



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

April 3, 2014

10:00 a.m.

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

27788 Hidden Trail Road
Laguna Hills, CA 92653

709 Portwalk Place
Redwood City, CA 94065

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

3252 Southern Hills Drive
Fairfield, CA 94534

- I. Call the Roll (alternates designate which member they are representing).
- II. Consideration of the Minutes of the March 20, 2014 Regular Meeting & Special 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:
 - a. CH Valley View Partners, L.P., (Valley View Apartments), City of Delano, County of Kern; up to \$7 million in multi-family housing revenue notes. (Staff: Caitlin Lanctot)

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

- b. California Shock Trauma Air Rescue (CALSTAR), City of Gilroy, County of Santa Clara; unincorporated County of Sacramento; unincorporated County of Contra Costa; City of Auburn, County of Placer; City of Ukiah, County of Mendocino; City of Salinas, County of Monterey; City of South Lake Tahoe, County of El Dorado; City of Santa Maria, County of Santa Barbara; City of Vacaville, County of Solano; up to \$13 million in 501(C)(3) non-profit revenue notes. (Staff: Scott Carper)
- VI. Consideration of a request to accept reduced annual administrative fees on behalf of Quail Ridge Apartments. (Staff: Mike LaPierre)
- VII. Consideration of Willdan Financial Services contract for existing administrative work on existing assessment districts. (Staff: Scott Carper)
- VIII. Public Comment
- IX. Adjourn



**CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY
CONSENT CALENDAR**

1. Consent Calendar:

- a. David Taussig & Associates Invoice #1402084 for \$285.83 for consulting services of the Orinda Wilder Project.
- b. Inducement of 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.
- c. Authorization of Executive Director to execute a Pre-Approval letter for the CaliforniaFIRST Program

Thursday, April 3, 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 March 20, 2014 Regular Meeting & Special Meeting.

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

California State Association of Counties
1100 K Street, Sacramento, California

March 20, 2014

MINUTES

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

I. Roll Call

Commission members present: Larry Combs, Chair, Kevin O'Rourke and Dwight Stenbakken. Irwin Bornstein, Tim Snellings, alternate Commissioner Ron Holly, representing Terry Schutten, and alternate commissioner Brian Moura, not voting. Dan Mierzwa also participated by conference telephone, but was unable to participate in voting.

CSCDA Executive Director, Catherine Bando was also present.

Others present included: Perry Stottlemeyer, Norman Coppinger and Chris McKenzie, League of California Cities; Scott Carper, HB Capital; Laura Labanieh Campbell and Nancy Parrish, CSAC Finance Corporation; Mark Paxson, State Treasurer's Office; Cliff Staton and Mimi Frusha, Renewable Funding. Caitlin Lanctot and Amy Stoneham, HB Capital; and Patricia Eichar, Erin Pham and Roger Davis, Orrick Herrington & Sutcliffe; participated by conference telephone.

II. Approval of minutes—February 6, 2014

The commission approved the minutes for the regular meeting held March 6, 2014.

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

III. Staff Updates

Catherine reported that CSCDA recently received an inquiry from IRS regarding an outstanding bond issue from 2006. Orrick will be responding to the inquiry.

Next, she reported that the ad hoc committee for the program administrator. One meeting has been held and the committee expects to have the RFP prepared and distributed by June 1, 2014, with responses due by September 1, and a decision expected by January 1, 2015.

IV. Approval of Consent Calendar

1. Approve the following invoices for payment:

- a. David Taussig & Associates invoice #1401111

2. Induce the following projects:

- a. ROEM Development Corporation (Charlotte Drive Apartments), City of San Jose, County of Santa Clara; issue up to \$38 million in multi-family housing debt obligations.
- b. ROEM Development Corporation (Lexington Apartments), City of San Jose, County of Santa Clara; issue up to \$26 million in multi-family housing debt obligations.
- c. Jefferson Cunningham Community Partners, LP (Jefferson Townhomes & Cunningham Village), City of Los Angeles, County of Los Angeles; issue up to \$15 million in multi-family housing debt obligations.
- d. Affirmed Housing Group, Inc. (Indio Desert Palms), City of Indio, County of Riverside; issue up to \$15 million of multi-family housing debt obligations.

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

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

- a. Huntington Villa Yorba Preservation, LP (Huntington Villa Yorba Apartments), City of Huntington Beach, County of Orange; issue up to \$31 million in multi-family housing revenue bonds.

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

VI. Conduct proceedings with respect to the Statewide Community Infrastructure Program (SCIP), Assessment District 14-02 Chula Vista.

- a. Open Assessment District public hearing. Opened hearing at 10:09 am and asked for public comment. There was none.
- b. Close the public hearing for Chula Vista at 10:09 am.

Erin Pham (Orrick Herrington & Sutcliffe) read the ballot results: She received one ballot, which was in favor of establishing the proposed District.

VII. Approve the following resolutions for the upcoming Statewide Community Infrastructure Program (SCIP) project.

- a. A resolution approving the final engineer's reports, levying assessments, ordering the financing of specified development impact fees and capital improvements, and confirming unpaid assessment amounts (City of Chula Vista).

Motion to approve staff recommendation by Stenbakken; second by Holly; unanimously approved by roll-call vote.

- b. A resolution providing for the issuance of a series of SCIP limited obligation improvement bonds and approving a trust agreement (City of Chula Vista).

Motion to approve staff recommendation by Holly; second by Stenbakken; unanimously approved by roll-call vote.

- c. A resolution providing the issuance of SCIP revenue bonds and approving a trust agreement, bond purchase agreement, continuing disclosure agreement, and preliminary official statement (City of Manteca).

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

- d. A resolution abandoning proceedings for two previously formed assessment districts (City of Morgan Hill and City of San Diego).

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

VIII. Approve Agreement for Services between CSCDA and Renewable Funding for the CaliforniaFIRST residential program.

Catherine reported that CSCDA is comfortable with entering into an exclusive agreement with Renewable Funding even though there are alternative PACE providers. Renewable Funding is very experienced and we have a longstanding relationship with them.

