requisite local agencies with jurisdiction over the areas encompassed by the Districts have determined that the issuance of the Bonds by the Authority and the acquisition of the Local Obligations will result in significant public benefits, including demonstrable savings in effective interest rate, bond preparation, bond underwriting and bond issuance costs;

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

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

Section 2. Pursuant to the Law, the Bonds shall be issued in the aggregate principal amount of not to exceed \$16,000,000; provided, however, that (a) the true interest cost on the Bonds shall not exceed 10.0%, and (b) the maximum term of any maturity shall not extend beyond the September 2, 2046.

Section 3. The form and substance of the Trust Agreement made available to the Commissioners at this meeting is hereby approved. Any member of the Commission of the Authority, the Executive Director of the Authority, or their administrative delegates duly authorized pursuant to a resolution of the Authority (each, an “Authorized Signatory”) is hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver the Trust Agreement in substantially said form, with such changes therein as any member of the Commission may require or approve in consultation with Bond Counsel, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 4. The form and substance of the Bond Purchase Agreement is hereby approved. Any Authorized Signatory is hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver the Bond Purchase Agreement in substantially said form, with such changes therein as any member of the Commission may require or approve in consultation with Bond Counsel, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 5. The form and substance of the Continuing Disclosure Agreement is hereby approved. Any Authorized Signatory is hereby authorized to execute and deliver said Continuing Disclosure Agreement in substantially the form on file with the Secretary and presented to this meeting, with such changes as any member of the Commission may require or approve in consultation with Disclosure Counsel, such approval to be conclusively evidenced by such execution and delivery.

Section 6. (a) The form and substance of the Preliminary Official Statement is hereby approved. Any Authorized Signatory is hereby authorized to execute the final Official Statement to be derived therefrom.

(b) Any Authorized Signatory is hereby authorized to find and determine that said Preliminary Official Statement in preliminary form is, and as of its date shall be, deemed “final” for purpose of Rule 15c2-12 of the Securities and Exchange Commission, and such Member is hereby authorized to execute a certificate to such effect in the customary form.

(c) Any Authorized Signatory is hereby authorized in consultation with Disclosure Counsel to approve corrections and additions to the Preliminary Official Statement by supplement or amendment thereto, by appropriate insertions, or otherwise as appropriate, provided that such corrections or additions shall be regarded by any member of the Commission as necessary to cause the information contained in the Preliminary Official Statement to conform to facts material to the Bonds or the Local Obligations or to the proceedings of this Commission or that such corrections or additions are in form rather than in substance.

(d) The Underwriter is authorized to distribute said Preliminary Official Statement and the final Official Statement to be derived therefrom in connection with the sale and delivery of the Bonds.

Section 7. The Chair, the Vice Chair, the Secretary, the Treasurer, any other members of the Commission of the Authority and other appropriate officers and agents of the Authority are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents which they may deem necessary or advisable in order to carry out, give effect to and comply with the terms and intent of this resolution. All actions heretofore taken by the Chair, the Vice Chair, the Secretary, the Treasurer, any other members of the Commission of the Authority and other appropriate

officers and agents of the Authority with respect to the transactions contemplated by this resolution are hereby ratified, confirmed and approved.

Section 8. This Resolution shall take effect immediately upon its passage.

PASSED AND ADOPTED by the Commission of the California Statewide Communities Development Authority this March 3, 2016.

I, the undersigned, an Authorized Signatory of the California Statewide Communities Development Authority, DO HEREBY CERTIFY that the foregoing resolution was duly adopted by the Commission of the Authority at a duly called meeting of the Commission of the Authority held in accordance with law on March 3, 2016.

By: _____
Authorized Signatory
California Statewide Communities
Development Authority



Agenda Item No. 7

Agenda Report

DATE: March 3, 2016

TO: CSCDA COMMISSIONERS

FROM: Cathy Bando, Executive Director

PURPOSE: Consideration of revisions to CSCDA's Issuance Policy for non-rated/below investment grade bonds

EXECUTIVE SUMMARY:

CSCDA maintains issuance policies for the sale of both investment grade and non-rated or below-investment grade bonds. Over the past few months, CSCDA has received a number of questions and some confusion concerning certain language in CSCDA's existing policy for non-rated or below-investment grade bonds (the "Issuance Policy"). As a result, it is prudent to clarify and streamline some of the Issuance Policy's provisions.

Attachment A illustrates the proposed revisions to the Issuance Policy which are summarized as follows:

- Clarifies that bonds within the same issue may be sold to both qualified institutional buyers ("QIBs") and accredited investors ("AIs"). The current language has been incorrectly interpreted to permit a sale to "either" QIBs "or" AIs.
- Requires the same minimum denominations for both QIBs and AIs. Bonds are often sold to a combination of QIBs and AIs and some investors actually qualify as both a QIB and AI.
- Removes the "book entry requirement" which is a secondary market consideration. CSCDA does not impose limits on secondary market transactions, other than specifying the limits in the bond documents themselves (such as requiring transfers only to QIBs and AIs and only in minimum denominations). This revision removes any implication that CSCDA monitors or polices the secondary market transfer of securities.

