



CSCDA
CALIFORNIA STATEWIDE COMMUNITIES
DEVELOPMENT AUTHORITY



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

April 17, 2014

10:00 a.m.

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

27788 Hidden Trail Road
Laguna Hills, CA 92653

County of Butte
7 County Center Drive
Oroville, CA 95965

709 Portwalk Place
Redwood City, CA 94065

County of Monterey
168 West Alisal Street
Salinas, CA 93901

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

- I. Call the Roll (alternates designate which member they are representing).
- II. Consideration of the Minutes of the April 3, 2014 Regular Meeting.
- III. Staff Updates.
- IV. Consideration of the Consent Calendar.
- V. Consideration of the financing; all necessary actions; the execution and delivery of all necessary documents and authorize any member to sign all necessary financing documents for the following:

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

- a. Huntington Memorial Hospital, City of Pasadena, County of Los Angeles; up to \$65 million 501(c)3 nonprofit revenue bonds. (Staff: Caitlin Lanctot)
 - b. Sonoma Academy, City of Santa Rosa, County of Sonoma; up to \$10 million 501(c)3 nonprofit revenue refunding bonds. (Staff: Scott Carper)
- VI. Consideration of Criteria for PACE Programs. (Cathy Bando)
- VII. Consideration of Agreement for Services (Non-Residential) Between CSCDA and Renewable Funding for the California FIRST program. (Cathy Bando)
- VIII. Consideration of resolution of intention to finance the installation of distributed generation renewable energy sources, energy efficiency and water efficiency improvements for 40 counties (which are listed in Schedule I of the resolution). (Staff: Caitlin Lanctot)
- IX. Consider the following resolutions for Assessment District 14-01 (County of Contra Costa) related to the upcoming Statewide Community Infrastructure Program (SCIP) project: (Staff: Scott Carper)
- a. A resolution of intention to finance the payment of development impact fees, including approval of proposed boundary map;
 - b. A resolution preliminarily approving engineer's reports, setting public hearing of protests and providing property owner ballots for Statewide Community Infrastructure Program Assessment District
- X. Public Comment
- XI. Adjourn



**CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY
CONSENT CALENDAR**

1. Consent Calendar:

- a. Wells Fargo Invoice #1064216 for \$3,500.00 for Corporate Trust Services.
- b. Inducement of APEC International, LLC (Swansea Park Senior Apartments-Phase II), City of Los Angeles, County of Los Angeles; issue up to \$24 million in multi-family housing debt obligations.
- c. Approval of the City of Dana Point as a Program Participant.

Thursday, April 17, 2014

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

Item II

Consideration of the Minutes of the April 3, 2014 Regular Meeting.

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

League of California Cities
1400 K Street, Sacramento, California

April 3, 2014

MINUTES

Commission chair Larry Combs called the meeting to order at 10:02 am.

I. Roll Call

Commission members present: Larry Combs and Tim Snellings. Irwin Bornstein, Dan Mierzwa, Kevin O'Rourke and Alternate Commissioner Brian Moura, representing Dwight Stenbakken, participated by conference telephone.

CSCDA Executive Director, Catherine Bando was also present.

Others present included: Perry Stottlemeyer, League of California Cities; Mike LaPierre and Scott Carper, HB Capital; Mimi Frusha, Cliff Staton and Annie Henderson, Renewable Funding; and Mark Paxson, State Treasurer's Office. Caitlin Lanctot, HB Capital; and Greg Stepanicich, Richards Watson & Gershon participated by conference telephone.

II. Approval of minutes—March 20, 2014

The commission approved the minutes for the regular meeting held March 20, 2014.

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

III. Staff updates

Executive Director Bando reported that she met yesterday with Renewable Funding regarding the launch of the residential PACE program. There are logistics to work through and hoping to work on a simulated closing of a transaction in April to ensure all systems are in place, with a soft launch in May and June, with full launch in July.

Commissioner Snellings inquired as to whether there would be an online training for counties and cities sometime prior to the full launch. Cliff Staton explained that Renewable Funding will be meeting personally with each county in the soft launch areas (Alameda and three other counties), as well as each city within the counties, to fully explain the process. Additionally, a webinar will be made available.

IV. Approval of consent calendar

1. Approve the following bills for payment:

- a. David Taussig & Associates, Invoice #1402084
2. Induce the following project:
 - a. Pavilion Park Senior I Housing Partners, LP (Pavilion Park Seniors), City of Irvine, County of Orange; issue up to \$33 million in multi-family housing debt obligations.
3. Authorization of Executive Director to execute a pre-approval letter for the CaliforniaFIRST Program.

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

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

- a. CH Valley View Partners, LP (Valley View Apartments), City of Delano, County of Kern; up to \$7 million in multi-family housing revenue bonds.

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

- b. California Shock Trauma Air Rescue (CALSTAR), City of Gilroy, County of Santa Clara; unincorporated County of Contra Costa; City of Auburn, County of Placer; City of Ukiah, County of Mendocino; City of Santa Maria, County of Santa Barbara; City of Vacaville, County of Solano; up to \$13 million in 501(c)(3) nonprofit revenue notes.

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

VI. Consideration of a request to accept reduced annual administrative fees on behalf of Quail Ridge Apartments.

In 2001, CSCDA issued \$16,750,000 in tax-exempt multi-family housing revenue bonds on behalf of Oracle Communities Rialto 360 Corporation to finance the acquisition and renovation of an existing affordable housing facility known as Quail Ridge Apartments. In 2002, CSCDA issued \$19,950,000 in multi-family housing refunding revenue bonds to refinance the 2001 bonds and provide additional monies for renovations.

According to the borrower, Wells Fargo Bank, serving as trustee, caused significant financial issues for the project because of its application of funds which was inconsistent with the provisions of the indenture.

Also pertinent, this project has had numerous noncompliance issues over the years. The borrower is asking CSCDA to adjust its annual administration fee.

Motion to accept staff recommendation to reject borrower request by Snellings; second by Moura; unanimously approved by roll-call vote.

VII. Consideration of Willdan Financial Services contract for administrative work on existing assessment districts.

Willdan has been the assessment engineer for the SCIP program since its inception in 2003. Late last year, the commissioners decided to change to another assessment engineer (Taussig). However, staff thought it would be

simplest and best if Willdan continued to perform administrative services for the existing assessment districts, while Taussig will do so for all new districts moving forward, as transferring the existing workload would be a lot of work.

Motion to accept staff recommendation by Mierzwa; second by Snellings; unanimously approved by roll-call vote.

VIII. Public Comment

No comments by the public, but Commissioner Bornstein made two suggestions: (i) it would be helpful if staff reports were provided to commissioners for all agenda items, whether they are action items or not; and (ii) it would be helpful for commissioners who call in for the meetings to know all who are present, including non-commissioners, as well as who all the teleconference participants are.

XI. Adjournment

Commission chair Larry Combs adjourned the meeting at 10:28 am.

Submitted by: Perry Stottlemeyer, League of California Cities staff

*The next regular meeting of the commission is scheduled for
Thursday, April 17, at 10:00 a.m.
in CSAC's office at 1100 K Street, Sacramento, California.*

Item IV

Consent Calendar:

- a. Wells Fargo Invoice #1064216 for \$3,500.00 for Corporate Trust Services.
- b. Inducement of APEC International, LLC (Swansea Park Senior Apartments-Phase II), City of Los Angeles, County of Los Angeles; issue up to \$24 million in multi-family housing debt obligations.
- c. Approval of the City of Dana Point as a Program Participant

Fee Invoice

Corporate Trust Services

**WELLS
FARGO**

Invoice Number 1064216	Billing Date 04/02/2014	Due Date 05/02/2014	Amount Due \$3,500.00 <i>Please mail or wire payment to:</i>
<div>CSCDA Luis Castro 2999 Oak Road Suite 710 Walnut Creek, CA 94597</div>			Mailing Address: Wells Fargo Bank WF 8113 P.O. Box 1450 Minneapolis, MN 55485-8113
			Wire Instructions: ABA #: 121000248 DDA #: 1000031565 Swift Code: WFBUS6S Reference: Invoice #, Acct Name, Attn Name
			ACH Instructions: ABA #: 091000019 DDA #: 1000031565 Memo: Invoice #, Account Name, Attn Name
			<i>Please return this portion of the statement with your payment in the envelope provided:</i>
<i>Please retain this portion for your records</i>			

Account Number: 17573300

CSCDA CRA/ERAF Program Series 2005

Administration Charges

For the Period 04/27/2014 through 04/26/2015

Trustee Fee

\$3,500.00

Total Amount Due:**\$3,500.00***Billings past due are subject to an 18% annual finance charge of the balance due.*

Applicant Information

Primary Contact E-mail: lgougis@4apec.com

Name of Developer: **APEC International, LLC**

TIN or EIN: **20-0219123**

Primary Contact

First Name: **Eugene**

Last Name: **Kim**

Title: **President**

Address:

Street: **770 South Irolo Street**

Suite: **1000**

City: **Los Angeles**

State: **California**

Zip: **90005**

Phone: **(213) 738-7389**

Ext:

Fax: **(213) 384-3847**

Email: **ekim@4apec.com**

Borrower Description:

☐ Same as developer ?

Name of Borrowing Entity: **To be formed LP**

Type of Entity:

☐ For-profit Corporation

☐ Non-profit Corporation

☒ Partnership

☐ Other (specify)

☐ Will you be applying for State Volume Cap?

Date Organized: **To be formed**

No. of Multi-Family Housing Projects Completed in the Last 10 Years: **3**

No. of Low Income Multi-Family Housing Projects Completed in the Last 10 Years: **3**

Primary Billing Contact

Organization: **APEC International, LLC**

First Name: **Eugene**

Last Name: **Kim**

Title: **President**

Address

Street: **770 South Irolo Street**

Suite: **1000**

City: **Los Angeles**

State: **California**

Zip: **90005**

Phone: **(213) 738-7389**

Ext:

Fax: **(213) 384-3847**

Email: **ekim@4apec.com**

Project Information

Project Information

Project Name: **Swansea Park Senior Apartments-Phase 2**

New Project Name(optional):

Facility Information

Facility #1

Facility Name: **Swansea Park Senior Apartments-Phase 2**

Facility Bond Amount: \$20,000,000.00

Project Address:

Street: **5151 Romaine Street**

City: **Los Angeles**

State: **California**

Zip: **90029**

County: **Los Angeles**

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

Total Number of Units:

Market:

Restricted: **76**

Total: **76**

Lot size: **53,930 sf**

Amenities:

under ground parking, laundry rooms, community room, 2 elevators, and wi-fi service.

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

Wood frame, 3 story, one building

Type of Housing:

☒ New Construction

☐ Acquisition/Rehab

Facility Use:

☐ Family

☒ Senior

Is this an Assisted Living Facility? ☐

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

Name of Agency:

First Name:

Last Name:

Title:

Phone:

Ext:

Fax:

Email:

Public Benefit Info:

Percentage of Units in Low Income Housing: 100

Percentage of Area Median Income(AMI) for Low Income Housing Units: 100

Total Number of Management Units: 1

#	Bedrooms (Unit Size)	%AMI	No. of restricted units	Restricted rent	Market rent	Expected savings
1.	1 Bedroom	30	5	440.00	1,466.00	1,026.00
2.	1 Bedroom	35	20	517.00	1,466.00	949.00
3.	1 Bedroom	40	3	593.00	1,466.00	873.00
4.	1 Bedroom	40	13	569.00	1,466.00	897.00
5.	1 Bedroom	50	23	722.00	1,466.00	744.00
6.	2 Bedrooms	30	3	527.00	1,756.00	1,229.00

7.	2 Bedrooms	35	3	619.00	1,756.00	1,137.00
8.	2 Bedrooms	40	2	711.00	1,756.00	1,045.00
9.	2 Bedrooms	50	2	894.00	1,756.00	862.00
10.	3 Bedrooms	30	1	600.00	1,800.00	1,200.00

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

Government Information

Project/Facility is in:

Congressional District #:	State Senate District #:	State Assembly District #:
28	22	43

Financing Information

Financing Information

Maturity 35 Years

Interest Rate Mode:

☒ Fixed

☐ Variable

Type of Offering:

☐ Public Offering

☒ Private Placement

☐ New Construction

☐ Acquisition of Existing Facility

☐ Refunding

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

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

Construction Financing:

☐ Credit Enhancement

☐ None

☐ Letter of Credit

☐ Other (specify)

Name of Credit Enhancement Provider or Private Placement Purchaser: BBCN Bank

Permanent Financing:

☐ Credit Enhancement

☐ None

☐ Letter of Credit

☐ Other (specify)

Name of Credit Enhancement Provider or Private Placement Purchaser: BBCN Bank

Expected Rating:

☒ Unrated

Moody's:

S&P:

Fitch:

Projected State Allocation Pool:

☒ General ☐ Mixed Income ☐ Rural

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

Sources and Uses

Sources and Uses

Sources of Proceeds

Tax-Exempt Bond Proceeds:	<u>\$20,200,000.00</u>
Taxable Bond Proceeds:	<u>\$</u>
Tax Credits:	<u>\$2,620,414.00</u>
Developer Equity:	<u>\$</u>
Other Funds (Describe):	
Seller Carry Note	<u>\$316,960.00</u>
Infill Grant	<u>\$3,520,440.00</u>
Deferred Fees	<u>\$1,119,747.00</u>
	<u>\$</u>
	<u>\$</u>
Total Sources:	<u>\$27,777,561.00</u>

Uses:

Land Acquisition:	<u>\$6,100,000.00</u>
Building Acquisition:	<u>\$</u>
Construction or Remodel:	<u>\$15,160,069.00</u>
Cost of Issuance:	<u>\$280,000.00</u>
Capitalized Interest:	<u>\$910,725.00</u>
Reserves:	<u>\$414,471.00</u>
Other Uses (Describe):	
Architecture	<u>\$650,000.00</u>
Survey & Engin	<u>\$150,000.00</u>
Legal Fees	<u>\$130,000.00</u>
Developer Fees	<u>\$1,200,000.00</u>
Other Cost and Fees	<u>\$2,782,296.00</u>
Total Uses:	<u>\$27,777,561.00</u>

Financing Team Information

Bond Counsel

Firm Name: Orrick Herrington

Primary Contact

First Name: Justin

Last Name: Cooper

Title: Principal

Address:

Street: 405 HOWARD STREET

City: SAN FRANCISCO

State: California

Suite:

Phone: (415) 773-5908

Ext:

Zip: 94105-2669

Email: jcooper@orrick.com

Fax: (415) 773-5759

Bank/Underwriter/Bond Purchaser

Firm Name:BBCN Bank

Primary Contact

First Name: Hassan

Last Name: Bouayad

Title: Vice President

Address:

Street: 2727 W. Olympic Blvd.

City: Los Angeles

State: California

Suite: Ste 213

Phone: (213) 235-3113

Ext:

Zip: 90006

Email:

Fax: (213) 406-8606

Financial Advisor

Firm Name:

Primary Contact

First Name:

Last Name:

Title:

Address:

Street:

Suite:

City:

State:

Zip:

Phone:

Ext:

Fax:

Email:

Rebate Analyst

Firm Name:

Primary Contact

First Name:

Last Name:

Title:

Address:

Street:

Suite:

City:

State:

Zip:

Phone:

Ext:

Fax:

Email:

RESOLUTION NO. 14R-13

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

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

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

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

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

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

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

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

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

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

PASSED AND ADOPTED by the California Statewide Communities Development Authority on April 3, 2014.

* * * * *

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 April 3, 2014.