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

IX. Approve 2013-14 CSCDA budget.

Catherine explained the budget was prepared per the cash-basis of accounting, rather than the accrual-basis, but it still provides a good picture of operations. She went on to explain various line items of the budget.

Motion to approve staff recommendation by Bornstein; second by Stenbakken; unanimously approved by roll-call vote.

X. Update from the ad hoc committee regarding review of the CSCDA P3 ownership program.

Catherine reported that Greg Stepanicich and Roger Davis met to discuss the program, followed by a conference call with the committee.

Ron Holly reported that he investigated the San Diego State deal (funded by PFA) to ensure that all of the protections the commissioners indicated they wanted were present. Holly concluded that he cannot object to

CSCDA being involved in this program with the caveat that all related CSCDA policies and procedures need to be developed and in place before proceeding with a project.

Chairman Combs recommended that Catherine develop and propose such policies and procedures. No commission action at this time.

XI. Public Comment.

Cliff Staton of Renewable Funding thanked Catherine and the commission for approving the contract today.

XII. Adjournment.

Commission Chair Larry Combs adjourned the meeting at 10:39 am.

Submitted by: Perry Stottlemeyer, League of California Cities staff

*The next regular meeting of the commission is scheduled for
Thursday, April 3, at 10:00 a.m.
in the League's office at 1400 K Street, Sacramento, California.*

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

California State Association of Counties
1100 K Street, Sacramento, California

March 20, 2014

MINUTES

Commission Chair Larry Combs called the meeting to order at 10:39 am.

I. Roll Call

Commission members present: Larry Combs, Chair, Kevin O'Rourke and Dwight Stenbakken. Irwin Bornstein, Tim Snellings, alternate Commissioner Ron Holly, representing Terry Schutten, and alternate commissioner Brian Moura, not voting. Dan Mierzwa also participated by conference telephone, but was unable to participate in voting.

CSCDA Executive Director, Catherine Bando was also present.

Others present included: Perry Stottlemeyer, Norman Coppinger and Chris McKenzie, League of California Cities; Scott Carper, HB Capital; Laura Labanieh Campbell and Nancy Parrish, CSAC Finance Corporation; Mark Paxson, State Treasurer's Office; Cliff Staton and Mimi Frusha, Renewable Funding. Caitlin Lancot and Amy Stoneham, HB Capital; and Patricia Eichar, Erin Pham and Roger Davis, Orrick Herrington & Sutcliffe; participated by conference telephone.

II. Approve First Supplement to the Amended and Restated Bond Indenture for Western University of Health Sciences Series 2007A.

Caitlin Lancot explained that in 2007, CSCDA issued \$106,905,000 in variable rate demand revenue bonds on behalf of Western University of Health Sciences (borrower) to partially finance a new four-story building with classrooms, study rooms, conference rooms and academic laboratory space in Pomona, California.

Borrower is requesting the Authority's approval of an amendment to accommodate a continuation of the current index mode in order to: (i) add provisions specific to the expected purchaser and revise transfer limitations; and (ii) supplement terms related to the index rate period. These terms have been agreed upon between the borrower and Wells Fargo Bank (purchaser).

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

III. Public Comment.

None.

IV. Adjournment.

Commission Chair Larry Combs adjourned the meeting at 10:42 am.

Submitted by: Perry Stottlemeyer, League of California Cities staff

Item IV.

Consideration of the Consent Calendar.

- a. David Taussig & Associates Invoice #1402084 for \$285.83 for consulting services of the Orinda Wilder Project.
- b. Inducement of 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.
- c. Authorization of Executive Director to execute a Pre-Approval letter for the CaliforniaFIRST Program

DTA DAVID TAUSSIG & ASSOCIATES

Public Finance and Urban Economics

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

Phone: 949-955-1500 • Fax: 949-955-1590

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

February 28, 2014

Invoice No: 1402084

Project 13-11980.000 CSCDA/Orinda Wilder Project-Admin

Dear Mr. Hamill:

This invoice is submitted for professional consulting services in association with the special tax administration of California Statewide Communities Development Authority CFD No. 2007-01 (Orinda Wilder Project) for fiscal year 2013-14. Please remit invoice payment payable to David Taussig and Associates, Inc.

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

Professional Services through February 28, 2014

Professional Services		Hours	Rate	Amount
Vice President				
Morgan, Shayne				
2/5/2014	Answered bond owner inquiries relating to recently posted annual report, delinquency management.	.75	185.00	138.75
2/25/2014	Reviewed January account statements and transactions, confirmed debt service fund sufficiency.	.38	185.00	70.30
2/27/2014	Delinquency management, researched latest special tax delinquencies, corres with L. Watters at CC County.	.37	185.00	68.45
Totals		1.50		277.50

Additional Fees

Out-of-pocket Expenses	8.33
Total Additional Fees	8.33

Total this Invoice \$285.83

Outstanding Invoices

Number	Date	Balance
1311069	11/30/2013	594.52
1312173	12/31/2013	333.46
1401111	1/31/2014	3,357.49
Total		4,285.47

Applicant Information

Primary Contact E-mail: ltakano@related.com

Name of Developer: **Related California**

TIN or EIN: **33-0851672**

Primary Contact

First Name: **Liane**

Last Name: **Takano**

Title: **Vice President of Development**

Address:

Street: **18201 Von Karman Avenue**

Suite: **900**

City: **Irvine**

State: **California**

Zip: **92612**

Phone: **949-660-7272**

Ext: **249**

Fax: **949-660-7273**

Email: **ltakano@related.com**

Borrower Description:

☐ Same as developer ?

Name of Borrowing Entity: **Pavilion Park Senior I Housing Partners, L.P.**

Type of Entity:

☐ For-profit Corporation

☐ Non-profit Corporation

☒ Partnership

☐ Other (specify)

☐ Will you be applying for State Volume Cap?