The proposed revisions to the Issuance Policy have been reviewed and approved by CSCDA's Issuer Counsel, Orrick, Herrington & Sutcliffe.

RECOMMENDED ACTION:

CSCDA's Executive Director recommends approval of the revisions to the Issuance Policy for non-rated/below investment grade bonds in accordance with Attachment A.

ATTACHMENT A

(Attached)

III. Requirements for Financings Rated Below "BBB-", or Non-rated²

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

²Except non-rated land secured financings that meet the authority's minimum credit criteria detailed in Section IV.



Agenda Item No. 8

Agenda Report

DATE: March 3, 2016

TO: CSCDA COMMISSIONERS

FROM: Cathy Bando, Executive Director

PURPOSE: Consideration of financial hardship fee waivers for KDF Communities

BACKGROUND AND SUMMARY:

At its November 19, 2015 regular meeting, the CSCDA Commission approved a resolution adopting the following policy for borrowers experiencing financial hardship (the “Financial Hardship Policy”):

- CSCDA may consider fee reduction requests from borrowers that pay fees which are calculated in a manner that is not consistent with CSCDA’s current methodology. CSCDA may adjust fees to more closely align with its current fee policy if a CSCDA borrower can demonstrate that a project has experienced net operating losses for three of the prior five years, including the most recent year. Approval by the CSCDA Commission is required for all fee reduction requests and a granted fee reduction may not reduce the borrower’s fee below the amount of the then current fee policy adopted by the Commission.

CSCDA has received a request from KDF Communities (“KDF”) for review of two projects under the Financial Hardship Policy. A summary of the request and staff analysis is as follows:

- CSCDA issued bonds in 2006 for two KDF projects located in Hesperia that are experiencing financial distress.
- KDF is currently paying to CSCDA a 0.08% annual administrative fee for each project, subject to a \$7,500 minimum fee.
- KDF has requested that the Authority revise the Regulatory Agreements for the projects to assess the administrative fees based upon the Authority’s current methodology (fees to be assessed based upon current outstanding principal balance).
- While CSCDA’s current fee schedule charges a 0.05% administrative fee for housing projects, KDF will continue to pay administrative fees at the greater of 0.08% or \$5,000.
- Both projects have experienced net operating losses for the past three years including the most recent year.
- Staff has reviewed audited financials for each project and confirmed the accuracy of the representations made below and in the request letters.

The formal request letter from KDF is included as Attachment A and the following is a summary of the financial situation for each of the projects:

Sunrise Terrace I			
	2013	2014	2015
Income	795,628	857,814	995,369
Operating Expenses	584,585	618,080	523,338
Net Operating Income	211,043	239,734	472,031
Debt Service	660,545	512,063	505,683
Operating Loss	(449,502)	(272,329)	(33,652)

Sunrise Terrace II			
	2013	2014	2015
Income	505,558	581,221	647,591
Operating Expenses	388,044	394,620	340,341
Net Operating Income	117,514	186,601	307,250
Debt Service	559,133	408,246	402,407
Operating Loss	(441,619)	(221,645)	(95,157)

RECOMMENDED ACTION:

CSCDA's Executive Director recommends approval of the financial hardship fee waivers as requested in Attachment A.

Attachment A

[Request Letters]

KDF HESPERIA LP & HESPERIA II LP

230 Newport Center Drive Ste 210

Newport Beach, CA 92660

(949) 719-1888

February 25, 2016

Mr. Jon Penkower

Managing Director-CSCDA

1700 North Broadway Suite 405

Walnut Creek, CA 94596

RE: HESPERIA LP & HESPERIA II LP financial Hardship request

Dear Jon:

This letter shall serve as a request to receive a reduction in Issuer fees for the KDF Hesperia LP project in Hesperia, California. The project meets the current standards to be considered a Financial Hardship per the CSCDA regulations and therefore eligible to receive a reduction in the standard issuer fee.

Under the new policy, this project would be eligible to pay administration fees at the original fee rate (8bps), but calculated against current outstanding principal (subject to minimum annual fee of \$5,000). So Hesperia LP combined annual fees would go from \$8,700 to \$5,750 (based on current outstanding balance) and Hesperia II annual fees would go from \$7,500 to the \$5,000 minimum fee.

IF this meets your approval, we would appreciate it if you could add this to the weekly agenda for approval.

Sincerely,

KDF Communities - Hesperia I, LLC

KDF Communities – Hesperia II, LLC,

a California limited liability company,

it's Co-General Partner

By 

Mark E. Hyatt,