By _____
Authorized Signatory

EXHIBIT A
CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY
PROGRAM PARTICIPANTS

City of Dana Point

Item V

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

- a. Huntington Memorial Hospital, City of Pasadena, County of Los Angeles; up to \$65 million 501(c)3 nonprofit revenue bonds. (Staff: Caitlin Lanctot)

SUMMARY AND APPROVALS

DATE:	APRIL 17, 2014
APPLICANT:	HUNTINGTON MEMORIAL HOSPITAL
AMOUNT:	UP TO \$65 MILLION OF NONPROFIT REVENUE BONDS
PURPOSE:	FINANCE AND REFINANCE THE ACQUISITION, CONSTRUCTION, IMPROVEMENT, RENOVATION AND EQUIPPING OF HEALTH FACILITIES
PRIMARY ACTIVITY:	MEDICAL HOSPITAL
LEGAL STRUCTURE:	501(C)(3) CORPORATION

Background:

Huntington Memorial Hospital (“Huntington”) is a California nonprofit public benefit corporation located in Pasadena, California. The 625 bed facility is home to the only level II trauma center in the San Gabriel Valley. Huntington is renowned for its programs in neurosciences, cardiovascular services and cancer care. It is an active teaching hospital with graduate medical education programs in internal medicine and general surgery. Additionally, the hospital has a high level neonatal intensive care unit, treating babies with the highest acuity.

Since 1892, Huntington has served the San Gabriel Valley community and has been committed to excellence, compassion and respect. Consistent with its mission, the hospital provides millions of dollars annually in charity care, benefits for vulnerable populations, health research, education and training and support programs that may otherwise be absent from the community.

Huntington has requested that the CSCDA serve as the issuer of nonprofit revenue obligations in an aggregate principal amount not to exceed \$65,000,000 (the “Obligations”). The proceeds of the Obligations will enable Huntington to undertake further capital improvements at the hospital to respond to the growing healthcare needs of the community and to comply with seismic safety standards. The proposed funds, in part, would be used to finance the construction of additional Inpatient Operating Rooms adjacent to the existing Inpatient Operating Rooms in the East Tower. This includes the construction of 2 floors (currently in a Shelled Space condition) located directly above the existing Emergency Department and its related equipment. In addition, funds would be used for critical campus wide utility infrastructure upgrades with particular focus on utilities that serve acute care facilities. Examples include, but not all inclusive, electrical power and gear upgrades, emergency power upgrades and chilled water upgrades. Finally, use of funds will be applied to additional capital projects that will put Huntington in compliance with SB 1953.

Huntington’s application was submitted to CSCDA on March 5, 2014. CSCDA has issued bonds for Huntington in the approximate amount of \$229 million for one prior transaction in 2005.

Agency Approvals:

A TEFRA hearing was held by the City of Pasadena on April 7, 2014 and the project was unanimously approved.

Estimated Sources and Uses:

Sources:

Principle Amount	<u>\$ 50,000,000.00</u>
Total Sources	\$ 50,000,000.00

Uses:

ED Building Construction	\$ 19,972,185.00
East & West Tower Construction	\$ 1,707,000.00
Utility Infrastructure Improvements	\$ 17,000,096.00
East Tower-Existing ORs Construction	<u>\$ 11,320,719.00</u>
Total Uses	\$ 50,000,000.00

Finance Team:

- Bond Counsel: Orrick, Herrington & Sutcliffe, LLP, Sacramento
- Authority Counsel: Orrick, Herrington & Sutcliffe, LLP, Sacramento
- Private Placement: Deutsche Bank Securities Inc., New York

Financing Structure:

The unrated bonds will be privately placed with Deutsche Bank and will have a term of 30 years. The fixed rate is expected to be approximately 5.00%.

Financing Approval:

Based on the overall Project meeting the Benefit Guidelines for 501(c)(3) Healthcare Facilities 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

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

Economic Development:

- Huntington employs approximately 2800 staff throughout its campus and support facilities in Pasadena, California. Many Huntington employees live, eat, and shop within those communities and support the local economy.
- Huntington continues to collaborate in the education and training of general surgery and internal medicine residents, pharmacy interns and residents, other health care professionals such as registered nurses, technicians experts in radiology, ultrasound, and echocardiology; paramedics, physical and occupational therapists, respiratory care practitioners, social workers, and psychologists. As a teaching facility affiliated with the University of Southern California's Keck School of Medicine, Huntington supports 39 residents each year specializing in internal medicine or general surgery.

Public Benefit:

- Health care resource – Huntington operates the only trauma center in the region, serving nearly 236,000 residents in the cities of Pasadena, San Marino, Altadena and South Pasadena.
- Community Benefit – For 2012, the economic value of community benefits provided by Huntington is estimated at \$92,853,772. Unreimbursed community benefits include medical care services, benefits for vulnerable populations, benefits for the community, and health research, education and training programs.
- Emergency care – Huntington provides 24-hour emergency care to all individuals, regardless of their ability to pay.
- Community outreach – Huntington supports a wide range of activities and resources for chronic disease management. These programs are designed to address diabetes, obesity, oncology patients, and chronic pulmonary diseases.

In 2012, 2,367 free flu shots were administered free of charge to targeted audiences: seniors, pregnant women, those with compromised immune systems and caretakers of children.

- Medi-Cal and Medicare acceptance – Huntington provides health care and helps to subsidize the cost of service for patients who participate in government sponsored programs such as Medi-Cal and Medicare.

Attachments:

1. Original application
2. Benefit Guidelines for 501(c)(3) Nonprofit Healthcare Facilities

Applicant Information

Primary Contact E-mail: eugene.gutierrez@huntingtonhospital.com

Organization

Name of Organization: **Pasadena Hospital Association, Ltd. dba Huntington Memorial Hospital**

TIN or EIN: **95-1644036**

Primary Contact

First Name: **Eugene**

Last Name: **Gutierrez**

Title: **Vice President of Finance**

Street: **100 West California Blvd**

Suite:

City: **Pasadena**

State: **California**

Zip: **91109-7013**

Phone: **626-397-5555**

Ext:

Fax: **626-397-2995**

Email: eugene.gutierrez@huntingtonhospital.com

Primary Billing Contact

Organization: **Pasadena Hospital Association, Ltd. dba Huntington Memorial Hospital**

First Name: **Eugene**

Last Name: **Gutierrez**

Title: **Vice President of Finance**

Address:

Street: **100 West California Blvd**

Suite:

City: **Pasadena**

State: **California**

Zip: **91109-7013**

Phone: **626-397-5555**

Ext:

Fax: **626-397-2995**

Email: eugene.gutierrez@huntingtonhospital.com

Project Information

Project type: **Healthcare: Hospital**

Other:

Project Name: **Campus Wide Facility Improvements**

☐ Small Issue Public Benefit Project?

Facility #1

Facility Name: **Huntington Memorial Hospital**

Facility Bond Amount: **\$65,000,000.00**

Project Address:

Street: **100 West California Blvd.**

City: **Pasadena**

State: **California**

Zip: **91109-7013**

County: **Los Angeles**

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

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

Name of Agency:

First Name:

Last Name:

Title:

Phone:

Ext:

Fax:

Email:

Government Information

Project/Facility is in:

Congressional District #:

27

State Senate District #:

21

State Assembly District #:

44

Financing Information

Financing Information

Tax Exempt: \$ 65,000,000.00
Taxable: \$
Total Principal Amount: \$ 65,000,000.00
Maturity 30Years

Interest Rate Mode:

☒ Fixed ☐ Variable

Denominations: TBD

Type of Offering:

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

Financing:

☐ Credit Enhancement ☐ Letter of Credit
☒ None
☐ Other

Name of Credit Enhancement Provider or Private Placement Purchaser: Deutsche Bank

Expected Rating:

☒ Unrated

Moody's:

S&P:

Fitch:

Financing Team Information

Bond Counsel

Firm Name: Orrick Herrington & Sutcliffe, LLP

Primary Contact

First Name: Jenna

Last Name: Magan

Title: Partner

Address:

Street: 400 Capitol Mall

City: Sacramento

State: California

Suite: Suite 3000

Phone: 916-447-9200

Ext:

Zip: 95814-4497

Email: vcmagan@orrick.com

Fax:

Bank/Underwriter/Bond Purchaser

Firm Name: Deutsche Bank

Primary Contact

First Name: Christopher

Last Name: Cost, CFA

Title: Vice President

Address:

Street: 60 Wall Street

City: New York

State: New York

Suite: 3rd Floor

Phone: 212-250-8257

Ext:

Zip: 10005

Email: christopher.cost@db.com

Fax:

Financial Advisor

Firm Name: Kaufman Hall

Primary Contact

First Name: Matt

Last Name: Robbins

Title: Vice President

Address:

Street: 5202 Old Orchard Rd.

City: Skokie,

State: Illinois

Suite: N700

Phone: (847) 441-8780

Ext: 262

Zip: 60077

Email: MRobbins@kaufmanhall.com

Fax: (847) 784-6285

Rebate Analyst

Firm Name: Not Applicable

Primary Contact

First Name: NA

Last Name: NA

Title: NA

Address:

Street: NA

City: NA

State: California

Suite:

Phone: 000-000-0000

Ext:

Zip: 91105

Email: xx@xxxx.xxx

Fax:

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

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

Economic Development Benefit*

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

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

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

Health Care Benefit*

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

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

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

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

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

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

Attachment 2

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

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

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

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

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

Effective March 1, 2006.

RESOLUTION NO. 14NP-__

**CALIFORNIA STATEWIDE COMMUNITIES
DEVELOPMENT AUTHORITY**

**A RESOLUTION AUTHORIZING THE ISSUANCE OF REVENUE BONDS IN A
PRINCIPAL AMOUNT NOT TO EXCEED \$65,000,000 TO FINANCE AND
REFINANCE THE ACQUISITION, CONSTRUCTION, IMPROVEMENT,
RENOVATION AND EQUIPPING OF HEALTH FACILITIES FOR HUNTINGTON
MEMORIAL HOSPITAL 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 City of Pasadena, California (the "City") is a Program Participant, and such City is authorized to acquire and dispose of property, both real and personal, pursuant to the provisions of Article 1, Chapter 5, Part 2 of Division 3 of Title 4 of the Government Code of the State of California;

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

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

WHEREAS, the Pasadena Hospital Association, Ltd., doing business as Huntington Memorial Hospital, a California nonprofit public benefit corporation (the “Corporation”), wishes to finance and refinance the acquisition, construction, improvement, renovation and/or equipping of health facilities (the “Project”) owned and/or operated by the Corporation or its affiliates and located in the City;

WHEREAS, the Corporation is requesting the assistance of the Authority in financing and refinancing the Project;

WHEREAS, pursuant to a Bond Indenture (the “Indenture”), between the Authority and U.S. Bank National Association (the “Trustee”), the Authority will issue the California Statewide Communities Development Authority Revenue Bonds (Huntington Memorial Hospital), Series 2014 (the “Bonds”) for the purpose, among others, of financing and refinancing the Project;

WHEREAS, pursuant to a Loan Agreement (the “Loan Agreement”), between the Authority and the Corporation, the Authority will loan the proceeds of the Bonds to the Corporation for the purpose, among others, of financing and refinancing the Project;

WHEREAS, the Bonds will be offered for sale to Deutsche Bank Securities Inc., or any affiliate thereof, which is a “Qualified Institutional Buyer” as defined under Rule 144A of the Securities Act of 1933, as amended, and the proceeds of such sale will be used as set forth in the Indenture to finance and refinance the Project, and to pay costs incurred in connection with the issuance of the Bonds;

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

- (1) A proposed form of the Indenture; and
- (2) A proposed form of the Loan Agreement;

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

Section 1. Orrick, Herrington & Sutcliffe LLP (“Orrick”) is appointed as bond counsel and issuer’s counsel to the Authority in connection with the Bonds. The Authority acknowledges that it has been advised that Orrick also represents Deutsche Bank Securities Inc. and its affiliates in unrelated matters, and it consents to such representation.

Section 2. Pursuant to the Act and the Indenture, the Authority is hereby authorized to issue its revenue bonds designated as the “California Statewide Communities Development Authority Revenue Bonds (Huntington Memorial Hospital), Series 2014” in an aggregate principal amount not to exceed sixty-five million dollars (\$65,000,000). 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 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. 14R-4 of the Authority, adopted on February 6, 2014 (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 proposed form of Indenture, 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 Indenture 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 Trustee, 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 proposed form of Loan Agreement, 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 Agreement in substantially said form, with such changes and insertions therein as any member of the Commission, with the advice of counsel to the Authority, may approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 5. The Bonds, when executed as provided in Section 2, shall be delivered to the Trustee for authentication by the Trustee. The Trustee is hereby requested and directed to authenticate the Bonds by executing the 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 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 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, 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 7. 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 8. Notwithstanding anything to the contrary in this Resolution, no documents referenced in this Resolution may be executed and delivered until the City has held the hearing pursuant to Section 147(f) of the Internal Revenue Code of 1986, if required by said Section, and has approved the issuance of the Bonds as may be required thereby and in accordance with Section 9 of the Agreement to provide financing and refinancing for the Project.

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

PASSED AND ADOPTED by the California Statewide Communities Development Authority this 17th day of April, 2014.

I, the undersigned, an Authorized Signatory of the California Statewide Communities Development Authority, DO HEREBY CERTIFY that the foregoing resolution was duly adopted by the Commission of the Authority at a duly called meeting of the Commission of the Authority held in accordance with law on April 17, 2014.

By: _____
Authorized Signatory
California Statewide Communities
Development Authority

Item V

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

- b. Sonoma Academy, City of Santa Rosa, County of Sonoma; up to \$10 million 501(c)3 nonprofit revenue refunding bonds. (Staff: Scott Carper)

SUMMARY AND APPROVALS

DATE:	APRIL 17, 2014
APPLICANT:	SONOMA ACADEMY
AMOUNT:	UP TO \$10 MILLION TAX-EXEMPT OBLIGATIONS
PURPOSE:	REFINANCE THE CONSTRUCTION, IMPROVEMENT AND EQUIPPING OF 9-12 EDUCATIONAL FACILITIES
PRIMARY ACTIVITY:	9TH THROUGH 12TH GRADE EDUCATION
LEGAL STRUCTURE:	501(C)(3) CORPORATION

Background:

Sonoma Academy, Founded in 1999, is a co-educational college preparatory school for grades nine through twelve. The School is situated on 34 acres, located in Santa Rosa, Sonoma County, California. The campus sits at the foot of Taylor Mountain and is surrounded by a thousand acres of open space.

Sonoma Academy Mission: Sonoma Academy calls its students to be creative, ethical, and committed to learning. The school nurtures inspiring teachers and engages with the surrounding community, and its students communicate across cultures as they prepare to become leaders in a dynamic world.

Sonoma Academy currently serves 268 students from four counties in the North Bay, all of whom are college bound. Students come from more than 30 different towns and cities and from 80 public, private, and parochial middle schools.

Sonoma Academy plans to use the proceeds of the 2014 tax-exempt loan to pay off and refinance the existing tax-exempt fixed rate revenue bonds. CSCDA issued \$33,000,000 in tax-exempt bonds for the purpose of financing the acquisition, construction and development of a new School facility, which was completed in August 2008. The new facility consisted of three main buildings, landscaped gardens, patios and plaza areas, sports fields and surplus land for future expansion. The three main buildings include: a gymnasium and administration building, a classroom building, and theatre building. The property is situated on 34 acres, totaling approximately 66,000 square feet.

TEFRA Information:

A TEFRA hearing will be held by Sonoma County (the “County”) on April 22, 2014 and is expected to receive unanimous approval.

Finance Team:

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

Financing Structure:

The Loan will mature in no more than 15 years and bear interest at a fixed rate of 3.65%. Reducing the rate to 3.65% is the best option for the school in this low rate environment and will offer good long term stability. The school is expected to save roughly \$750,000 through this refunding. The proposed issuance is in accordance with CSCDA’s issuance guidelines.

Estimated Sources and Uses:

Sources:

Loan Proceeds:	<u>\$10,000,000</u>
Total	\$10,000,000

Uses:

Refinancing of Loan	\$ 9,500,000
Costs of Issuance	<u>\$ 500,000</u>
Total	\$10,000,000

Financing Approval:

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

1. Approves the issuance of the Loan, subject to TEFRA approval by Sonoma County;
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

K-12 Public Benefit Requirements:

Sonoma Academy must be able to demonstrate that the community will receive a public benefit as a result of the refinancing of Sonoma Academy's facilities, including, but not limited to, one or more of the following:

- **Community Outreach:** The Applicant undertakes community outreach programs providing educational, cultural or philanthropic benefits to the community.
- **Public Access to Facilities:** The Applicant permits public access to its athletic fields, recreational facilities or other school facilities.
- **Financial Assistance:** The Applicant provides a reasonable amount of financial assistance to its students.