Date Organized: **12/3/13**

No. of Multi-Family Housing Projects Completed in the Last 10 Years: **43**

No. of Low Income Multi-Family Housing Projects Completed in the Last 10 Years: **42**

Primary Billing Contact

Organization: **Related California**

First Name: **Violet**

Last Name: **Cruz**

Title: **Accounting Assistant**

Address

Street: **18201 Von Karman Avenue**

Suite: **900**

City: **Irvine**

State: **California**

Zip: **92612**

Phone: **949-660-7272**

Ext:

Fax: **949-660-7273**

Email: **vcruz@related.com**

Project Information

Project Information

Project Name: **Pavilion Park Senior**

New Project Name(optional):

Facility Information

Facility #1

Facility Name: **Pavilion Park Senior**

Facility Bond Amount: \$26,465,000.00

Project Address:

Street: **Ridge Valley and Irvine Boulevard**

City: **Irvine**

State: **California**

Zip: **92618**

County: **Orange**

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

Total Number of Units:

Market: **0**

Restricted: **221**

Total: **221**

Lot size: **7.01**

Amenities:

Planned amenities include: pool, spa, fitness room, multi-purpose room, management space, putting green, BBQ area, bocce ball court, and restorative/reading areas.

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

Type V construction - 3 buildings, 3 stories, wood frame

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: Donna

Last Name: Mullally

Title: City of Irvine Finance Director

Phone: 949-724-6037

Ext:

Fax:

Email: dmullally@cityofirvine.org

Public Benefit Info:

Percentage of Units in Low Income Housing: 100

Percentage of Area Median Income(AMI) for Low Income Housing Units: 55

Total Number of Management Units: 2

#	Bedrooms (Unit Size)	%AMI	No. of restricted units	Restricted rent	Market rent	Expected savings
1.	1 Bedroom	50	119	847.00	1,400.00	553.00
2.	1 Bedroom	60	70	1,017.00	1,400.00	383.00
3.	2 Bedrooms	50	18	981.00	2,000.00	1,019.00
4.	2 Bedrooms	60	12	1,219.00	2,000.00	781.00

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 #:
45	37	68

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) :Private Placement

Name of Credit Enhancement Provider or Private Placement Purchaser:

Permanent Financing:

☒ Credit Enhancement

☐ None

☐ Letter of Credit

☒ Other (specify) :Private Placement

Name of Credit Enhancement Provider or Private Placement Purchaser: Union Bank, N.A.

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>\$26,465,000.00</u>
Taxable Bond Proceeds:	<u>\$</u>
Tax Credits:	<u>\$1,524,000.00</u>
Developer Equity:	<u>\$</u>
Other Funds (Describe):	
Master Developer Residual Receipt Loan	<u>\$7,011,000.00</u>
Deferred Developer Fee	<u>\$1,250,000.00</u>
Deferred Operating Deficit Reserve	<u>\$513,000.00</u>
	<u>\$</u>
	<u>\$</u>
Total Sources:	<u>\$36,763,000.00</u>

Uses:

Land Acquisition:	<u>\$11,000.00</u>
Building Acquisition:	<u>\$</u>
Construction or Remodel:	<u>\$23,423,000.00</u>
Cost of Issuance:	<u>\$300,000.00</u>
Capitalized Interest:	<u>\$</u>
Reserves:	<u>\$513,000.00</u>
Other Uses (Describe):	
Professional Fees	<u>\$2,683,000.00</u>
Fees and Permits	<u>\$3,315,000.00</u>
Financing Costs	<u>\$1,940,000.00</u>
Other Costs - FFE, Mrkting, Legal, Taxes, Accting/Audit	<u>\$2,078,000.00</u>
Developer Fee	<u>\$2,500,000.00</u>
Total Uses:	<u>\$36,763,000.00</u>

Financing Team Information

Bond Counsel

Firm Name: Orrick, Herrington & Sutcliffe LLP

Primary Contact

First Name: Justin

Last Name: Cooper

Title: Partner

Address:

Street: 405 Howard Street

Suite:

City: San Francisco

State: California

Zip: 94105-2669

Phone: (415) 773-5908

Ext:

Fax:

Email: jcooper@orrick.com

Bank/Underwriter/Bond Purchaser

Firm Name: Union Bank

Primary Contact

First Name: Ted

Last Name: Holman

Title: Vice President

Address:

Street: 200 Pringle Avenue

Suite: 355

City: Walnut Creek

State: California

Zip: 94596

Phone: 925-947-2491

Ext:

Fax: 925-947-2455

Email: ted.holman@unionbank.com

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:

March 27, 2014

California Statewide Communities Authority
ATTN: Cathy Bando, Executive Director
2999 Oak Rd. Suite 710
Walnut Creek, CA 94597

Dear Cathy:

In accordance with Section 2.3 of our Residential Services Agreement, this letter seeks approval of funds and accounts managed by Apollo Capital Management, L.P. and its affiliates as purchasers of Improvement Bonds through one or more bond purchase agreements.

Approval:

Date:

Catherine Bando, Executive Director
California Statewide Communities Development Authority

Thanks in advance for your assistance with this matter.

Best regards,

Cliff Staton

Item Va.

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, L.P., (Valley View Apartments), City of Delano, County of Kern; up to \$7 million in multi-family housing revenue notes. (Staff: Caitlin Lancot)

SUMMARY AND APPROVALS

DATE: APRIL 3, 2014

APPLICANT: CH VALLEY VIEW PARTNERS, LP / THE HAMPSTEAD GROUP, INC.

AMOUNT: UP TO \$7,000,000 OF TAX-EXEMPT MULTI-FAMILY HOUSING REVENUE NOTES

PURPOSE: FINANCE THE ACQUISITION AND REHABILITATION OF VALLEY VIEW APARTMENTS LOCATED AT 2148 JASMINE STREET, DELANO, CA

CSCDA PROGRAM: HOUSING

Background:

The proposed project, Valley View Apartments (the “Project”), is a 90-unit property located in Delano, California. The Project application was filed on December 2, 2013 and induced on December 19, 2013.

Summary:

CH Valley View Partners, LP (the “Borrower”) has requested CSCDA to issue and deliver multifamily housing revenue obligations in the anticipated principal amount of \$7,000,000 (the “Bonds”) for the purpose of financing the acquisition and rehabilitation of the Project. The Project will continue to provide 72 two-bedroom units and 18 three-bedroom units to low-income families in Delano, California.