A sense of community involvement is integral to the Sonoma Academy academic experience. A few examples include:

Free English as a second language classes, taught by the local junior college are offered on campus. Dia Del Nino (Day of the Child) community event coordinated by parents & staff from Taylor Mountain and KAAS elementary schools and Sonoma Academy. Weekly Music program of ukulele instruction for 50 fifth graders taught by Sonoma Academy faculty and students, with a recital each spring.

The School does provide public access to the campus, primarily by making the gymnasium available to local athletic leagues.

Tuition is based on family circumstances. Fifty percent of families benefit from this program, which awards over \$2 million in financial aid each year. Sonoma Academy families range in socioeconomic background from those who pay full tuition to those who have a full scholarship. With the graduating class of 2013, there are approximately 440 alumni attending public and private colleges all over the U.S. and abroad.

Attachments:

1. Original application
2. CSCDA K-12 Private School Policy

Applicant Information

Primary Contact E-mail: mlapierre@cacommunities.org

Organization

Name of Organization: **Sonoma Academy**

TIN or EIN:

Primary Contact

First Name: **Derice**

Last Name: **Hogle**

Title: **Director of Finance**

Street: **2500 Farmers Lane**

Suite:

City: **Santa Rosa**

State: **California**

Zip: **95404**

Phone: **707-636-2462**

Ext:

Fax:

Email: **derice.hogle@sonomaacademy.org**

Primary Billing Contact

Organization: **Sonoma Academy**

First Name: **Derice**

Last Name: **Hogle**

Title: **Director of Finance**

Address:

Street: **2500 Farmers Lane**

Suite:

City: **Santa Rosa**

State: **California**

Zip: **95404**

Phone: **707-636-2462**

Ext:

Fax:

Email: **derice.hogle@sonomaacademy.org**

Project Information

Project type: **Education: K-12**

Other:

Project Name: **Sonoma Academy**

☐ Small Issue Public Benefit Project?

Facility #1

Facility Name: **Sonoma Academy**

Facility Bond Amount: **\$10,000,000.00**

Project Address:

Street: **2500 Farmers Lane**

City: **Santa Rosa**

State: **California**

Zip: **95404**

County: **Sonoma**

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

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

Name of Agency:

First Name:

Last Name:

Title:

Phone:

Ext:

Fax:

Email:

Public Benefit Info

For Private School Facility Only:

Tuition assistance K-8:

Tuition assistance 9-12:

Total tuition K-8:

Total tuition 9-12:

Part reimbursed K-8:

Part reimbursed 9-12:

% students receiving 50% tuition assistance:

Government Information

Project/Facility is in:

Congressional District #:

State Senate District #:

State Assembly District #:

Financing Information

Financing Information

Tax Exempt: \$ 10,000,000.00
Taxable: \$
Total Principal Amount: \$ 10,000,000.00
Maturity 30Years

Interest Rate Mode:

☒ Fixed ☐ Variable

Denominations: 5,000

Type of Offering:

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

Financing:

☐ Credit Enhancement ☐ Letter of Credit
☒ None
☐ Other

Name of Credit Enhancement Provider or Private Placement Purchaser:

Expected Rating:

☒ Unrated

Moody's:

S&P:

Fitch:

Financing Team Information

Bond Counsel

Firm Name: Hawkins

Primary Contact

First Name: **Sean**

Last Name: **Tierney**

Title: **Partner**

Address:

Street: **One Embarcadero Center**

City: **San Francisco**

State: **California**

Suite: **3820**

Phone: **415-486-4201**

Ext:

Zip: **94111**

Email: **stierney@hawkins.com**

Fax: **415-397-1513**

Bank/Underwriter/Bond Purchaser

Firm Name:First Republic Bank

Primary Contact

First Name: **Dirk**

Last Name: **Ten Grotenhuis**

Title: **Managing Director**

Address:

Street: **111 Pine Street**

City: **San Francisco**

State: **California**

Suite: **900**

Phone: **415-262-2428**

Ext:

Zip: **94111**

Email: **dteng@firstrepublic.com**

Fax: **415-262-2570**

Financial Advisor

Firm Name:

Primary Contact

First Name:

Last Name:

Title:

Address:

Street:

Suite:

City:

State:

Zip:

Phone:

Ext:

Fax:

Email:

Rebate Analyst

Firm Name:

Primary Contact

First Name:

Last Name:

Title:

Address:

Street:

Suite:

City:

State:

Zip:

Phone:

Ext:

Fax:

Email:

CSCDA K-12 Private School Policy

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

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

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

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

Effective Date: April 20, 2011.

RESOLUTION NO. _____

**CALIFORNIA STATEWIDE COMMUNITIES
DEVELOPMENT AUTHORITY**

**A RESOLUTION AUTHORIZING THE ISSUANCE OF AN OBLIGATION IN A
PRINCIPAL AMOUNT NOT TO EXCEED \$10,000,000, TO REFINANCE THE
VARIABLE RATE DEMAND REVENUE BONDS ISSUED FOR THE BENEFIT OF
SONOMA ACADEMY, FINANCE CERTAIN CAPITAL EXPENDITURES OF
SONOMA ACADEMY, 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 Sonoma (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, Sonoma Academy, a California nonprofit public benefit corporation (the “Corporation”), wishes to : (1) refinance the California Infrastructure and Economic Development Bank Senior Fixed Rate Revenue Bonds 2007A, Subordinated Fixed Rate Revenue Bonds Series 2007B and Junior Subordinated Fixed Rate Revenue Bonds Series 2007C (the “Series 2007 Bonds”), the proceeds of which were used to finance the acquisition, construction and development of the School’s campus located at 2500 Farmers Lane, Santa Rosa, California 95404, including but not limited to the construction of three main buildings to be used for classrooms, administration, a gymnasium and theatre; (2) pay and/or reimburse miscellaneous capital expenditures related to the acquisition, construction, improvement and equipping of the Campus and (3) pay various costs of issuance and other related costs (collectively, the “Project”);

WHEREAS, the Corporation is requesting the assistance of the Authority in financing and refinancing the Project;

WHEREAS, pursuant to a Master Loan Agreement to be executed by First Republic Bank (the “Lender”), the Authority and the Corporation (the “Master Loan Agreement”), the Authority will grant a tax-exempt loan to the Corporation in a principal amount not exceeding \$10,000,000 (the “Obligation”), for the purpose of refunding the Refunded Bonds and financing the Project;

WHEREAS, pursuant to the policies of the Authority, the Obligation may only be assigned to Qualified Institutional Buyers (as defined in the Master Loan Agreement) and the Lender will sign an investor letter confirming that it is a Qualified Institutional Buyer and certain other related matters;

WHEREAS, there has been made available to the Commissioners of the Authority the proposed form of the Master Loan Agreement.

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 Master Loan Agreement, the Authority is hereby authorized to issue the Obligation in an aggregate principal amount not to exceed Ten Million Dollars (\$10,000,000). The Obligation shall be issued and secured in accordance with the terms of the Master Loan Agreement.

Section 2. The proposed form of Master Loan Agreement, as made available to the Commissioners, is hereby approved. Any member of the Commission of the Authority or their administrative delegates duly authorized pursuant to Resolution No. 14R-4 of the Authority, adopted on February 6, 2014 (each an “Authorized Signatory”) is hereby authorized and directed, for and on behalf of the Authority, to execute and deliver the Master Loan Agreement in substantially said form, with such changes and insertions therein as any member of the Commission, with the advice of counsel to the Authority, may approve, such approval to be conclusively evidenced by the execution and delivery thereof. The dated date, maturity date or dates, interest rate or rates, methods of determining rates, interest payment dates, denominations,

forms, registration privileges, manner of execution, place or places of payment, terms of redemption, tender provisions, and other terms of the Obligation shall be as provided in the Master Loan Agreement, as finally executed.

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

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

Section 5. Notwithstanding anything to the contrary in this resolution, no documents referenced in this resolution may be executed and delivered until the County has held the hearing pursuant to Section 147(f) of the Internal Revenue Code of 1986, if required by said Section, and has approved the issuance of the Obligation as may be required thereby and in accordance with Section 9 of the Agreement to provide financing and/or refinancing for the Project.

Section 6. This resolution shall take effect from and after its adoption.

PASSED AND ADOPTED by the California Statewide Communities Development Authority this __th day of April, 2014.

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

By: _____
Authorized Signatory
California Statewide Communities
Development Authority

Item VI

Consideration of Criteria for PACE Programs. (Cathy Bando)

SUMMARY AND APPROVALS

DATE: APRIL 17, 2014
PROGRAM: CALIFORNIAFIRST
PURPOSE: CONSIDERATION OF CRITERIA FOR PACE PROGRAMS

Background:

Staff has been directed to consider the option of adding additional PACE programs through CSCDA to provide various options to our City and County members. Before considering other PACE programs, staff must first determine that an Administrator meets all criteria laid out in the attached document. CSCDA is proposing the adoption of the criteria for new PACE programs, which has been reviewed and approved by counsel and the Executive Director.

Approvals:

The Commission shall consider approval of the attached Criteria for establishing additional PACE programs.

California Statewide Communities Development Authority

Criteria for New PACE Programs

1. Sponsor must have capability (individually or as a team) to provide all services necessary to launch and operate a successful PACE program¹
 - a. Origination
 - b. Servicing
 - c. Assessment/Special Tax Expertise (e.g. coordination with County Assessor, collections and delinquency monitoring and management)
 - d. General Program Administration
 - e. Financing
2. Sponsor must identify as part of its team a trustee that (a) is acceptable to CSCDA and (b) demonstrates a willingness and ability to act as trustee for a PACE program.
3. Sponsor must supply evidence of working relationships with or other access to and ability to manage a network of contractors.
4. Sponsor must have “committed” access to at least \$25 million in financing to purchase or warehouse PACE loans (or bonds backed by such loans).
5. Sponsor must commit to cover all CSCDA costs, including costs of validation action(s) to validate documents to be used in its program.
6. Sponsor will take the lead in obtaining agreements or other documentation by which counties and cities opt into its program.
7. In the case of residential PACE programs, program documents must include complete and accurate disclosure to homeowners describing prior FHFA statements regarding PACE and highlighting potential risks associated with such financings.
8. In the case of any public sale of CSCDA bonds, program documents must include an official statement containing complete and accurate disclosure of all material information.
9. Sponsor will take responsibility for all post-issuance compliance matters, including
 - a. Continuing disclosure
 - b. Any required filings with CDIAC, State Controller or other state agencies

¹ Sponsors are encouraged to provide references.

10. Sponsor will provide to CSCDA such additional items and services as may reasonably be required, such as
 - a. Periodic Reports to CSCDA Board (which may include number of projects, cities or counties in which located, whether residential or commercial, etc.)
 - b. Maintaining and updating CSCDA web site page(s) describing program, if applicable

Item VII

Consideration of Agreement for Services (Non-Residential) Between CSCDA and Renewable Funding for the California FIRST program. (Cathy Bando)

SUMMARY AND APPROVALS

DATE: APRIL 17, 2014
PROGRAM: CALIFORNIAFIRST
PURPOSE: CONSIDERATION OF AGREEMENT FOR SERVICES (NON-RESIDENTIAL) BETWEEN CSCDA AND RENEWABLE FUNDING FOR THE CALIFORNIAFIRST PROGRAM

Background:

Renewable Funding was selected by CSCDA in 2008 through a competitive solicitation to develop and manage the PACE Residential and Commercial Programs. The Commercial PACE Program has been active with two transactions closing in the Fall of 2013. On March 20, 2014 the CSCDA Board adopted a Residential PACE contract with Renewable Funding. At this time Staff is requesting the approval of a similar contract for the Commercial program, which has been reviewed and approved by counsel and the Executive Director.

Approvals:

The Commission shall consider approval of the attached Agreement for non-residential services between CSCDA and Renewable Funding for the CaliforniaFIRST Program.

Agreement for Services (Non-Residential)
Between
California Statewide Communities Development Authority
And
Renewable Funding

This Agreement for Services (“Agreement”) defines the working relationship between California Statewide Communities Development Authority, a California limited joint powers authority, located at 1100 K Street, Sacramento CA 95814 (“CSCDA”) and Renewable Funding, LLC, a California limited liability company, located at 500 12th St. Suite 300 Oakland, CA 94607 (“Program Administrator”) (collectively referred to as the “Parties” and each individually referred to as a “Party”).

1. Recitals

1.1 The Program. On January 27, 2010, the Commission of CSCDA, adopted its Resolution entitled “Resolution Declaring Intention to Finance Installation of Distributed Generation Renewable Energy Sources, Energy Efficiency and Water Efficiency Improvements” (the “Resolution of Intention”), to establish a voluntary contractual assessment program designated as the CaliforniaFIRST Program (the “Program”) pursuant to the provisions of Chapter 29 of Part 3, Division 7 of the California Streets and Highways Code (commencing at Section 5898.12) (“Chapter 29”) to finance the cost of installation of distributed generation renewable energy sources (“Renewable Energy Improvements”) or energy efficiency or water conservation improvements (together with the Renewable Energy Improvements, the “Eligible Improvements”). In accordance with AB 811, CSCDA will issue Improvement Bonds to finance improvements to property.

Pursuant to the Resolution of Intention, the Commission also approved a report prepared pursuant to and addressing all of the matters set forth in Streets and Highways Code Section 5898.22 (the “Program Report”), including a map showing the boundaries of the territory within which the voluntary contractual assessments may be offered (the “Program Area”), a draft contract specifying the terms and conditions that would be agreed to by an owner of property within such boundaries and a statement of policies of CSCDA concerning the voluntary contractual assessments and terms by which agreements (“Assessment Contracts”) with the owners of property in the Program Area provide for the levy of contractual assessments to finance installation of eligible improvements

1.2 The Purpose of the Agreement. CSCDA and the Program Administrator desire to enter into the Agreement to establish the terms and conditions pursuant to which the Program Administrator shall provide services to CSCDA for the Program (“Program Administration”) for non-residential properties as set forth in Exhibit A. For the purposes of this Agreement, “non-residential” properties include commercial and industrial properties and multi-family residential properties of 5 or more units. In respect to such services, Program Administrator desires to perform and assume responsibility for the provision thereof on the terms and conditions set forth in this Agreement. Program

Administrator represents that it is legally qualified to provide such services, and has or will obtain all necessary licenses and authorizations from the State of California and any agency of the federal government with the authority to regulate the provision of such services.

CSCDA desires to engage Program Administrator to render the Services (as defined in Section 2.1 below) for the CaliforniaFIRST Program as set forth in and pursuant to the terms and conditions of this Agreement. While CSCDA retains the right to establish and offer separate PACE programs and engage separate PACE program administrators for those programs, CSCDA agrees to engage Program Administrator on exclusive basis to render the Services for the CaliforniaFIRST Program under the terms and conditions of this Agreement.

2. Services and Compensation

2.1 General Scope of Services. The Program Administrator will work in good faith to develop a cost-efficient open market commercial PACE framework, as further described in the Scope of Work attached hereto as Exhibit A, incorporated herein by this reference. For the purposes of this Agreement, “open market” refers to a PACE program framework that permits a property owner to apply for the Program with specified contractors/project installers and capital providers that will purchase the Improvement Bonds related to the property owner’s assessment contract. The Program Administrator has the right to assign or subcontract any Program Administration services to a third party, with prior approval from CSCDA.

2.2 Compensation. CSCDA shall compensate Program Administrator for its services in accordance with the fee schedule provided in part in Exhibit B, attached hereto. Notwithstanding any other provision of this Agreement to the contrary, such compensation is limited to the Improvement Bond proceeds available for paying the fees for the related assessment contract.

3. Term and Termination

3.1 Term. The term of this Agreement is from the date of execution (the “Effective Date”) through the date thirty-six months from the Effective Date and may be extended by written mutual agreement of the Parties.

3.2 Termination of Agreement. Either Party to this Agreement, the Program Administrator or CSCDA, may terminate the whole or any part of this Agreement for any reason or no reason at all by providing written notice to the other Party at least thirty (30) days prior to the effective date of such termination. Upon notification of termination, the Program Administrator shall have the right to close and fund an assessment contract for which Program Administrator processed the application and obtained property owner signature during the 30 day termination period, subject to the review of the appropriate documentation by CSCDA.

4. Notices

4.1 Delivery of Notices. All notices permitted or required under this Agreement shall be given to the respective Parties at the following address, or at such other address as the respective parties may provide in writing for this purpose:

Program Administrator:
Renewable Funding
500 12th St, Suite 300
Oakland, CA 94607
ATTN: Cisco DeVries

CSCDA
California Statewide Communities Development Authority
c/o California State Association of Counties
1100 K. Street
Sacramento, CA 95814
ATTN: Executive Director

Such notice shall be deemed made when personally delivered or when mailed, forty-eight (48) hours after deposit in the U.S. Mail, first class postage prepaid and addressed to the Party at its applicable address. Actual notice shall be deemed adequate notice on the date actual notice occurred, regardless of the method of service.

5. Confidentiality and Data Compilation.

5.1 Confidentiality. Maintain the security of Confidential Information (as defined below), except as authorized by the disclosing Party in writing or as required pursuant to the California Public Records Act or by a court of competent jurisdiction. “Confidential Information” means any information that is disclosed and is designated or identified at the time of disclosure as being confidential or its equivalent, including information relating to a proposed or pending transaction including interest rate, payment term, financing covenants, and source of capital. If the information is in verbal form, it is identified as confidential at the time of disclosure and is confirmed in writing within thirty (30) days of the disclosure. Confidential Information does not include any information that: (i) is or becomes publicly known through no wrongful act of the receiving Party; (ii) is already known to the receiving Party without restriction when it is disclosed; (iii) is or becomes in the receiving Party’s possession without any obligation restricting disclosure; (iv) is independently developed by the receiving Party; or (v) is explicitly approved for release by written authorization of the disclosing Party.

5.2 Data Compilation. CSCDA acknowledges and agrees that Program Administrator, or its subcontractors, will have spent substantial time and effort in collection and compiling data and information (the “Data Compilations”) in connection with the Program Administration and that such Data Compilations may be used by Program Administrator (or such subcontractors) for their own purposes, including, without limitation, sale or distribution to third parties; provided, however, that Program

Administrator will not, and shall ensure that its subcontractors will not, sell or distribute any of CSCDA' confidential information that may be contained in such Data Compilations, unless such confidential information is used only on an aggregated and anonymous basis.

6. General Provisions/Miscellaneous

6.1 Indemnification. Program Administrator will indemnify and hold CSCDA harmless from any and all liability, expense, judgment, suit, cause of action, or demand for personal injury, death, or direct damage to tangible property which may accrue against CSCDA to the extent it is caused by the negligence, wrongful acts or omissions of Program Administrator, its subcontractors, or their employees or agents, arising out of or in any way related to the performance or non-performance under this Agreement.

6.2 Cooperation; Further Acts. The Parties shall fully cooperate with one another, and shall take any additional acts or sign any additional documents as may be reasonably necessary, appropriate or convenient to attain the purposes of this Agreement.

6.3 Arbitration and Equitable Relief.

(A) Arbitration. In consideration of Program Administrator's rights under this Agreement, CSCDA promises to arbitrate disputes under this Agreement, and the receipt of compensation paid to Program Administrator, at present and in the future, Program Administrator and CSCDA agree that any and all controversies, claims, or disputes with anyone (including CSCDA and any employee, officer, director, volunteer of CSCDA in its capacity as such or otherwise), whether brought on an individual, group, or class basis, arising out of, relating to, or resulting from Program Administrator's performance of the Services under this Agreement or the termination of this Agreement, including any breach of this Agreement by either Party, shall be subject to binding arbitration under the Arbitration Rules set forth in California Code of Civil Procedure Section 1280 through 1294.2, including Section 1283.05 (the "Rules") and pursuant to California law. Disputes which Program Administrator and CSCDA agree to arbitrate, and thereby agree to waive any right to a trial by jury, include any statutory claims under state or federal law, the California Labor Code, claims of harassment, discrimination and wrongful termination and any statutory claims. Program Administrator and CSCDA further understand that this Agreement to arbitrate also applies to any disputes that the Program Administrator and CSCDA may have with each other.

(B) Procedure. Program Administrator and CSCDA agree that any arbitration will be administered by the American Arbitration Association ("AAA"), and that the neutral arbitrator will be selected in a manner consistent with AAA's National Rules for the Resolution of Contract Disputes. Program Administrator and CSCDA agree that the arbitrator shall have the power to decide any motions brought by any Party to the arbitration, including motions for summary judgment and/or adjudication, motions to dismiss and demurrers, and motions for class certification, prior to any arbitration hearing. Program Administrator and CSCDA also agree that the arbitrator shall have the

power to award any remedies available under applicable law, and that the arbitrator shall award attorneys' fees and costs to the prevailing Party except as prohibited by law.

(C) Remedy. Except as provided by the Rules and this Agreement, arbitration shall be the preferred remedy for any dispute between the Program Administrator and CSCDA. Accordingly, except as provided for by the Rules and this Agreement, neither the Program Administrator nor CSCDA will be permitted to pursue court action regarding claims without first pursuing arbitration.

6.4 Entire Agreement. This Agreement contains the entire Agreement of the Parties with respect to the subject matter hereof, and supersedes all prior negotiations, understandings or agreements.

6.5 Governing Law. This Agreement shall be governed by the laws of the State of California.

6.6 Time of Essence. Time is of the essence for each and every provision of this Agreement.

6.7 Successors and Assigns. This Agreement shall be binding on the successors and assigns of the Parties.

6.8 Assignment or Transfer. Program Administrator shall not assign, hypothecate, or transfer, either directly or by operation of law, this Agreement or any interest herein without the prior written consent of CSCDA except that Program Administrator may assign this Agreement in connection with a merger or the sale of all or substantially all of its assets without the prior written consent of CSCDA. Any attempt to do so shall be null and void, and any assignees, hypothecates or transferees shall acquire no right or interest by reason of such attempted assignment, hypothecation or transfer.

6.9 Construction; References; Captions. Since the Parties or their agents have participated fully in the preparation of this Agreement, the language of this Agreement shall be construed simply, according to its fair meaning, and not strictly for or against any Party. Any term referencing time, days or period for performance shall be deemed calendar days and not workdays. All references to Program Administrator include all personnel, employees, agents, and subcontractors of Program Administrator, except as otherwise specified in this Agreement. All references to CSCDA include its commissioners, officers, employees, agents, and volunteers except as otherwise specified in this Agreement. The captions of the various articles and paragraphs are for convenience and ease of reference only, and do not define, limit, augment, or describe the scope, content, or intent of this Agreement.

6.10 Amendment; Modification. No supplement, modification, or amendment of this Agreement shall be binding unless executed in writing and signed by both Parties.

6.11 Waiver. No waiver of any default shall constitute a waiver of any other default or breach, whether of the same or other covenant or condition. No waiver, benefit, privilege, or service voluntarily given or performed by a Party shall give the other Party any contractual rights by custom, estoppel, or otherwise.

6.12 No Third Party Beneficiaries. There are no intended third party beneficiaries of any right or obligation assumed by the Parties.

6.13 Invalidity; Severability. If any portion of this Agreement is declared invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions shall continue in full force and effect.

6.14 Authority to Enter Agreement. Program Administrator has all requisite power and authority to conduct its business and to execute, deliver, and perform the Agreement. Each Party warrants that the individuals who have signed this Agreement have the legal power, right, and authority to make this Agreement and bind each respective Party.

6.15 Maintenance of Accounting Records. Program Administrator and its subcontractors shall maintain complete and accurate records.

7 Subcontracting.

7.1 Prior Approval Required. Program Administrator shall not subcontract any portion of Services, except as expressly stated herein, without prior written approval of CSCDA; provided that Program Administrator is not prohibited from hiring individuals that act as independent contractors or consultants with respect to the work such individuals perform for the Program Administrator. Subcontracts shall contain a provision making them subject to all provisions stipulated in this Agreement.

7.2 Control and Payment of Subordinates. The Services shall be performed by Program Administrator or under its supervision. CSCDA shall not during the term of this Agreement enter in an agreement with another entity for the provision of services similar to the Services for the CaliforniaFIRST Program. CSCDA may enter into agreements for other PACE programs that are similar to or the same as the Services provided by Program Administrator for the CaliforniaFIRST Program. Program Administrator retains the right to perform services similar to the Services authorized to be provided under this Agreement for other public agencies implementing similar programs. Any additional personnel performing the Services under this Agreement on behalf of Program Administrator shall at all times be under Program Administrator's exclusive direction and control. Program Administrator shall pay all wages, salaries, and other amounts due such personnel in connection with their performance of Services under this Agreement and as required by law. Program Administrator shall be responsible for all reports and obligations respecting such additional personnel, including, but not limited to: Social Security taxes, income tax withholding, unemployment insurance, disability insurance, and workers' compensation insurance.

8 Insurance.

8.1 Time for Compliance. Unless waived in writing by CSCDA, Program Administrator, as an independent contractor and not an employee of CSCDA, must carry policies of insurance in amounts specified in this section and pay all taxes and fees incident hereunto. Program Administrator shall not commence the Services under this Agreement until it has provided evidence satisfactory to CSCDA that it has secured all insurance required under this section. In addition, Program Administrator shall not allow any subcontractor to commence work on any subcontract until it has provided evidence satisfactory to CSCDA that the subcontractor has secured all insurance required under this section.

8.2 Minimum Requirements. Program Administrator shall, at its expense, procure and maintain for the duration of the Agreement insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the Agreement by the Program Administrator, its agents, representatives, employees or subcontractors. Program Administrator shall also require all of its subcontractors to procure and maintain the same insurance for the duration of the Agreement. Such insurance shall meet at least the following minimum levels of coverage:

(A) Minimum Scope of Insurance. Coverage shall be at least as broad as the latest version of the following: (1) General Liability: Insurance Services Office Commercial General Liability coverage (occurrence form CG 0001); (2) Automobile Liability: Insurance Services Office Business Auto Coverage form number CA 0001, code 1 (any auto); and (3) Workers' Compensation and Employer's Liability: Workers' Compensation insurance as required by the State of California and Employer's Liability Insurance.

(B) Minimum Limits of Insurance. Funding Agent shall maintain limits no less than: (1) General Liability: \$1,000,000 per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability Insurance or other form with general aggregate limit is used, either the general aggregate limit shall apply separately to this Agreement/location or the general aggregate limit shall be twice the required occurrence limit; (2) Automobile Liability: \$1,000,000 per accident for bodily injury and property damage; and (3) Workers' Compensation and Employer's Liability: Workers' Compensation limits as required by the Labor Code of the State of California. Employer's Liability limits of \$1,000,000 per accident for bodily injury or disease.

8.3 Professional Liability. Program Administrator shall procure and maintain, and require its sub-consultants to procure and maintain, for a period of three (3) years following completion of the Services, errors and omissions liability insurance appropriate to their profession. Such insurance shall be in an amount not less than \$1,000,000 per claim, and shall be endorsed to include contractual liability.

8.4 Separation of Insureds; No Special Limitations. All insurance required by this Section shall contain standard separation of insureds provisions. In addition, such insurance shall not contain any special limitations on the scope of protection afforded to CSCDA, its commissioners, officials, officers, employees, agents and volunteers.

8.5 Verification of Coverage. Program Administrator shall furnish CSCDA with original certificates of insurance and endorsements effecting coverage required by this Agreement on forms satisfactory to CSCDA. The certificates and endorsements for each insurance policy shall be signed by a person authorized by that insurer to bind coverage on its behalf, and shall be on forms provided by CSCDA if requested. All certificates and endorsements must be received and approved by CSCDA before work commences. CSCDA reserves the right to require complete, certified copies of all required insurance policies, at any time.

IN WITNESS WHEREOF, the Parties hereby have made and executed this Agreement as of the date first written above.

CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY

By: _____

Title: Catherine Bando, Executive Director

Renewable Funding, LLC

By: _____

Title: Cisco DeVries, President

EXHIBIT A
PROGRAM ADMINISTRATOR
SCOPE OF WORK

Renewable Funding is the “Program Administrator” of CaliforniaFIRST on behalf of the California Statewide Communities Development Authority.

The scope of work for the Program Administrator is outlined below.

- A. Document and Process Development
 - a. Development of program reports, program handbook, application and all process-related materials
 - b. Support and review of all legal documents such as resolutions, validation complaint and bond documents
- B. Coordination of Local Governments
 - a. Recruitment, support and management of local government activities to opt into the program
 - b. Reply to local government inquiries received from staff of participating or interested cities and counties, and provide updates on program activities (such as number of application from within a participating region or status of program formation in interested regions.) =
 - c. Coordination of legal validation process and formation of PACE districts in new Local Government jurisdictions
- C. Marketing and Outreach
 - a. Development of marketing materials such as FAQs, flyers, brochures and digital media
 - b. Development and maintenance of program website
 - c. Outreach to program stakeholders such as contractors, property owners and bond investors
 - d. Education of property owners and other stakeholders through creation of a program website, which includes information on the program, financing terms and other details, and approved improvements
- D. Application Processing
 - a. Intake and review of initial application
 - b. Applicant support in finance process including but not limited to completion of final application and supporting documents, lender consent communication, and coordination with project lender
 - c. Intake and review of final application, including review of the following underwriting criteria
 - i. Property requirements - location, use, lender acknowledgement, taxes, foreclosure, involuntary liens, value ratios and tax limitations

- ii. Property owner requirements – all owners signed, bankruptcy, surveys and additional information
 - iii. Project requirements – loading order, audits, rebate programs and additional criteria
- d. Approve or deny applications based on eligibility requirements listed in the Program Handbook
- e. Manage projects through reservation and installation period, including expiration and/or cancelation of applications
- f. Manage funding request documents including but not limited to final permit inspection certificate, final contractor invoice, and mechanic's lien release for review and approval.
- g. Coordinate program team for disbursement of bond proceeds throughout installation period
- E. Contractor Outreach and Management
 - a. Recruit and train qualified contractors
 - b. Develop and maintain quality control system to ensure contractors are accurately representing the terms of the Program to homeowners
- F. Quality Assurance
 - a. Create and implement a quality assurance protocol to ensure projects meet program requirements
- G. Bond Document Coordination
 - a. Intake of property owner-signed bond documents
 - b. Generate amortization schedule
 - c. Coordination with program team on lien recordation and bond closing documents
- H. Customer Service
 - a. Provide website, email and phone support for interested property owners and stakeholders
 - b. Respond to emails and phone calls within 2 business days
 - c. Address and manage stakeholder issues associated with participation in the program
- I. Reporting
 - a. Tracking and reporting to CSCDA of program progress such as applications received and local government participation
 - b. Reporting to local governments on program activity within its region
- J. Team Coordination
 - a. Oversight and facilitation of program team including CSCDA, Bond Counsel, Issuer's Counsel, Tax Administrator and Fund Trustee
 - b. Coordination of intra-team processes such as bond closing and tax roll preparation

Exhibit B
Program Administrator Fee Schedule

One-Time Close Fee per Project (as a percentage of total project amount)			
	Project amounts		
	Large (>\$1M)	Medium (\$501k-\$1M)	Small (\$50k-\$500k)
Program Administration	0.75%	0.75%	0.80%
Project Validation	0.25%	0.40%	0.50%
Annual On-Going Fees per Project (bps)			
	Project amounts		
	Large (>\$1M)	Medium (\$501k-\$1M)	Small (\$50k-\$500k)
Program Administration	0.10%	0.10%	0.10%

Item VIII

Consideration of resolution of intention to finance the installation of distributed generation renewable energy sources, energy efficiency and water efficiency improvements for 40 counties (which are listed in Schedule I of the resolution). (Staff: Caitlin Lanctot)

SUMMARY AND APPROVALS

DATE: APRIL 17, 2014

PROGRAM: CALIFORNIAFIRST

PURPOSE: CONSIDER A RESOLUTION DECLARING INTENTION TO FINANCE INSTALLATION OF DISTRIBUTED GENERATION RENEWABLE ENERGY SOURCES, ENERGY EFFICIENCY AND WATER EFFICIENCY IMPROVEMENTS

Background:

CSCDA established CaliforniaFIRST Program (the “Program”) for financing energy/water efficiency upgrades and renewable energy facilities for private use. Previously, CSCDA’s practice was to establish a separate Program in a county when it has been asked to do so by the county and a city within the county. To date, CSCDA has established the Program in 17 counties and 145 cities. Prior to offering the program to CSCDA members, the program must be legally formed and then complete a legal validation. One of the first steps in statewide program formation is the approval of the Resolution of Intention.