The Project, initially constructed in 1981, is comprised of nine two-story garden-style buildings and four townhome-style buildings as well as one auxiliary one story building that serves as a leasing office, community room, and central laundry facility. Community amenities include on-site management, central laundry facilities, a courtyard, picnic area, community room, and playground.

Unit amenities include a patio/balcony, carpeting, blinds, coat closet, exterior storage, ceiling fans, and central heating and air-conditioning. Appliances include a refrigerator, oven/range, and garbage disposal. Three-bedroom units are equipped with washer and dryer connections. Planned renovations include: Replacing damaged concrete walls and curbs, replacing damaged parking lot paving, replacing/improving signage, drainage improvements, repairs to patio fences and gates, installing additional landscaping and irrigation, replacing kitchen cabinets and countertops, repairing or replacing weather damaged exterior wood, recoating balcony walkway waterproofing, installing additional attic insulation, replacing composition shingle roofing, replacing windows, replacing sliding glass doors, replacing resilient flooring in kitchen/dining rooms/bathrooms, painting, replacing ranges, refrigerators (Energy Star), garbage disposal, kitchen exhaust hood (Energy Star), kitchen sink and faucets. Replacing toilets with low-water-use type, replacing bathtub/shower unit including faucet set, replacing bath vanity, replacing shower heads with low flow type, replacing water heaters, replacing HVAC units, replacing thermostat with set-back programmable type, retrofitting or replacing light fixtures with Energy Star rated, installing GFI protected outlets in kitchens, replacing and installing smoke detectors, installing CO detectors, altering units for the hearing/vision

impaired, disabled access alterations to laundry room, installing photovoltaic power system for community building and common areas, and installing play equipment and surface.

The anticipated construction start date is May 1, 2014 with a completion date of December 31, 2014.

The Borrower has previously rehabilitated 30 multifamily and senior housing properties throughout the United States. This is their fifth financing with CSCDA.

Public Benefit:

- Project Affordability
 - 100% of the Project's units will be income restricted:
 - 18 units reserved for tenants whose income is at or below 50% AMI
 - 71 units reserved for tenants whose income is at or below 60% AMI
 - 1 management unit
 - The term of the income and rental restrictions for the Project will be at least 55 years
- Site Amenities
 - The Project is located within a public transit corridor
 - The Project is located within ½ mile of a park or recreational facility
 - The Project is located within ½ mile of a grocery store
 - The Project is located within ½ mile of a public school
- Economic Benefits
 - Based upon \$9,675,988 Project costs using a 1.8 multiplier the Project produces \$17,416,778 total economic activity, and at 2.1 jobs per unit produces approximately 189 jobs. (Multipliers based on June 2010 study by Blue Sky Consulting Group and Center for Housing Policy on impact of housing in California using IMPLAN system.)

Agency Approvals:

TEFRA Hearing: January 6, 2014, City of Delano, unanimous approval

CDLAC Approval: March 19, 2014

Estimated Sources and Uses:

Sources:

Tax Exempt Bond Proceeds	\$5,000,000	51.67%
Taxable Bond Proceeds	\$177,808	1.84%
Low Income Housing Tax Credit Equity	\$780,154	8.06%
OAHP Loan Assumption After Curtailment	\$1,800,199	18.60%
Property Income During Construction	\$442,968	4.58%
Deferred Developer Fee	\$883,859	9.13%
Existing Replacement Reserves	<u>\$591,000</u>	<u>6.11%</u>
Total Sources	\$9,675,988	100.00%

Uses:

Acquisition Cost	\$4,695,756	48.53%
Hard Construction Costs	\$1,906,905	19.71%
Architect & Engineering Fees	\$191,301	1.98%
Contractor Overhead & Profit	\$266,967	2.76%
Developer Fee	\$1,074,391	11.10%
Relocation	\$90,000	0.93%
Cost of Issuance	\$189,278	1.96%
Reserves	\$248,065	2.56%
Capitalized Interest	\$245,730	2.54%
Other Soft Costs (Marketing, Etc.)	<u>\$767,595</u>	<u>7.93%</u>
Total Uses	\$9,675,988	100.00%

Finance Team:

- Bond Counsel: Orrick, Herrington & Sutcliffe, LLP, San Francisco
- Authority Counsel: Orrick, Herrington & Sutcliffe, LLP, Sacramento
- Lender: Citi Community Capital , Thousand Oaks

Financing Structure:

The construction bonds will have a term of 24 months and will carry a variable interest rate of approximately 4.00%. The Bonds will then convert to the permanent phase for 35 years. The projected true interest cost of the fixed rate loan under current market conditions is estimated to be 5.97%.

Policy Compliance:

The Project complies with the following policies:

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

Financing Approval:

Based on the overall public benefits as outlined in the California Debt Limit Allocation Committee resolution, as described on the attached Exhibit A, approval of the issuance of Bonds by the City of Delano, and conformance to the CSCDA Issuance Policies, the Commission shall approve the Resolution as submitted to the Commission, which:

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

Attachments:

1. Original application
2. City of Delano TEFRA Resolution
3. CDLAC Approval

Applicant Information

Primary Contact E-mail: ryan@hampstead.com

Name of Developer: **The Hampstead Group, Inc.**

TIN or EIN: **C3345246**

Primary Contact

First Name: **Ryan**

Last Name: **Kucich**

Title: **Project Manager**

Address:

Street: **1350 Columbia Street**

Suite: **802**

City: **San Diego**

State: **California**

Zip: **92101**

Phone: **(209) 981-4595**

Ext:

Fax: **(619) 543-4220**

Email: **ryan@hampstead.com**

Borrower Description:

☐ Same as developer ?

Name of Borrowing Entity: **CH Valley View Partners, L.P.**

Type of Entity:

☐ For-profit Corporation

☐ Non-profit Corporation

☒ Partnership

☐ Other (specify)

☐ Will you be applying for State Volume Cap?