A Resolution of Intention (“ROI”) (see attached) will be considered for the following 40 counties:

Alpine	Imperial	Mono	Shasta
Amador	Inyo	Nevada	Sierra
Butte	Kings	Orange	Siskiyou
Calaveras	Lake	Placer	Sonoma
Colusa	Lassen	Plumas	Stanislaus
Contra Costa	Madera	Riverside	Sutter
Del Norte	Mariposa	San Bernardino	Tehama
El Dorado	Mendocino	San Francisco	Trinity
Glenn	Merced	San Joaquin	Tuolumne
Humboldt	Modoc	Santa Barbara	Yuba

Discussion:

For each of the counties listed above, the Commission is being requested to approve the ROI to finance the installation of renewable energy, energy efficiency and water efficiency projects on property within the county and incorporated city jurisdictions. This is the first step towards establishing the Program.

The ROI satisfies legal requirements to begin implementing the Program under Chapter 29 of Part 3 of Division 7 of the Streets & Highways Code of the State of California, which is commonly referred to as Assembly Bill 811. Specifically, the ROI sets forth the Commission’s determination that the public interest will be served by the Program; directs creation of a report that identifies the details of the Program (including a map of the boundaries for the each Program, a draft contract for Program participants, a financing plan for the Program, and a list of eligible improvements); and sets the date for the public hearing to receive any

public comment on the proposed Program report and for the Commission to confirm or modify the report. The ROI sets the hearing for June 12, 2014 at 10:00 am at the League of California Cities.

Approvals:

Based upon the resolution submitted and reviewed the Commission shall consider approval of a Resolution of Intention for 40 counties, which would:

1. Approve all necessary actions and documents;
2. Authorize any member of the Commission or Authorized Signatory to sign all necessary documents; and
3. Set the public hearing for June 12, 2014 at the League of California Cities, 1400 K Street, Third Floor, Sacramento CA 95814

RESOLUTION NO. _____

**RESOLUTION DECLARING INTENTION TO FINANCE INSTALLATION OF
DISTRIBUTED GENERATION RENEWABLE ENERGY SOURCES, ENERGY
EFFICIENCY AND WATER EFFICIENCY IMPROVEMENTS**

40 COUNTIES

WHEREAS, the California Statewide Communities Development Authority ("California Communities") is authorized under the authority granted California Communities pursuant to Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California in accordance with Chapter 29 of Part 3 of Division 7 of the Streets & Highways Code of the State of California ("Chapter 29") to authorize assessments to finance the installation of distributed generation renewable energy sources, and energy efficiency and water efficiency improvements that are permanently fixed to real property ("Authorized Improvements"); and

WHEREAS, Chapter 29 authorizes California Communities to enter into contractual assessments to finance the installation of Authorized Improvements in the counties listed at Schedule I (each, a "County"); and

WHEREAS, California Communities wishes to declare its intention to establish a CaliforniaFIRST program (the "CaliforniaFIRST Program") in each County, pursuant to which California Communities, subject to certain conditions set forth below, would enter into contractual assessments to finance the installation of Authorized Improvements in each County; and

WHEREAS, California Communities has previously established the CaliforniaFIRST Program in 17 counties of the State of California, and the Counties represent the remainder of California Communities' county-members; and

WHEREAS, California Communities intends to require the consent of a County or city located within a County, and the holding by such County or city of a public hearing as required under Section 6586.5 of the Government Code, prior to entering into contractual assessments to finance the installation of Authorized Improvements with the owner of any property that is located within the unincorporated territory of such County or incorporated territory of such city, as applicable;

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

Section 1. Findings. California Communities hereby finds and declares the following:

- (a) The above recitals are true and correct.
- (b) Energy conservation efforts, including the promotion of energy-related Authorized Improvements to residential, commercial, industrial, or other real property, are necessary to address the issue of global climate change and the reduction of greenhouse gas emissions in each County.

(c) Water conservation efforts, including the promotion of water-related Authorized Improvements to residential, commercial, industrial, or other real property, are necessary to address the issue of chronic water shortages in California.

(d) The upfront cost of making residential, commercial, industrial, or other real property more energy and water efficient, along with the fact that most commercial loans for that purpose are due on the sale of the property, prevents many property owners from installing Authorized Improvements.

(e) A public purpose will be served by establishing a contractual assessment program, to be known as the CaliforniaFIRST Program, pursuant to which California Communities will finance the installation of Authorized Improvements to residential, commercial, industrial, or other real property in each County.

Section 2. Determination of Public Interest. California Communities hereby determines that (a) it would be convenient, advantageous, and in the public interest to designate an area, which shall encompass the entire geographic territory within the boundaries of each County, within which California Communities and property owners within each County may enter into contractual assessments to finance the installation of Authorized Improvements pursuant to Chapter 29 and (b) it is in the public interest for California Communities to finance the installation of Authorized Improvements in each County pursuant to Chapter 29.

Section 3. Identification of Authorized Improvements. California Communities hereby declares that it proposes to make contractual assessment financing available to property owners to finance installation of Authorized Improvements, including but not limited to those improvements detailed in the Report described in Section 7 below, as that Report may be amended from time to time.

Section 4. Identification of Boundaries. Contractual assessments may be entered into by property owners located within the entire geographic territory of each County; provided, however, that California Communities shall not enter into contractual assessments to finance the installation of Authorized Improvements with the owner of any property in a County unless requested to do so first by the County if the property is located in unincorporated territory or a city if the property is located in incorporated territory, and after such city or the County, as applicable, has held a public hearing pursuant to Section 6586.5 of the Government Code of the State of California. For purposes of clarity, California Communities may operate the CaliforniaFIRST Program within the incorporated territory of a city that has made the request, and held the requisite public hearing, described in the previous sentence notwithstanding the fact that it is located in a County that has not made such request, or held such public hearing, for the County's unincorporated territory. The form of resolution pursuant to which each County, or any cities located within a County, may request California Communities to enter into contractual assessments to finance the installation of Authorized Improvements is attached as Exhibit A.

Section 5. Proposed Financing Arrangements. Under Chapter 29, California Communities may issue bonds pursuant to Chapter 29 that are payable by contractual assessments and California Communities may advance its own funds to finance work to be repaid through contractual assessments, and may from time to time sell bonds to reimburse itself for such advances. Division 10 (commencing with Section 8500) of the Streets & Highways Code of the State (the "Improvement Bond Act of 1915") shall apply to any bonds issued pursuant to Chapter 29, insofar as the Improvement Bond Act of 1915 is not in conflict with Chapter 29.

California Communities shall determine the creditworthiness of a property owner to participate in the financing of Authorized Improvements based on the criteria developed by the Program Manager in consultation with the CaliforniaFIRST Program financing team.

In connection with bonds issued under the Improvement Bond Act of 1915 that are payable from contractual assessments, serial and/or term improvement bonds shall be issued in such series and shall mature in such principal amounts and at such times (not to exceed 20 years from the second day of September next following their date) and at such rate or rates of interest (not to exceed the maximum rate permitted by applicable law) as shall be determined by California Communities at the time of the issuance and sale of the bonds. The provisions of Part 11.1 of the Improvement Bond Act of 1915 shall apply to the calling of the bonds. It is the intention of California Communities to create a special reserve fund for the bonds under Part 16 of the Improvement Bond Act of 1915. California Communities will not advance available surplus funds from its treasury to cure any deficiency in the redemption fund to be created with respect to the bonds; provided, however, that this determination shall not prevent California Communities from, in its sole discretion, so advancing funds. The bonds may be refunded under Division 11.5 of the California Streets and Highways Code or other applicable laws permitting refunding of the bonds, upon the conditions specified by and at the determination of California Communities.

California Communities hereby authorizes the Program Manager, upon consultation with bond counsel, to provide for the issuance of bonds payable from contractual assessments.

In connection with the issuance of bonds payable from contractual assessments, California Communities expects to obligate itself, through a covenant with the owners of the bonds, to exercise its foreclosure rights with respect to delinquent contractual assessment installments under specified circumstances.

Section 6. Public Hearing. Pursuant to the Act, California Communities hereby orders that a public hearing be held before this Commission, at 1400 K Street, 3rd Floor, Sacramento, CA 95814, on June 12, 2014, at 10:00 a.m., for the purposes of allowing interested persons to object to or inquire about the proposed program or any of its particulars. The public hearing may be continued from time to time as determined by the Commission for a time not exceeding a total of 180 days.

At the time of the hearing, the Report described in Section 7 below shall be summarized and the Commission shall afford all persons who are present an opportunity to comment upon, object to, or present evidence with regard to the proposed contractual assessment program, the extent of the area proposed to be included within the program, the terms and conditions of the draft Contract described in Section 7 below, or the proposed financing provisions. Following the public hearing, California Communities may adopt a resolution confirming the Report (the "Resolution Confirming Report") or may direct the Report's modification in any respect, or may abandon the proceedings.

The Commission hereby orders the Secretary to publish a notice of public hearing once a week for two successive weeks. Two publications in a newspaper published once a week or more often, with at least five days intervening between the respective publication dates not counting such publication dates, are sufficient. The period of notice will commence upon the first

day of publication and terminate at the end of the fourteenth day. The first publication shall occur not later than 20 days before the date of the public hearing.

Section 7. Report. The Commission hereby directs the Program Manager for the CaliforniaFIRST Program to prepare and file with the Commission a report (the "Report") at or before the time of the public hearing described in Section 6 above containing all of the following:

(a) A map showing the boundaries of the territory within which contractual assessments are proposed to be offered, as set forth in Section 4 above.

(b) A draft contract (the "Contract") specifying the terms and conditions that would be agreed to by California Communities and a property owner within each County. The Contract may allow property owners to purchase directly the related equipment and materials for the installation of the Authorized Improvements and to contract directly for the installation of such Authorized Improvements.

(c) A statement of California Communities' policies concerning contractual assessments including all of the following:

(1) Identification of types of Authorized Improvements that may be financed through the use of contractual assessments.

(2) Identification of the California Communities official authorized to enter into contractual assessments on behalf of California Communities.

(3) A maximum aggregate dollar amount of contractual assessments in each County.

(4) A method for setting requests from property owners for financing through contractual assessments in priority order in the event that requests appear likely to exceed the authorization amount.

The statement shall also include a brief description of criteria for determining the underwriting requirements, and safeguards that will be used to ensure that the total annual property tax and assessments on the property will not exceed 5% of the property's market value, as determined at the time of approval for the owner's contractual assessment.

(d) A plan for raising a capital amount required to pay for work performed pursuant to contractual assessments. The plan may include amounts to be advanced by California Communities through funds available to it from any source. The plan may include the sale of a bond or bonds or other financing relationship pursuant to Section 5898.28 of Chapter 29. The plan shall include a statement of or method for determining the interest rate and time period during which contracting property owners would pay any assessment. The plan shall provide for any reserve fund or funds. The plan shall provide for the apportionment of all or any portion of the costs incidental to financing, administration, and collection of the contractual assessment program among the consenting property owners and California Communities.

(e) A report on the results of the consultations with each County Auditor-Controller described in Section 9 below concerning the additional fees, if any, that will be charged to California Communities for incorporating the proposed contractual assessments into the

assessments of the general taxes of the related County on real property, and a plan for financing the payment of those fees.

Section 8. Nature of Assessments. Assessments levied pursuant to Chapter 29, and the interest and any penalties thereon, will constitute a lien against the lots and parcels of land on which they are made, until they are paid. Unless otherwise directed by California Communities, the assessments shall be collected in the same manner and at the same time as the general taxes of each County on real property are payable, and subject to the same penalties and remedies and lien priorities in the event of delinquency and default.

Section 9. Consultations with County Auditor-Controller. California Communities hereby directs the Program Manager to enter into consultations with each County Auditor-Controller in order to reach agreement on what additional fees, if any, will be charged to California Communities for incorporating the proposed contractual assessments into the assessments of the general taxes of the related County on real property.

Section 10. Preparation of Current Roll of Assessment. Pursuant to Section 5898.24(c), California Communities hereby designates the Program Manager (or his/her designee) as the responsible official for annually preparing the current roll of assessment obligations by assessor's parcel number on property subject to a voluntary contractual assessment.

Section 11. Procedures for Responding to Inquiries. The Program Manager shall establish procedures to promptly respond to inquiries concerning current and future estimated liability for a voluntary contractual assessment.

Section 12. Professionals Appointed. California Communities hereby appoints Jones Hall, A Professional Law Corporation, San Francisco, California, as bond counsel to California Communities in connection with the CaliforniaFIRST Program. The Commission hereby authorizes and directs an Authorized Signatory of California Communities (as determined from time to time by the Commission by separate resolution) to enter into appropriate agreements with such firm for its services to California Communities in connection with the matters addressed in this Resolution.

Section 13. Effective Date. This resolution shall take effect immediately upon its adoption.

* * * * *

PASSED AND ADOPTED by the California Statewide Communities Development Authority this April 17, 2014.

I, the undersigned, the duly appointed, and qualified member 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 April 17, 2014.

By: _____
Member

SCHEDULE I

LIST OF COUNTIES

Alpine	Mono
Amador	Nevada
Butte	Orange
Calaveras	Placer
Colusa	Plumas
Contra Costa	Riverside
Del Norte	San Bernardino
El Dorado	San Francisco
Glenn	San Joaquin
Humboldt	Santa Barbara
Imperial	Shasta
Inyo	Sierra
Kings	Siskiyou
Lake	Sonoma
Lassen	Stanislaus
Madera	Sutter
Mariposa	Tehama
Mendocino	Trinity
Merced	Tuolumne
Modoc	Yuba

EXHIBIT A

**FORM OF RESOLUTION AUTHORIZING CALIFORNIA COMMUNITIES TO CONDUCT
CONTRACTUAL ASSESSMENT PROCEEDINGS AND
LEVY CONTRACTUAL ASSESSMENTS**

RESOLUTION NO. _____

**RESOLUTION AUTHORIZING THE [CITY OF ____/COUNTY OF ____] TO JOIN THE
CALIFORNIAFIRST PROGRAM; AUTHORIZING THE CALIFORNIA STATEWIDE
COMMUNITIES DEVELOPMENT AUTHORITY TO ACCEPT APPLICATIONS FROM
PROPERTY OWNERS, CONDUCT CONTRACTUAL ASSESSMENT PROCEEDINGS AND
LEVY CONTRACTUAL ASSESSMENTS WITHIN THE TERRITORY OF THE
[CITY/COUNTY]; AND AUTHORIZING RELATED ACTIONS**

WHEREAS, the California Statewide Communities Development Authority ("California Communities") is a joint exercise of powers authority the members of which include numerous cities and counties in the State of California, including the [City of ____/County of ____] ([the "City"/"County"]); and

WHEREAS, California Communities has established the CaliforniaFIRST program (the "CaliforniaFIRST Program") to allow the financing of certain renewable energy, energy efficiency and water efficiency improvements (the "Improvements") through the levy of contractual assessments pursuant to Chapter 29 of Division 7 of the Streets & Highways Code ("Chapter 29") and the issuance of improvement bonds (the "Bonds") under the Improvement Bond Act of 1915 (Streets and Highways Code Sections 8500 and following) (the "1915 Act") upon the security of the unpaid contractual assessments; and

WHEREAS, Chapter 29 provides that assessments may be levied under its provisions only with the free and willing consent of the owner of each lot or parcel on which an assessment is levied at the time the assessment is levied; and

WHEREAS, the [City/County] desires to allow the owners of property within its jurisdiction ("Participating Property Owners") to participate in the CaliforniaFIRST Program and to allow California Communities to conduct assessment proceedings under Chapter 29 and to issue Bonds under the 1915 Act to finance the Improvements; and

WHEREAS, California Communities will conduct assessment proceedings under Chapter 29 and issue Bonds under the 1915 Act to finance Improvements;

WHEREAS, there has been presented to this meeting a proposed form of Resolution of Intention to be adopted by California Communities in connection with such assessment proceedings (the "ROI"), a copy of which is attached hereto as Exhibit A, and the territory within which assessments may be levied for the CaliforniaFIRST Program shall [*if a County*: be coterminous with the County's official boundaries of record at the time of adoption of the ROI] [*if a City*: include all of the territory within the City's official boundaries of record] (the "Proposed Boundaries"); and

WHEREAS, [*if a City*: the City will not be responsible for the conduct of any assessment proceedings; the levy or collection of assessments or any required remedial action in the case

of delinquencies in such assessment payments; or the issuance, sale or administration of the Bonds or any other bonds issued in connection with the CaliforniaFIRST Program] [if a County: the County will not be responsible for the conduct of any assessment proceedings; the levy of assessments or any required remedial action in the case of delinquencies in such assessment payments; or the issuance, sale or administration of the Bonds or any other bonds issued in connection with the CaliforniaFIRST Program]; and

WHEREAS, pursuant to Government Code Section 6586.5, a notice of public hearing has been published once at least five days prior to the date hereof in a newspaper of general circulation in the [City/County] and a public hearing has been duly conducted by this [City Council/Board of Supervisors] concerning the significant public benefits of the CaliforniaFIRST Program and the financing of the Improvements;

NOW, THEREFORE, BE IT RESOLVED by the [City Council/Board of Supervisors] of the [County of ____/City of ____] as follows:

Section 1. On the date hereof, the [City Council/Board of Supervisors] held a public hearing and the [City Council/Board of Supervisors] hereby finds and declares that the issuance of bonds by California Communities in connection with the CaliforniaFIRST Program will provide significant public benefits, including without limitation, savings in effective interest rate, bond preparation, bond underwriting and bond issuance costs and reductions in effective user charges levied by water and electricity providers within the boundaries of the [City/County].