Date Organized: **TBD**

No. of Multi-Family Housing Projects Completed in the Last 10 Years: **16**

No. of Low Income Multi-Family Housing Projects Completed in the Last 10 Years: **16**

Primary Billing Contact

Organization: **The Hampstead Group, Inc.**

First Name: **Brad**

Last Name: **Adams**

Title: **Director of Corporate Finance**

Address

Street: **1350 Columbia Street**

Suite: **802**

City: **San Diego**

State: **California**

Zip: **92101**

Phone: **(619) 543-4200**

Ext:

Fax: **(619) 543-4220**

Email: **brad@hampstead.com**

Project Information

Project Information

Project Name: **Valley View Apartments**

New Project Name(optional):

Facility Information

Facility #1

Facility Name: **Valley View Apartments**

Facility Bond Amount: \$5,000,000.00

Project Address:

Street: **2148 Jasmine Street**

City: **Delano**

State: **California**

Zip: **93215**

County: **Kern**

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

Total Number of Units:

Market: **0**

Restricted: **90**

Total: **90**

Lot size: **4.88 Acres**

Amenities:

Clubhouse, Courtyard, Laundry Facilities, Playground, Recreation Area,.

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

Rehab of Wood Frame, 2 Story, 13 Buildings.

Type of Housing:

☐ New Construction

☒ Acquisition/Rehab

Facility Use:

☒ Family

☐ Senior

Is this an Assisted Living Facility? ☐

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

Name of Agency:

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.	2 Bedrooms	50	8	590.00	640.00	50.00
2.	2 Bedrooms	60	63	640.00	640.00	
3.	3 Bedrooms	50	2	660.00	747.00	87.00
4.	3 Bedrooms	60	16	747.00	747.00	

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 #:
21	16	32

Financing Information

Financing Information

Maturity **40** 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) :Private Placement

Name of Credit Enhancement Provider or Private Placement Purchaser: Citi Community Capital

Permanent Financing:

☒ Credit Enhancement

☐ None

☐ Letter of Credit

☒ Other (specify) :Private Placement

Name of Credit Enhancement Provider or Private Placement Purchaser: Citi Community Capital

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>\$4,954,215.00</u>
Taxable Bond Proceeds:	<u>\$</u>
Tax Credits:	<u>\$688,441.00</u>
Developer Equity:	<u>\$56,579.00</u>
Other Funds (Describe):	
Energy Subsidies	<u>\$140,393.00</u>
Income During Construction	<u>\$247,920.00</u>
Replacement Reserves	<u>\$591,000.00</u>
OAHP Funds (After Curtailment)	<u>\$1,929,557.00</u>
	<u>\$</u>
Total Sources:	<u>\$8,608,105.00</u>

Uses:

Land Acquisition:	<u>\$1,000,000.00</u>
Building Acquisition:	<u>\$3,859,247.00</u>
Construction or Remodel:	<u>\$1,760,722.00</u>
Cost of Issuance:	<u>\$179,542.00</u>
Capitalized Interest:	<u>\$215,948.00</u>
Reserves:	<u>\$</u>
Other Uses (Describe):	
Soft Costs	<u>\$529,589.00</u>
Syndication Fees	<u>\$25,000.00</u>
State Finance Agency Fees	<u>\$39,500.00</u>
Developer Fee	<u>\$998,557.00</u>
	<u>\$</u>
Total Uses:	<u>\$8,608,105.00</u>

Financing Team Information

Bond Counsel

Firm Name: Orrick

Primary Contact

First Name: Justin

Last Name: **Cooper**

Title: **Bond Counsel**

Address:

Street: **405 Howard St.**

City: **San Francisco**

State: **California**

Suite:

Phone: **415-773-5908**

Ext:

Zip: **94105**

Email: **jcooper@orrick.com**

Fax:

Bank/Underwriter/Bond Purchaser

Firm Name: Citi Community Capital

Primary Contact

First Name: Jay

Last Name: **Abeywardena**

Title: **Director**

Address:

Street: **325 E Hillcrest Dr.**

City: **Thousand Oaks**

State: **California**

Suite: **160**

Phone: **(805) 557-0943**

Ext:

Zip: **91360**

Email: **jay.m.abeywardena@citi.com**

Fax: **(805) 557-0924**

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: Omnicap

Primary Contact

First Name: Jeff

Last Name: **Smith**

Title: **President**

Address:

Street: **139 Hermosa Avenue**

City: **Hermosa Beach**

State: **California**

Suite:

Phone: **(310) 318-3095**

Ext:

Zip: **90254**

Email: **jsmith@omnicap.net**

Fax: **(866) 813-3613**

1-13-14
pkraft

RESOLUTION NO. 2014 - 01

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF DELANO
APPROVING THE ISSUANCE BY THE CALIFORNIA STATEWIDE
COMMUNITIES DEVELOPMENT AUTHORITY OF MULTIFAMILY HOUSING
REVENUE BONDS FOR THE VALLEY VIEW APARTMENTS**

WHEREAS, the California Statewide Communities Development Authority (the "Authority") is authorized pursuant to the provisions of California Government Code Section 6500 et seq. and the terms of an Amended and Restated Joint Exercise of Powers Agreement, dated as of June 1, 1988 (the "Agreement"), among certain local agencies throughout the State of California, including the City of Delano (the "City"), to issue revenue bonds in accordance with Chapter 7 of Part 5 of Division 31 of the California Health and Safety Code for the purpose of financing multifamily rental housing projects; and

WHEREAS, CH Valley View Partners, L.P. or related entities, has requested that the Authority adopt a plan of financing providing for the issuance of multifamily housing revenue bonds (the "Bonds") in one or more series issued from time to time, including bonds issued to refund such revenue bonds in one or more series from time to time, and at no time to exceed \$6,000,000 in outstanding aggregate principal amount, to finance the acquisition and rehabilitation of a 90-unit multifamily rental housing project located at 2148 Jasmine Street, Delano, California, generally known as Valley View Apartments (the "Project") and operated by Edgewood Management Corporation; and

WHEREAS, the Bonds or a portion thereof will be "private activity bonds" for purposes of the Internal Revenue Code of 1986 (the "Code"); and

WHEREAS, pursuant to Section 147(f) of the Code, prior to their issuance, private activity bonds are required to be approved by the "applicable elected representative" of the governmental units on whose behalf such bonds are expected to be issued and by a governmental unit having jurisdiction over the entire area in which any facility financed by such bonds is to be located, after a public hearing held following reasonable public notice; and

WHEREAS, the members of this City Council (this "City Council") are the applicable elected representatives of the City; and

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

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

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

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

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF DELANO AS FOLLOWS:

Section 1. The above recitals are true and correct.

Section 2. The City Council hereby approves the issuance of the Bonds and the Refunding Bonds by the Authority. It is the purpose and intent of the City Council that this resolution constitute approval of the Bonds for the purposes of (a) Section 147(f) of the Code and (b) Section 9 of the Agreement.

Section 3. The officers of the City are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents that they deem necessary or advisable in order to carry out, give effect to and comply with the terms and intent of this resolution and the financing approved hereby.

Section 4. The City Clerk shall forward a certified copy of this Resolution and a copy of the affidavit of publication of the hearing notice to:

Justin Cooper, Esq.
Orrick, Herrington & Sutcliffe LLP
405 Howard Street
San Francisco, California 94105

Section 5. This resolution shall take effect immediately upon its passage.

PASSED AND ADOPTED by the City Council of the City of Delano at a regular meeting held on the 6th day of January, 2014, by the following vote:

AYES: Aguirre, Chavez, Morris, Pascual, Vallejo

NOES: none


ABSENT: none

ABSTAIN: none



Grace Vallejo, Mayor

ATTEST:



Phyllis A. Kraft, City Clerk

RESOLUTION NO. 14H-__

A RESOLUTION OF THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY AUTHORIZING THE EXECUTION AND DELIVERY OF A MULTIFAMILY HOUSING REVENUE NOTE IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$7,000,000 FOR THE FINANCING OF A MULTIFAMILY RENTAL HOUSING PROJECT TO BE GENERALLY KNOWN AS VALLEY VIEW APARTMENTS; DETERMINING AND PRESCRIBING CERTAIN MATTERS AND APPROVING AND AUTHORIZING THE EXECUTION OF AND DELIVERY OF VARIOUS DOCUMENTS RELATED THERETO; RATIFYING ANY ACTION HERETOFORE TAKEN AND APPROVING RELATED MATTERS IN CONNECTION WITH THE NOTE.

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

WHEREAS, CH Valley View Partners, L.P., a California limited partnership, and entities related thereto (collectively, the “Borrower”), has requested that the Authority execute and deliver its California Statewide Communities Development Authority Multifamily Housing Revenue Note (Valley View Apartments Project) 2014 Series E (the “Note”) to assist in the financing of the rehabilitation and development of a 90-unit multifamily housing rental development located in the City of Delano, California, and known as Valley View Apartments (the “Project”);

WHEREAS, on March 19, 2014, the Authority received an allocation in the amount of \$5,000,000 (the “Allocation Amount”) from the California Debt Limit Allocation Committee in connection with the Project;

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

WHEREAS, the Authority is willing to execute and deliver the Note in an aggregate principal amount not to exceed \$7,000,000, provided that the portion of such Note executed and delivered as federally tax-exempt obligations shall not exceed the Allocation Amount, and to loan the proceeds thereof to the Borrower to assist in providing financing for the Project, which will allow the Borrower to reduce the cost of the Project and to assist in providing housing for low income persons;

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

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

- (1) Funding Loan Agreement (the “Funding Loan Agreement”) to be entered into between the Funding Lender and the Authority;
- (2) Borrower Loan Agreement (the “Borrower Loan Agreement”) to be entered into between the Authority and Borrower; and
- (3) Regulatory Agreement and Declaration of Restrictive Covenants (the “Regulatory Agreement”) to be entered into between the Authority and the Borrower;

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

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

Section 2. Pursuant to the JPA Law and the Funding Loan Agreement, and in accordance with the Housing Law, the Authority is hereby authorized to execute and deliver the Note in one or more series. The Note shall be designated as “California Statewide Communities Development Authority Multifamily Housing Revenue Note (Valley View Apartments Project) 2014 Series E” including, if and to the extent necessary, one or more sub-series, with appropriate modifications and series and sub-series designations as necessary, in an aggregate principal amount not to exceed \$7,000,000; provided that the aggregate principal amount of any tax-exempt Notes executed and delivered shall not exceed the Allocation Amount. The Note shall be executed and delivered in the form set forth in and otherwise in accordance with the Funding Loan Agreement, and shall be executed on behalf of the Authority by the manual signature of any Authorized Signatory. The Note shall be secured in accordance with the terms of the Funding Loan Agreement presented to this meeting, as hereinafter approved. Payment of the principal and purchase price of, and prepayment premium, if any, and interest on, the Note shall be made solely from amounts pledged thereto under the Funding Loan Agreement, and the Note shall not be deemed to constitute a debt or liability of the Authority or any Program Participant or Member of the Commission of the Authority (each, a “Member”).

Section 3. The Funding Loan Agreement in the form presented at this meeting is hereby approved. Any Member, or any other person as may be designated and authorized to sign for the Authority pursuant to a resolution adopted thereby (including, without limitation, the administrative delegates duly authorized pursuant to Resolution No. 14R-4 of the Authority, adopted on February 6, 2014) (together with the Members, each such person is referred to herein individually as an “Authorized Signatory”), acting alone, is authorized to execute by manual signature and deliver the Funding Loan Agreement, with such changes and insertions therein as may be necessary to cause the same to carry out the intent of this Resolution and as are approved by counsel to the Authority, such approval to be conclusively evidenced by

the delivery thereof. The date, maturity date or dates (which shall not extend beyond April 1, 2059), interest rate or rates (which shall not exceed 12%), interest payment dates, denominations, form, registration privileges, manner of execution, place of payment, terms of prepayment and other terms of the Note shall be as provided in the Funding Loan Agreement as finally executed.

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

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

Section 6. The Authority is hereby authorized to execute and deliver the Note to the Funding Lender pursuant to the terms and conditions of the Funding Loan Agreement.