Section 2. In connection with the CaliforniaFIRST Program, the [City/County] hereby consents to the conduct of special assessment proceedings by California Communities pursuant to Chapter 29 on any property within the Proposed Boundaries and the issuance of Bonds under the 1915 Act; provided, that

(1) Such proceedings are conducted pursuant to one or more Resolutions of Intention in substantially the form of the ROI;

(2) The Participating Property Owners, who shall be the legal owners of such property, execute a contract pursuant to Chapter 29 and comply with other applicable provisions of California law in order to accomplish the valid levy of assessments; and

(3) [If a city: The City will not be responsible for the conduct of any assessment proceedings; the levy or collection of assessments or any required remedial action in the case of delinquencies in such assessment payments; or the issuance, sale or administration of the Bonds or any other bonds issued in connection with the CaliforniaFIRST Program.] [If a county: The County will not be responsible for the conduct of any assessment proceedings; the levy of assessments or any required remedial action in the case of delinquencies in such assessment payments; or the issuance, sale or administration of the Bonds or any other bonds issued in connection with the CaliforniaFIRST Program.]

(4) The issuance of Bonds will occur following receipt of a final judgment in a validation action filed by California Communities pursuant to Code of Civil Procedure Section 860 that the Bonds are legal obligations of California Communities.

Section 3. Pursuant to the requirements of Chapter 29, California Communities has prepared and will update from time to time the "Program Report" for the CaliforniaFIRST

Program (the "Program Report"), and California Communities will undertake assessment proceedings and the financing of Improvements as set forth in the Program Report.

Section 4. The appropriate officials and staff of the [City/County] are hereby authorized and directed to make applications for the CaliforniaFIRST program available to all property owners who wish to finance Improvements; provided, that California Communities shall be responsible for providing such applications and related materials at its own expense. The following staff persons, together with any other staff persons chosen by the [City Manager/County Administrator] from time to time, are hereby designated as the contact persons for California Communities in connection with the CaliforniaFIRST Program: _____[specify name of individual or position].

Section 5. The appropriate officials and staff of the [City/County] are hereby authorized and directed to execute and deliver such closing certificates, requisitions, agreements and related documents as are reasonably required by California Communities in accordance with the Program Report to implement the CaliforniaFIRST Program for Participating Property Owners.

Section 6. The appropriate officials and staff of the [City/County] are hereby authorized and directed to pay California Communities a fee in an amount not to exceed \$____, which California Communities will use to pay for the costs of implementing the CaliforniaFIRST Program in the [City/County], including the payment of legal costs incurred in connection with judicial validation of the CaliforniaFIRST Program.

Section 7. The [City Council/Board of Supervisors] hereby finds that adoption of this Resolution is not a "project" under the California Environmental Quality Act, because the Resolution does not involve any commitment to a specific project which may result in a potentially significant physical impact on the environment, as contemplated by Title 14, California Code of Regulations, Section 15378(b)(4)).

Section 8. This Resolution shall take effect immediately upon its adoption. The [City Clerk/Clerk of the Board] is hereby authorized and directed to transmit a certified copy of this resolution to the Secretary of California Communities.

PASSED AND ADOPTED this _____ day of _____, 20__ by the following vote, to wit:

AYES: Council/Board Members _____

NOES: Council/Board Members _____

ABSENT: Council/Board Members _____

ABSTAIN: Council/Board Members _____

Item IX

- I. Consider the following resolutions for Assessment District 14-01 (County of Contra Costa) related to the upcoming Statewide Community Infrastructure Program (SCIP) project: (Staff: Scott Carper)
 - a. A resolution of intention to finance the payment of development impact fees, including approval of proposed boundary map;
 - b. A resolution preliminarily approving engineer's reports, setting public hearing of protests and providing property owner ballots for Statewide Community Infrastructure Program Assessment District

SUMMARY AND APPROVALS

PROGRAM:	STATEWIDE COMMUNITY INFRASTRUCTURE PROGRAM ("SCIP")
PURPOSE:	NO. 14-01 CITY OF OAKLEY, COUNTY OF CONTRA COSTA ASSESSMENT DISTRICT 1. RESOLUTION OF INTENTION TO FINANCE THE PAYMENT OF CAPITAL IMPROVEMENTS, INCLUDING APPROVAL OF PROPOSED BOUNDARY MAP 2. RESOLUTION PRELIMINARILY APPROVING ENGINEER'S REPORT, SETTING PUBLIC HEARING OF PROTESTS AND PROVIDING PROPERTY OWNER BALLOTS FOR STATEWIDE COMMUNITY INFRASTRUCTURE PROGRAM ASSESSMENT DISTRICTS.
PRIMARY ACTIVITY:	FINANCE THE PAYMENT OF PUBLIC IMPROVEMENTS UNDER THE STATEWIDE COMMUNITY INFRASTRUCTURE PROGRAM ("SCIP")

SCIP has received an application in the city of Oakley, County of Contra Costa to finance the payment of capital improvements.

The amount of bonds to be issued will not exceed \$16,000,000 with a proposed closing date in the fall of 2014. The Commission is being requested to approve the following:

- The resolution of intention to finance development impact fees & capital improvements including the boundary map prepared by the assessment engineer, David Taussig & Associates;
- Preliminary approval of the engineers report and setting of the public hearing of protests and mailing of ballots.
- Setting of the public hearing of protests for June 12, 2014.

Orrick, Herrington & Sutcliffe and CSCDA staff have reviewed the boundary map, preliminary engineer's report and the resolutions have been prepared by Orrick.

Attachment 1 contains the preliminary engineer's report & Attachment 2 contains copies of the resolutions and their attachments. All final approvals for the issuance of bonds would be brought back to this Commission in the coming months after all proceedings have been completed.

Emerson Ranch – City of Oakley / Ironhouse Sanitary District / Diablo Water District

The capital improvements include roadway, street lights, sanitary sewer, storm drain & water. Improvements total \$14,174,093.

Approvals:

Based upon the resolutions submitted and reviewed it is requested that this Commission:

1. Approve all necessary actions and documents;
2. Authorize any member of the Commission or Authorized Signatory to sign all necessary documents; and
3. Set the public hearing for June 12, 2014 at 10:00 a.m. at the League of California Cities.

PRELIMINARY

ENGINEER'S REPORT

**CALIFORNIA STATEWIDE COMMUNITIES
DEVELOPMENT AUTHORITY**



**ASSESSMENT DISTRICT No. 14-01
COUNTY OF CONTRA COSTA**

BEGINNING FISCAL YEAR 2014-2015

INTENT MEETING: APRIL 17, 2014

PUBLIC HEARING: JUNE 12, 2014

Prepared by

DAVID TAUSSIG & ASSOCIATES, INC.
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(800) 969-4382

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

**CALIFORNIA STATEWIDE COMMUNITIES
DEVELOPMENT AUTHORITY**

Scott Carper
California Statewide Communities Development Authority

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BLX Group, LLC

ASSESSMENT ENGINEERING
David Taussig
Alfredo Ayuyao, P.E.
Nathan D. Perez, Esq.
David Taussig & Associates, Inc.

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APPENDICES

Appendix A: ASSESSMENT ROLL

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

Date: _____, 2014

David Taussig & Associates

By: _____
Alfredo Ayuyao, P.E.
License Number: C34306

By: _____
David Taussig, President

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

By: _____
Assistant to Secretary of the Authority,
California Statewide Communities
Development Authority

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

By: _____
Assistant to Secretary of the Authority,
California Statewide Communities
Development Authority

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

By: _____
Superintendent of Streets of the Authority,
California Statewide Communities
Development Authority

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

The following public agencies are parties to the District:

- City of Oakley ("City")
- Ironhouse Sanitary District ("Sanitary District")
- Diablo Water District ("Water District")

The following capital improvements located within the District (alternatively known as “Emerson Ranch” or “Project”) located in the County of Contra Costa, California will be funded, or partially funded, by proceeds from this bond issuance.

- 1 Street/Roadway Improvements – Funding for capital improvements including, but not limited to, local streets with related grading; concrete curb, gutter and sidewalk; aggregate base; asphaltic concrete paving; and street lighting improvements. Notably, Sellers Road and Cypress Road have been addressed separately and independently within this Report.
- 2 Storm Drain Improvements – Funding for capital improvements including, but not limited to, facilities for the collection and disposal of storm waters for drainage and flood control purposes, including mainline and connector pipes, drainage inlets, manholes, retention basin, bubblers, risers, and outfall pumps. In an effort to be conservative, Storm Drainage improvements have been bifurcated into local and more regional elements, and both have been evaluated independently.
- 3 Sanitary Sewer Improvements (Ironhouse Sanitary District) – Funding for capital improvements for the collection of sewage, including but not limited to, pump station, manholes, gravity mainline, and force mains necessary to meet the project service demands of the Emerson Ranch project. Also in an effort to be conservative, Sanitary Sewer improvements have been bifurcated into local and more regional elements, and both have been evaluated independently.
- 4 Potable Water Improvements (Diablo Water District) – Funding for capital improvements for the water system, including but not limited to, the removal and installation of water mains and appurtenances, and the installation of fire hydrants, backflow preventer and irrigation, necessary to meet the potable and non-potable residential water needs of the Emerson Ranch project.
- 5 Landscaping - Funding for capital improvements including, grading, ground cover, irrigation, and recreational elements for the Emerson Ranch project and its residents.

Reimbursement for Capital Improvements

Future negotiations and agreements between the City, Sanitary District, and Water District (collectively, the “Public Agencies”), and the project developer may outline a mechanism whereby the developer of a “benefited” property would pay the Public Agencies for that property’s share of the costs of certain public facilities. Such payments related to public facilities privately financed by the developer of Emerson Ranch would then be paid, when received by the Public Agencies to the developer of Emerson Ranch. Such payments related to public facilities financed by the District would be allocated to the parcels within the District in proportion to their respective original assessments as shown in this Report. As pertains to any of those parcels that the developer of Emerson Ranch may sell, those amounts would be paid to the developer of Emerson Ranch. As pertains to any such parcels still owned by the developer of Emerson Ranch, the Public Agencies would use those amounts to partially prepay the assessments on those parcels pursuant to Streets and Highways Code Section 8766.5.

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

This Report includes the following sections:

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

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

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

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

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

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

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

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

Summary Cost Estimate

The estimated costs of the improvements have been calculated and are shown below along with other bond financing costs. All fee information has been provided to DTA by the Project proponents, the City, the Sanitary District, the Water District, the County of Contra Costa, and the SCIP Administrator. All public improvements listed below will be dedicated to the City except where specifically noted.

Cost Estimate County of Contra Costa - Emerson Ranch							
Description	Capital Improvement Expenses	Commercial	Capital Improvement Expenses less Commercial	Special Benefit Apportioned to Project	Total Amount Due (\$)	Amounts Pre-paid by & Reimbursable to Developer	Amount Funded to Agency
Public Improvements Funded (Phase 1)							
Roadway & Street Lights	\$5,778,262	\$0	\$5,778,262	50.00%	\$2,889,131	\$0	\$2,889,131
Storm Drain	\$1,765,150	\$1,090,100	\$675,050	99.00%	\$668,300	\$0	\$668,300
Storm Drain (Regional)	\$1,972,625	\$0	\$1,972,625	25.00%	\$493,156	\$0	\$493,156
Sanitary Sewer - Ironhouse Sanitary District	\$948,400	\$105,057	\$843,343	90.00%	\$759,009	\$0	\$759,009
Sanitary Sewer (Regional) - Ironhouse Sanitary District	\$1,282,400	\$0	\$1,282,400	25.00%	\$320,600	\$0	\$320,600
Water - Diablo Water District	\$1,254,400	\$0	\$1,254,400	90.00%	\$1,128,960	\$0	\$1,128,960
Landscaping and Other	\$4,326,554	\$0	\$4,326,554	90.00%	\$3,893,898	\$0	\$3,893,898
Off-Site Improvements (Cypress Rd.)	\$1,800,000	\$0	\$1,800,000	0.00%	\$0	\$0	\$0
Public Improvements Funded (Phase 2)							
Roadway & Street Lights	\$2,999,075	\$0	\$2,999,075	50.00%	\$1,499,538	\$0	\$1,499,538
Storm Drain	\$766,965	\$0	\$766,965	99.00%	\$759,295	\$0	\$759,295
Storm Drain (Regional)	\$0	\$0	\$0	25.00%	\$0	\$0	\$0
Sanitary Sewer - Ironhouse Sanitary District	\$541,400	\$0	\$541,400	90.00%	\$487,260	\$0	\$487,260
Sanitary Sewer (Regional) - Ironhouse Sanitary District	\$223,750	\$0	\$223,750	25.00%	\$55,938	\$0	\$55,938
Water - Diablo Water District	\$685,300	\$0	\$685,300	90.00%	\$616,770	\$0	\$616,770
Landscaping and Other	\$1,607,349	\$0	\$1,607,349	90.00%	\$1,446,614	\$0	\$1,446,614
Off-Site Improvements (Cypress Rd. and Sellers Rd.)	\$2,504,500	\$0	\$2,504,500	0.00%	\$0	\$0	\$0
Developer Contribution	(\$3,520,000)	\$0	(\$3,520,000)	100.00%	(\$3,520,000)	\$0	(\$3,520,000)
Subtotal	\$24,936,129	\$1,195,157	\$23,740,973	NA	\$11,498,468	\$0	\$11,498,468
Emerson Ranch							
Assessment Engineer	\$37,000		100.00%	100.00%	\$37,000	\$0	\$37,000
Appraiser	\$5,000		100.00%	100.00%	\$5,000	\$0	\$5,000
District Administration	\$10,000		100.00%	100.00%	\$10,000	\$0	\$10,000
Subtotal	\$52,000			NA	\$52,000	\$0	\$52,000
Financing Costs							
Bond Reserve Fund	8.00%			NA	\$1,133,927	-	-
Capitalized Interest	6.00%			NA	\$850,446	-	-
Legal	1.00%			NA	\$141,741	-	-
Issuer	1.50%			NA	\$212,611	-	-
Underwriter	2.00%			NA	\$283,482	-	-
Contingency	0.01%			NA	\$1,417	-	-
Subtotal	18.51%			NA	\$2,623,625	-	-
Total Assessment					\$14,174,093		

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

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

All parcel information has been provided to DTA by the Project proponents, the City, the Sanitary District, the Water District, and the County of Contra Costa Assessor.