Section 7. All actions heretofore taken by the officers and agents of the Authority with respect to the financing of the Project and the execution and delivery of the Note are hereby approved, ratified and confirmed, and any Authorized Signatory, acting alone, is hereby authorized and directed, for and in the name and on behalf of the Authority, to do any and all things and take any and all actions and execute and deliver any and all certificates, agreements and other documents, including but not limited to a tax certificate, loan related documents, an assignment of deed of trust and such other documents as described in the Funding Loan Agreement and the other documents herein approved, which they, or any of them, may deem necessary or advisable in order to consummate the lawful execution and delivery of the Note and to effectuate the purposes thereof and of the documents herein approved in accordance with this resolution and resolutions heretofore adopted by the Authority and otherwise in order to carry out the financing of the Project.

Section 8. All consents, approvals, notices, orders, requests and other actions permitted or required by any of the documents authorized by this Resolution, whether before or after the execution and delivery of the Note, including without limitation any of the foregoing that may be necessary or desirable in connection with any default under or amendment of such documents, any transfer or other disposition of the Project, any addition or substitution of security for the Note or any prepayment of the Note, may be given or taken by any Authorized Signatory, as appropriate, without further authorization by the Commission, and each such officer is hereby authorized and directed to give any such consent, approval, notice, order or request and to take any such action that such officer may deem necessary or desirable to further the purposes of this Resolution and the financing of the Project; provided such action shall not create any obligation or liability of the Authority other than as provided in the Funding Loan Agreement and other documents approved herein.

Section 9. This Resolution shall take effect upon its adoption.

[Remainder of Page Intentionally Left Blank]

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

The undersigned, an Authorized Signatory of the California Statewide Communities Development Authority, DOES HEREBY CERTIFY that the foregoing resolution was duly adopted by the Commission of the Authority at a duly called meeting of the Commission of the Authority held in accordance with law on April 3, 2014.

By _____
Authorized Signatory



CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE

915 Capitol Mall, Room 311
Sacramento, CA 95814
p (916) 653-3255
f (916) 653-6827
cdlac@treasurer.ca.gov
www.treasurer.ca.gov/cdlac

MEMBERS

BILL LOCKYER, CHAIRMAN
State Treasurer

EDMUND G. BROWN JR.
Governor

JOHN CHIANG
State Controller

EXECUTIVE DIRECTOR

Sean L. Spear

March 19, 2014

Terry Schutten
Treasurer
California Statewide Communities Development Authority
1100 K Street, Ste. 101
Sacramento, CA 95814

RE: RESOLUTION ATTESTING TO THE TRANSFER OF PRIVATE ACTIVITY BOND ALLOCATION

Dear Mr. Schutten,

Enclosed is a copy of Resolution No. 14-30, adopted by the California Debt Limit Allocation Committee (the "Committee") on March 19, 2014, authorizing the California Statewide Communities Development Authority to use \$5,000,000 of its unused 2011 Carryforward Allocation, for the Valley View Apartments Project.

While your application was for a portion of the 2014 State Ceiling on Qualified Private Activity Bonds, because you had remaining carryforward allocation, the Committee decided to transfer some or all of that allocation to this Project. The Resolution establishes the terms and conditions under which the allocation has been granted. Please read it carefully and keep a copy in your permanent files. You are advised to consult bond counsel regarding the making of a carryforward election pursuant to the rules of the Internal Revenue Service.

The following is additional information pertaining to the use of the allocation for this Project:

1. **Performance Deposit:** Pursuant to Section 5050 of the Committee's Regulations, the performance deposit certified in support of this project (\$25,000) is to remain on deposit until you receive written authorization from the Committee that it may be released. This written release will be provided once the Committee receives the "Report of Action Taken" form indicating that the allocation transferred was used for the issuance of bonds for the specific Project and the payment of the second installment of the CDLAC filing fee. The full amount of the deposit will be released upon the Committee's approval if at least 80% of the allocation is used for the issuance of bonds. If an amount less than 80% of the allocation is used to issue bonds, a proportionate amount of the deposit will be subject to forfeiture.

2. **Reporting of Issuance:** Enclosed is a "Report of Action Taken" form to be used to report the issuance of bonds pursuant to Section 9 of the Resolution.

3. **IRS Certification:** The IRS-required certification will be prepared and sent to bond counsel once the Committee receives the "Report of Action Taken" form.

Terry Schutten
March 19, 2014
Page 2

4. Second Installment of Filing Fee: **Enclosed is an invoice for this Project.** Please note that this is a change from past practice where the Committee's invoice for the second installment of the filing fee was sent with the IRS Certification after the Report of Action Taken. The Committee will no longer forward an invoice with the IRS Certification. The invoice attached herein should be considered final, due and payable upon the issuance of bonds.

5. Certification of Compliance: Enclosed is a Certification of Compliance to be submitted to the Committee annually on March 1st of each year on sponsor letterhead pursuant to Section 13 of the Resolution. In addition, an Annual Applicant Public Benefits and On-going Compliance Self-Certification form must be submitted annually on March 1st of each year pursuant to Section 5144 of the CDLAC Regulations. A copy of the form may be found at this website location: <http://www.treasurer.ca.gov/cdlac>.

Please consult the Committee's Regulations for a full explanation of the use of allocation. Do not hesitate to contact me should you have questions.

Sincerely,



SEAN L. SPEAR
Executive Director

Enclosures

c: Caitlin Lanctot, California Statewide Communities Development Authority
Justin Cooper, Esq., Orrick, Herrington & Sutcliffe, LLP
Jeff Jallo, CH Valley View Partners, LP

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE

RESOLUTION NO. 14-30

**A RESOLUTION TRANSFERRING A PORTION OF THE 2014 STATE CEILING
ON QUALIFIED PRIVATE ACTIVITY BONDS FOR A
QUALIFIED RESIDENTIAL RENTAL PROJECT**

WHEREAS, the California Debt Limit Allocation Committee ("Committee") has received an application ("Application") from the **California Statewide Communities Development Authority** ("Applicant") for the transfer to the Applicant of a portion of the 2014 State Ceiling on Qualified Private Activity Bonds under Section 146 of the Internal Revenue Code of 1986, as amended, for use by the Applicant to issue bonds or other obligations ("Bonds") for a Project as specifically described in Exhibit A ("Project") (capitalized terms used herein and not otherwise defined shall have the meanings ascribed thereto in the Regulations of the Committee implementing the Allocation of the State Ceiling on Qualified Private Activity Bonds); and