Assessment Roll							
County of Contra Costa - Emerson Ranch							
Asmt No.	Project	Assessor Parcel Number	Assessed Value	Acreage	Owner & Address	Preliminary Assessment	Final Assessment
1	Emerson Ranch	037-192-026	\$6,400,000	140.25	Brookfield Emerson Land LLC 500 La Gonda Way #100 Danville, CA 94526	\$14,174,093	-
Total			\$6,400,000	140.25		\$14,174,093	-

A. Background

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

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

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

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

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

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

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

B. Special Benefit

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

1. Roadway Improvements

Road usage is typically computed on the basis of anticipated trip generation. Any traffic analysis or impact study would need to assume a reasonable trip generation rate for each intended land use to not only determine accumulated traffic volumes but also the relative impact of each proposed land use on proposed mitigations. However, because the District proposes only one land use, single family detached residential, all lots have the same relative impact as any other lot in the development for streets within the District. On the same parcel, however, there exists a potential commercial land use which needs to be similarly allocated trip counts.

Street improvements outside the District/commercial land use parcel are required by the governing agency for the Project to satisfy tentative map conditions – the specific traffic improvements are to regional roads, Sellers Road, and Cypress Road. If the Seller and Cypress improvements were included in the District, the cost of the improvements would be considered more “general” than “specific benefit,” therefore, in an effort to be incredibly conservative, these improvements to Sellers Road and Cypress Road and their associated costs have been **entirely excluded** from the allocation herein.

Ultimately, given uncertainty regarding future land development, and the exclusion of Sellers Road and Cypress Road improvements, DTA very conservatively and generously assigned general benefit to the roadway and street light system of 50%. Please see Table 1 for additional information.

2. Stormwater/Drainage Facilities

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

various tributary drainage areas that impact the property. However, because the Emerson Ranch project consists of only single family detached residential lots of approximately the same area, the relative contribution of runoff among the various lots is effectively the same. The exception is the potential commercial element, which will likewise benefit from these improvements. Accordingly, the potential commercial element's allocatable share of associated stormwater facility costs has been deducted, at the outset, from the District's total capital improvement budget.

The storm drain improvements are designed based on a drainage area consistent with the Emerson Ranch project boundary. On its face, these improvements would provide 100% special benefit to Emerson Ranch residents, however it is arguable that the basin mitigates potential flood conditions in the immediately adjacent vicinity by virtue of its runoff containment, and it is conceivable that future residents from neighboring communities may enjoy the use of these improvements. Therefore, a general benefit of 1% of the costs for drainage is assigned to in-tract stormwater drainage facilities. Additionally, a very generous *general* benefit of 75% has been assigned to the more regional improvements as outlined in Table 1 and on record with the Assessment Engineer and the Civil Engineer of Record.

3. Sanitary Sewer (Ironhouse Sanitary District)

The primary determinant of sanitary sewer usage is the applicable per capita generation rates. Because the District consists of all single family detached land use, the relative contribution to total project sewer generation is equal among all lots. The mainline sewer pipes, manholes and lift station are designed to convey sewage from the Emerson Ranch project only. Except for the potential commercial element, it is not intended, nor possible by the approved construction plans, for the sewer facilities to serve any development outside of the Emerson Ranch project. However, typically the system design incorporates some excess capacity due to incremental sizing of pipes, pumps, and appurtenances. This excess capacity might be used in the future as the design and land uses dictate. Additionally, the potential commercial element's allocatable share of associated sanitary sewer facility costs has been deducted, at the outset, from the District's total capital improvement budget.

Accordingly, the general benefit assignment to the sewer system is 10% for the costs of in-tract sanitary sewer facilities. Additionally, a very generous *general* benefit of 75% has been assigned to the more regional sanitary sewer improvements as outlined in Table 1 and on record with the Assessment Engineer and the Civil Engineer of Record.

4. Potable & Non Potable Water (Diablo Water District)

The primary determinant of water usage is the applicable per capita demand rates. Water improvements have been sized to meet the demands of only the new development. Because the District consists of all single family detached land use, the relative contribution to total project water demand is equal among all lots. Because the water improvements are part of a water distribution network, as opposed to a stand-alone and independent water source and delivery system, the improvements

would possibly provide the benefits of fire protection (hydrants, pressure distribution, etc.) and peak demand delivery through a more efficient network. Therefore, a small general benefit can be envisioned. Accordingly, a general benefit of 10% of the improvement cost is assigned to Potable and Non-Potable Water.

5. Landscaping, Park, & Other

The primary determinant of park usage is land use population related to historical head counts at peak periods. Because the Emerson Ranch development project consists of all single family detached land use, the relative contribution to park usage is equal among all lots. It is conceivable however, as discussed in the storm drainage section above, that residents from the adjacent neighborhoods, or residents outside of the Project, might enjoy the use of this neighborhood park. Due to this possible general benefit, similar to what was determined in the storm drainage analysis, a general benefit of 10% has been assigned to the park facilities.

C. Apportionment

The District is located in the City of Oakley in the County of Contra Costa, California and is bounded by a Contra Costa Water District canal on the north, Sellers Avenue to the east, Cypress Road to the south, and existing communities and homes to the west. The District site plan consists of a total of 567 single-family residential dwelling units.

The assessments for this District with Phase 1 consisting of 331 single-family residences and Phase 2 planned for 236 single family lots; each phase will be apportioned equal special benefit on a pro rata basis. The assessments for the District may be subject to further apportionment since the property may experience lot line adjustments and/or re-subdivisions as properties are sold or lots and parcels are created. Upon recordation of subdivision, parcel or lot line adjustment maps, the assessment for the newly created parcels will be apportioned as described on the following pages.

1. Benefiting Properties within the District

At the time this Report was prepared, the District plan was comprised of 567 single-family detached residential homes.

Each parcel will have certain improvements funded through the District and will be assessed for such improvements financed through the District. At the time this Report was prepared, the Emerson Ranch final map had not been recorded and was being processed. If land uses change or the existing parcels are re-subdivided, the assessment will be allocated to each new assessor's parcels in proportion to the original assessment based on the net acreage of each new assessor's parcel.

2. Benefit Analysis

The method of apportionment established for the District reflects the proportional special benefit that each property receives from the improvements. For this residential

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

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

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

Roadway and circulation system improvements are typically computed on the basis of anticipated trip generation. Due to each future parcel having the same land use, each lot generates the same average daily trips ("ADT"), the Equivalent Benefit Unit ("EBU") assigned to each lot is 1.0.

The storm drainage and sanitary sewer improvements are typically apportioned by area, as discussed above. Though not part of the District, the potential commercial element will derive benefit from these improvements. Therefore, since the potential commercial element is much larger than the size of the typical lot in this project, the commercial element's potential utilization of the improvements has previously been deducted from the capital improvement budget by the Civil Engineer of Record. Finally, the water and landscaping/park improvements are apportioned by parcel, as discussed above.

D. Conclusion

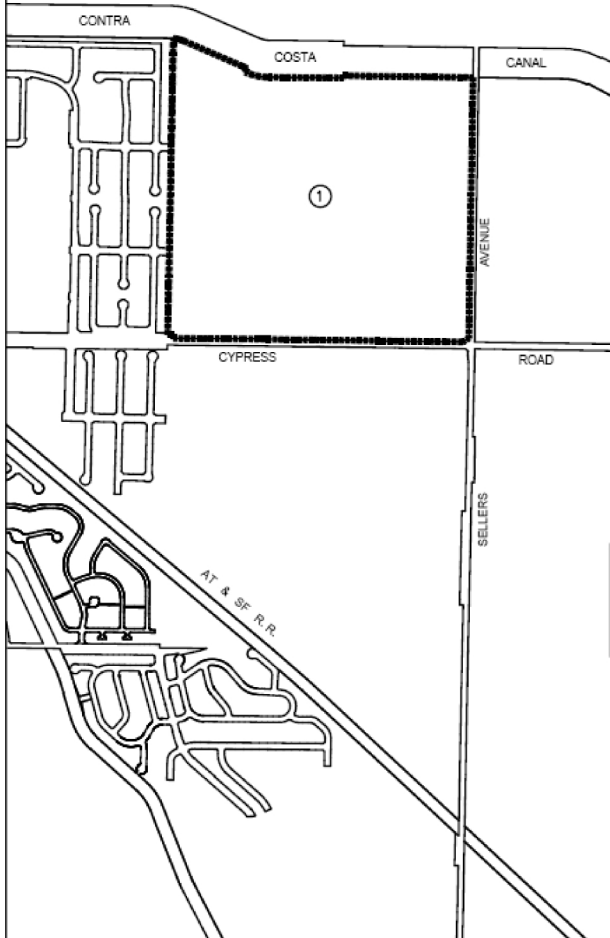
In conclusion, it is the Assessment Engineer's opinion that the assessments for the California Statewide Communities Development Authority (Statewide Communities Infrastructure Program) Assessment District No. 14-01 (County of Contra Costa, California) are allocated in accordance with the direct and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

A Boundary Map showing the Assessment District, including the boundaries and dimensions of the parcels, lots, or subdivisions of land within the Assessment District as they existed at the time of the passage of the Resolution of Intention, is filed with and made a part of this Report and part of the assessment. Each of the subdivisions of land, parcels, or lots has been given a separate number on the Boundary Map that corresponds with the assessment number shown on the Assessment Roll.

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

SHEET 1 OF 1

**PROPOSED BOUNDARIES OF
CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY
STATEWIDE COMMUNITIES INFRASTRUCTURE PROGRAM
ASSESSMENT DISTRICT NO. 14-01
(COUNTY OF CONTRA COSTA)
STATE OF CALIFORNIA**



Assessment Number	Assessor Parcel Number
1	037-192-026

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

LEGEND

(N)	Assessment Number
-----	Boundary Line



PREPARED BY DAVID TAUSSIG AND ASSOCIATES, INC.

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

By Deputy,
County Recorder, County of Contra Costa

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

Superintendent of Streets
California Statewide Communities Development Authority

I hereby certify that the within map showing proposed boundaries of California Statewide Communities Development Authority Statewide Communities Infrastructure Program Assessment District No. 14-01 (County of Contra Costa), State of California, was approved by the Commission of the California Statewide Communities Development Authority at a regular meeting thereof, held on the _____ day of _____, 201__, by its resolution No. _____.

Secretary of the Authority
California Statewide Communities Development Authority

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

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

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

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

The total confirmed assessment liens for California Statewide Communities Development Authority (Statewide Communities Infrastructure Program) Assessment District No. 14-01 (County of Contra Costa, California) equals \$14,174,093.

The County of Contra Costa's assessed value of the parcels within California Statewide Communities Development Authority (Statewide Communities Infrastructure Program) Assessment District No. 14-01 (County of Contra Costa, California) totals \$6,400,000.

One-half of the assessed value of the parcels within California Statewide Communities Development Authority (Statewide Communities Infrastructure Program) Assessment District No. 14-01 (County of Contra Costa, California) totals \$3,200,000.

The value-to-lien based on the County of Contra Costa's assessed value for all properties located in the District is 0.45.

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

[http://localhost:9010/resources/Clients/CSCDA/Emerson Ranch AD/Engineer's Report/CSCDA AD No. 14-01 \(Contra Costa County\) Engineer's Report \(Preliminary 04.03.2014\).docx](http://localhost:9010/resources/Clients/CSCDA/Emerson Ranch AD/Engineer's Report/CSCDA AD No. 14-01 (Contra Costa County) Engineer's Report (Preliminary 04.03.2014).docx)

Attachment 1

Assessment District No. 14-01
California Statewide Communities Development Authority
(Statewide Communities Infrastructure Program)
County of Contra Costa

Assessment Roll

(Please See Section VI)



Public Finance
Public Private Partnerships
Urban Economics

2250 Hyde Street
5th Floor
San Francisco, CA 94109
Phone (800) 969-4382

RESOLUTION NO. _____

**RESOLUTION OF INTENTION OF THE CALIFORNIA STATEWIDE
COMMUNITIES DEVELOPMENT AUTHORITY TO FINANCE
CAPITAL IMPROVEMENTS IN THE PROPOSED STATEWIDE
COMMUNITY INFRASTRUCTURE PROGRAM ASSESSMENT
DISTRICT NO. 14-01 (COUNTY OF CONTRA COSTA, CALIFORNIA),
APPROVING A PROPOSED BOUNDARY MAP, MAKING CERTAIN
DECLARATIONS, FINDINGS AND DETERMINATIONS CONCERNING
RELATED MATTERS, AND AUTHORIZING RELATED ACTIONS IN
CONNECTION THEREWITH**

WHEREAS, under the authority of the Municipal Improvement Act of 1913 (the “1913 Act”), being Division 12 (commencing with Sections 10000 and following) of the California Streets and Highways Code (the “Code”), the Commission (the “Commission”) of the California Statewide Communities Development Authority (the “Authority”) intends to finance, through its Statewide Community Infrastructure Program, certain capital improvements (the “Improvements”) as described in Exhibit A attached hereto and by this reference incorporated herein, all of which are of benefit to the proposed Statewide Community Infrastructure Program Assessment District No. 14-01 (County of Contra Costa, California) (the “Assessment District”); and

WHEREAS, the Commission finds that the land specially benefited by the financing of the Improvements is shown within the boundaries of the map entitled “Proposed Boundaries of California Statewide Communities Development Authority Statewide Community Infrastructure Program Assessment District No. 14-01 (County of Contra Costa) State of California,” a copy of which map is on file with the Secretary and presented to this Commission meeting, and determines that the land within the exterior boundaries shown on the map shall be designated “Statewide Community Infrastructure Program Assessment District No. 14-01 (County of Contra Costa, California)”;

WHEREAS, the City of Oakley, the Ironhouse Sanitary District, and the Diablo Water District are each a member of the Authority and have each approved the adoption on its behalf of this Resolution of Intention and have each consented to the levy of the assessments in the Assessment District;

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

1. The above recitals are true and correct, and the Commission so finds and determines.
2. Pursuant to Section 2961 of the Special Assessment Investigation, Limitation and Majority Protest Act of 1931 (the “1931 Act”), being Division 4 (commencing with Section 2800) of the Code, the Commission hereby declares its intent to comply with the requirements of the 1931 Act by complying with Part 7.5 thereof.

3. The Commission has designated a registered, professional engineer as Engineer of Work for this project, and hereby directs said firm to prepare the report containing the matters required by Sections 2961(b) and 10204 of the Code, as supplemented by Section 4 of Article XIID of the California Constitution.

4. The proposed boundary map of the Assessment District is hereby approved and adopted. Pursuant to Section 3111 of the Code, the Secretary of the Authority is directed to file a copy of the map in the office of the County Recorder of the County of Contra Costa within fifteen (15) days of the adoption of this resolution.

5. The Commission determines that the cost of financing the Improvements shall be specially assessed against the lots, pieces or parcels of land within the Assessment District benefiting from the financing of the Improvements. The Commission intends to levy a special assessment upon such lots, pieces or parcels in accordance with the special benefit to be received by each such lot, piece or parcel of land, respectively, from the financing of the Improvements.

6. The Commission intends, pursuant to subparagraph (f) of Section 10204 of the Code, to provide for an annual assessment upon each of the parcels of land in the proposed assessment district to pay various costs and expenses incurred from time to time by the Authority and not otherwise reimbursed to the Authority which result from the administration and collection of assessment installments or from the administration or registration of the improvement bonds and the various funds and accounts pertaining thereto.

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 of the Code), and the last installment of the bonds shall mature not to exceed thirty (30) years from the second day of September next succeeding twelve (12) months from their date.

8. The procedure for the collection of assessments and advance retirement of bonds under the Improvement Bond Act of 1915 shall be as provided in Part 11.1 thereof.

9. Neither the Authority nor any member agency thereof will obligate itself to advance available funds from its or their own funds or otherwise to cure any deficiency which may occur in the bond redemption fund. A determination not to obligate itself shall not prevent the Authority or any such member agency from, in its sole discretion, so advancing funds.

10. The amount of any surplus remaining in the improvement fund after completion of the Improvements and all other claims shall be distributed in accordance with the provisions of Section 10427.1 of the Code.

PASSED AND ADOPTED by the California Statewide Communities Development Authority this April 17, 2014.

I, the undersigned, an Authorized Signatory of the California Statewide Communities Development Authority, DO HEREBY CERTIFY that the foregoing resolution was duly adopted by the Commission of the Authority at a duly called meeting of the Commission of the Authority held in accordance with law on April 17, 2014.

By _____
Authorized Signatory
California Statewide Communities
Development Authority

EXHIBIT A

DESCRIPTION OF WORK

The payment of capital improvements to be acquired and owned by the City of Oakley, Ironhouse Sanitary District and/or the Diablo Water District upon parcels within the District, which are authorized to be financed pursuant to the Municipal Improvement Act of 1913 and as to which the owners of the applicable parcels have applied for participation in SCIP, as more particularly described below.

CAPITAL IMPROVEMENTS

1. Street / Roadway
2. Storm Drain
3. Sanitary Sewer (Ironhouse Sanitary District)
4. Potable Water (Diablo Water District)
5. Landscaping

RESOLUTION NO. _____

**RESOLUTION PRELIMINARILY APPROVING ENGINEER'S REPORT,
SETTING DATE FOR PUBLIC HEARING OF PROTESTS AND PROVIDING
FOR PROPERTY OWNER BALLOTS FOR CALIFORNIA STATEWIDE
COMMUNITIES DEVELOPMENT AUTHORITY STATEWIDE COMMUNITY
INFRASTRUCTURE PROGRAM ASSESSMENT DISTRICT NO. 14-01
(COUNTY OF CONTRA COSTA, CALIFORNIA)**

WHEREAS, at the direction of this Commission, David Taussig & Associates, as Engineer of Work for improvement proceedings in California Statewide Communities Development Authority Statewide Community Infrastructure Program Assessment District No. 14-01 (County of Contra Costa, California) has filed with the Authority the report described in Section 10204 of the Streets and Highways Code (Municipal Improvement Act of 1913, hereafter in this resolution referred to as "the Act"), and containing the matters required by Article XIID of the California Constitution ("Article XIID"), and it is appropriate for this Commission to preliminarily approve said report and to schedule the public hearing of protests respecting said report.

NOW, THEREFORE, THE COMMISSION OF THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY HEREBY FINDS, DETERMINES AND RESOLVES as follows:

Section 1. The foregoing recital is true and correct, and this Commission so finds and determines.

Section 2. This Commission preliminarily approves the report without modification, for the purpose of conducting a public hearing of protests as provided in the Act, Article XIID, and Section 53753 of the California Government Code ("Section 53753"). Said report shall stand as the report for the purpose of all subsequent proceedings under the Act and Section 53753, except that it may be confirmed, modified, or corrected as provided in the Act.

Section 3. This Commission hereby sets 10:00 a.m., or as soon thereafter as the matter may be heard, on June 12, 2014 at the office of the League of California Cities, 1400 K Street, 3rd Floor, Sacramento, California, as the time and place for a public hearing of protests to the proposed financing of public capital improvements, the proposed levy of assessments, the amounts of individual assessments, and related matters as set forth in said report, and any interested person may appear and object to said financing of public capital improvements, or to the extent of said assessment district or to said proposed assessment.

Section 4. Staff is hereby directed to cause a notice of said public hearing to be given by mailing notices thereof, together with assessment ballots, in the time, form and manner provided by Section 53753, and upon the completion of the mailing of said notices and assessment ballots, staff is hereby directed to file with the Engineer of Work an affidavit setting forth the time and manner of the compliance with the requirements of law for mailing said notices and assessment ballots.

Section 5. David Taussig & Associates, Engineer of Work, 2250 Hyde Street, 5th Floor, San Francisco, California 94109, (415) 962-1480, is hereby designated to answer inquiries regarding the report and the protest proceedings.

PASSED AND ADOPTED by the California Statewide Communities Development Authority
this 17th day of April, 2014.

I, the undersigned, an Authorized Signatory of the California Statewide Communities Development Authority, DO HEREBY CERTIFY that the foregoing resolution was duly adopted by the Commission of the Authority at a duly called meeting of the Commission of the Authority held in accordance with law on April 17, 2014.

By _____
 Authorize Signatory
 California Statewide Communities
 Development Authority



CSCDA
CALIFORNIA STATEWIDE COMMUNITIES
DEVELOPMENT AUTHORITY



**AGENDA OF THE
SPECIAL MEETING OF THE
CALIFORNIA STATEWIDE FINANCING AUTHORITY**

April 17, 2014

**10:00a.m. or upon adjournment of CSCDA Regular Meeting
California State Association of Counties
1100 K Street, 3rd Floor
Sacramento, California**

27788 Hidden Trail Road
Laguna Hills, CA 92653

709 Portwalk Place
Redwood City, CA 94065

County of Butte
7 County Center Drive
Oroville, CA 95965

County of Monterey
168 West Alisal Street
Salinas, CA 93901

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

- I. Call the Roll (alternates designate which member they are representing).
- II. Consideration of the Minutes of the April 3, 2014 Special Meeting.
- III. Consideration of post-issuance compliance procedures.
- IV. Public Comment
- V. Adjourn

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



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

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

Item II

Consideration of the Minutes of the April 3, 2014 Special Meeting.

**SPECIAL MEETING OF THE
CALIFORNIA STATEWIDE FINANCING AUTHORITY
(CSFA)**

League of California Cities
1400 K Street, Sacramento, California

April 3, 2014

MINUTES

Commission chair Larry Combs called the meeting to order at 10:28 am.

I. Roll Call

Commissioners present: Larry Combs and Tim Snellings. Irwin Bornstein, Dan Mierzwa, Kevin O'Rourke and Alternate commissioner Brian Moura, representing Dwight Stenbakken, participated by conference telephone.

CSCDA Executive Director, Catherine Bando was also present.

Others present included: Perry Stottlemeyer, League of California Cities; Mike LaPierre and Scott Carper, HB Capital; Mimi Frusha, Cliff Staton and Annie Henderson, Renewable Funding; and Mark Paxson, State Treasurer's Office. Caitlin Lanctot, HB Capital; and Greg Stepanicich, Richards Watson & Gershon participated by conference telephone.

II. Election of officers

HB Capital staff recommended this commission carry over the same officers as elected by CSCDA earlier this year.

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

III. Discussion regarding IRS audit for the Tobacco Settlement Asset-Backed Bonds Series 2006

Mike LaPierre explained that CSCDA received notice of an IRS examination relating to the 2006 CSFA securitized tobacco settlement on behalf of nine participant counties: Imperial County, Kings County, Madera County, San Benito County, Solano County, Tehama County, Tuolumne County, Yolo County, and Yuba County.

Most of the information requested by IRS will be provided by the nine participant counties. Staff has been communicating with these counties to ensure each response is complete and timely.

No action necessary on this item.

IV. Consideration of engagement letter with Orrick, Herrington & Sutcliffe for special tax counsel services in response to the IRS audit

Orrick, Herrington & Sutcliffe is the bond counsel for the 2006 CSFA securitized tobacco settlement. Staff recommends engaging Orrick to represent CSFA in its response to IRS.

Motion to approve staff recommendation and execute engagement letter by Mierzwa; second by Snellings; unanimously approved by roll-call vote.

V. Consideration of a resolution to add Laura Labanieh Campbell, Nancy Parrish and Norman Copping as authorized signatories for CSFA

Motion to approve staff recommendation, as well as add Executive Director Bando as an authorized signatory by Mierzwa; second by O'Rourke; unanimously approved by roll-call vote.

VI. Public comment

None.

VII. Adjournment

Commission chair Larry Combs adjourned the meeting at 10:37 am.

Submitted by: Perry Stottlemeyer, League of California Cities staff

Item III

Consideration of post-issuance compliance procedures.

SUMMARY AND APPROVALS

DATE: APRIL 17, 2014
PROJECT: CSFA TOBACCO SETTLEMENT ASSET-BACKED BONDS SERIES 2006
PURPOSE: ADOPT POST-ISSUANCE COMPLIANCE PROCEDURES
PROGRAM: TOBACCO SECURITIZATION BONDS

Background:

In light of the recent IRS audit of the California Statewide Financing Authority (CSFA) 2006 Tobacco Settlement Bonds, Orrick, Herrington & Sutcliffe, has recommended the CSFA Commission adopt post-issuance tax compliance procedures and designate a Responsible Officer to deal with such post-issuance compliance matters related to CSFA issuance activities.

The procedures require the Responsible Officer to maintain records and prepare regular, periodic statements to the Authority regarding the investments and transactions involving Bond proceeds or allow for the Authority to engage expert advisors to do so. The procedures further require the trustee to provide regular, periodic (monthly) statements regarding the investments and transactions involving Bond proceeds if the Authority resolution provides for Bond proceeds to be administered by a trustee. Please note the CSFA engaged the BLX Group as an expert advisor and designated Wells Fargo Bank as trustee to administer the tobacco settlement investments for each borrower

The procedures further define the responsibilities of each borrower with respect to arbitrage rebate, use of bond proceeds, and record keeping requirements.

Recommendation:

It is recommended that this Commission adopt the proposed post-issuance tax compliance procedures as drafted by Orrick, Herrington & Sutcliffe and designate the CSCDA Executive Director to serve as the Responsible Officer of the California Statewide Financing Authority.

**Post-Issuance Tax Compliance Procedures
For Tax-Exempt (and Other Tax-Advantaged Bonds)
California Statewide Financing Authority**

April 17, 2014

The purpose of these Post-Issuance Tax Compliance Procedures is to establish policies and procedures in connection with tax-exempt bonds or obligations (whether in the form of bonds, certificates of participation, installment sale contracts, leases or other financing structures) and other tax-advantaged bonds or obligations, if any (e.g. “build America bonds” or direct pay subsidy bonds) (collectively, the “Bonds”) issued by the California Statewide Financing Authority (the “Authority”) for the benefit of certain Qualifying Public Agencies (as defined in the Joint Exercise of Powers Agreement dated as of June 1, 2002, the “Borrowers”) so as to ensure that the Authority complies with all applicable post-issuance requirements of federal income tax law needed to preserve the tax-exempt or special tax status of the Bonds.

General

Ultimate responsibility for all matters relating to Authority financings and re-financings rests with the Authority’s Board of Directors or such person or persons as the Board of Directors shall designate (the “Responsible Officer”).

Tax Compliance Requirements

External Advisors / Documentation

The Responsible Officer, other appropriate Authority personnel and the Borrowers shall consult with bond counsel and other legal counsel and advisors, as needed, throughout the Bond issuance process to identify requirements and to establish procedures necessary or appropriate so that the Bonds will continue to qualify for the appropriate tax status. Those requirements and procedures shall be documented in an Authority resolution(s), Tax Certificate(s) and/or other documents finalized at or before issuance of the Bonds. Those requirements and procedures shall include future compliance with applicable arbitrage rebate and yield restriction requirements and all other applicable post-issuance requirements of federal tax law throughout (and in some cases beyond) the term of the Bonds.

The Borrowers also shall consult with bond counsel and other legal counsel and advisors, as needed, following issuance of the Bonds to ensure that all applicable post-issuance requirements, in fact, are met. This shall include, without limitation, consultation in connection with future contracts with respect to the use or management of Bond-financed assets.

The Authority shall encourage or require the Borrowers to engage expert advisors (each a “Rebate Service Provider”) to assist in the calculation of arbitrage rebate which may be payable in respect of the investment of Bond proceeds.

Role of the Authority

Unless otherwise provided by Authority resolutions, unexpended Bond proceeds shall be held by the Authority, and the investment of Bond proceeds shall be managed by the Responsible Officer. The Responsible Officer shall either maintain records and shall prepare regular, periodic statements to the Authority regarding the investments and transactions involving Bond proceeds or the Authority shall engage expert advisors to do so.

If an Authority resolution provides for Bond proceeds to be administered by a trustee, the trustee shall provide regular, periodic (monthly) statements regarding the investments and transactions involving Bond proceeds.

Arbitrage Rebate and Yield

Unless a Tax Certificate documents that bond counsel has advised that arbitrage rebate will not be applicable to an issue of Bonds, it is the Authority's policy that the Borrower shall be responsible for:

- either (a) engaging the services of a Rebate Service Provider, and, prior to each rebate calculation date, causing the trustee or other financial institution to deliver periodic statements concerning the investment of Bond proceeds to the Rebate Service Provider, or (b) undertaking rebate calculations itself and retaining or obtaining periodic statements concerning the investment of Bond proceeds;
- providing to the Rebate Service Provider additional documents and information reasonably requested by the Rebate Service Provider;
- monitoring efforts of the Rebate Service Provider and assuring payment of required rebate amounts, if any, no later than 60 days after each 5-year anniversary of the issue date of the Bonds, and no later than 60 days after the last Bond of each issue is redeemed;
- during the construction period of each capital project financed in whole or in part by Bonds, the Responsible Officer and other appropriate Authority personnel shall monitor the investment and expenditure of Bond proceeds and shall consult with the Rebate Service Provider to determine compliance with any applicable exceptions from the arbitrage rebate requirements during each 6-month spending period up to 6 months, 18 months or 24 months, as applicable, following the issue date of the Bonds; and
- retaining copies of all arbitrage reports, investment records and trustee statements as described below under "Record Keeping Requirements" and, upon request, providing such copies to the Authority.

Use of Bond Proceeds

It is the Authority's policy that the Borrowers shall be responsible for:

- monitoring the use of Bond proceeds and the use of Bond-financed assets (e.g., facilities, furnishings or equipment) throughout the term of the Bonds (and in some cases beyond

the term of the Bonds) to ensure compliance with covenants and restrictions set forth in applicable Authority resolutions and Tax Bonds;

- maintaining records identifying the assets or portion of assets that are financed or refinanced with proceeds of each issue of Bonds;
- consulting with Bond Counsel and other professional expert advisers in the review of any contracts or arrangements involving use of Bond-financed facilities to ensure compliance with all covenants and restrictions set forth in applicable Authority resolutions and Tax Bonds;
- maintaining records for any contracts or arrangements involving the use of Bond-financed facilities as might be necessary or appropriate to document compliance with all covenants and restrictions set forth in applicable Authority resolutions and Tax Bonds; and
- meeting at least annually with personnel responsible for Bond-financed assets to identify and discuss any existing or planned use of Bond-financed assets and to ensure that those uses are consistent with all covenants and restrictions set forth in applicable Authority resolutions and Tax Bonds.
- to the extent that a Borrower discovers that any applicable tax restrictions regarding use of Bond Proceeds and Bond-financed or refinanced assets will or may be violated, consulting promptly with bond counsel and other legal counsel and advisers to determine a course of action to remediate all nonqualified bonds, if such counsel advises that a remedial action is necessary

The Borrowers, in the Tax Certificates relating to the Bonds and/or other documents finalized at or before the issuance of the Bonds, shall agree to undertake the tasks listed above.

All relevant records and contracts shall be maintained as described below.

Record Keeping Requirements

Unless otherwise specified in applicable Authority resolutions or Tax Bonds, it is the Authority's policy that the Borrowers shall be responsible for maintaining the following documents for the term of each issue of Bonds (including refunding Bonds, if any) plus at least three years:

- a copy of the Bond closing transcript(s) and other relevant documentation delivered to the Authority at or in connection with closing of the issue of Bonds;
- a copy of all material documents relating to capital expenditures financed or refinanced by Bond proceeds, including (without limitation) construction contracts, purchase orders, invoices, trustee requisitions and payment records, as well as documents relating to costs reimbursed with Bond proceeds and records identifying the assets or portion of assets that are financed or refinanced with Bond proceeds;

- a copy of all contracts and arrangements involving private business use of Bond-financed assets; and
- copies of all records of investments, investment agreements, arbitrage reports and underlying documents, including trustee statements.

The Borrowers, in the Tax Certificates relating to the Bonds and/or other documents finalized at or before the issuance of the Bonds, shall agree to retain the records listed above.