WHEREAS, the Project Sponsor has represented and the Applicant has confirmed in the Application certain facts and information concerning the Project; and

WHEREAS, in evaluating the Project and allocating a portion of the State Ceiling on Qualified Private Activity Bonds to the Applicant for the benefit of the Project, the Committee has relied upon the written facts and information represented in the Application by the Project Sponsor and the Applicant; and

WHEREAS, previously the Committee transferred to the Applicant a portion of the 2011 State Ceiling on Private Activity Bonds for rental projects on a carryforward basis ("Carryforward Allocation"); and

WHEREAS, to fully utilize the remaining Carryforward Allocation, the Committee must approve its transfer to other projects with the same issuer; and

WHEREAS, it is appropriate for the Committee to make a transfer of a portion of the 2014 State Ceiling on Qualified Private Activity Bonds ("Allocation") in order to benefit such Project described in the Application and/or to authorize the transfer of remaining Carryforward Allocation to the Projects described in the Application; and

NOW, THEREFORE, the California Debt Limit Allocation Committee resolves as follows:

Section 1. There is hereby transferred to the Applicant authorization to use \$5,000,000 of its remaining 2011 Carryforward for the Project. Such Allocation may be used only by the Applicant and only for the issuance of Bonds for the Project, as specifically described in Exhibit A. All of the terms and conditions of Exhibit A are incorporated herein as though set forth in full (this resolution, together with Exhibit A are hereafter referred to collectively as this "Resolution").

Section 2. The terms and conditions of this Resolution shall be incorporated in appropriate documents relating to the Bonds. The Project Sponsor and the Applicant, and all their respective successors and assignees, will be bound by such terms and conditions. The Applicant shall monitor the Project for compliance with the terms and conditions of this Resolution. In addition, the Project shall be subject to the monitoring provisions of California Code of Regulations, title 4, section 10337(c) and section 5220 of the Committee's Regulations.

Section 3. Any modification to the Project made prior to the issuance of the Bonds must be reported to the Executive Director and, if the Executive Director determines such modification to be material in light of the Committee's Regulations, shall require reconsideration by the Committee before the Allocation may be used for the Project. Once the Bonds are issued, the terms and conditions set forth in this Resolution shall be enforceable by the Committee through an action for specific performance or any other available remedy. The Committee may consent to changes in the terms and conditions set forth in this Resolution as changed circumstances may dictate.

Section 4. Any material changes in the structure of the bond sale structure prior to the issuance of the Bonds and not previously approved by the Committee shall require approval of the Committee Chair or the Executive Director.

Section 5. The transfer of proceeds from the sale of bonds to a project other than the Project subject to this Resolution is allowable only with the prior approval of the Executive Director in consultation with the Chair, except when the Project is unable to utilize any of its allocation and the Applicant is requesting the transfer of the entire Allocation to different project(s). In such case, prior approval of the Committee must be obtained. Any transfer made pursuant to this section may only be made to another project of the same issuer that has been previously approved by the Committee.

Section 6. The Applicant is not authorized to use any Allocation transferred hereby from the 2014 State Ceiling to make a carryforward election with respect to the Project. The Applicant is not authorized to transfer any Allocation or Carryforward Allocation to any governmental unit in the State other than this Committee.

Section 7. The Allocation transferred herein to the Applicant shall automatically revert to this Committee unless the Applicant has issued Bonds for the Project by the close of business on **June 17, 2014**. Upon the discretion of the Executive Director, the expiration may be extended pursuant to the provisions in Article 8, Chapter 1 of the Committee's Regulations.

Section 8. Within twenty-four (24) hours of using the Allocation to issue Qualified Private Activity Bonds, the Applicant shall notify the Committee by facsimile communication to the fax number listed in Section 5140 of the Committee's Regulations that the Allocation has been used. This facsimile notice shall identify the Applicant, the project or program, the date the Allocation and the Carryforward Allocation were used, and the amount of Allocation and Carryforward Allocation used.

Section 9. Within fifteen (15) calendar days of the Bond closing, the Applicant or its counsel shall formally transmit to the Committee information regarding the issuance of the Bonds by submitting a completed Report of Action Taken in a form prescribed by and made available by the Committee.

Section 10. Any differences between the amount of Bonds issued and the amount of the Allocation granted in Section 1 of this Resolution shall automatically revert to the Committee. If at any time prior to the expiration date set forth in Section 7 hereof the Applicant determines that part or all of the Allocation will not be used to issue Bonds by that date, the Applicant shall take prompt action by resolution of its governing Board or by action of its authorized officer to return such unused Allocation to the Committee. Any unused amount of the Carryforward Allocation authorized in Section 1 of the Resolution shall be retained by the Applicant for the period allowed by Section 146.f.3.A. of the Internal Revenue Code regarding carryforward elections. Use of any unused Carryforward Allocation shall be in accordance with Section 5132 of the Committee's Regulations regarding carryforward elections.

Section 11. The staff of the Committee is authorized and directed to transmit a copy of this Resolution to the Applicant together with a request that the Applicant retain a copy of this Resolution in the Applicant's official records for the term of the Bonds under this Allocation or the term of the income and rental restrictions, whichever is longer. The Committee staff is further directed to retain a copy of this Resolution in the files of the Committee (or any successor thereto) for the same period of time.

Section 12. In consideration of the Allocation transferred to, and the Carryforward Allocation authorized for use by the Applicant and the Project Sponsor, the Applicant and the Project Sponsor shall comply with all of the terms and conditions contained in this Resolution and ensure that these terms and conditions are included in the documents related to the Bonds. Further, the Applicant and the Project Sponsor expressly agree that the terms and conditions of this Resolution may be enforced by the Committee through an action for specific performance or any other available remedy, provided however, that the Committee agrees not to take such action or enforce any such remedy that would be materially adverse to the interests of Bondholders. In addition, the Applicant and the Project Sponsor shall ensure that the Bond documents, as appropriate, expressly provide that the Committee is a third party beneficiary of the terms and conditions set forth in this Resolution.

Section 13. The Project Sponsor or its successor-in-interest shall provide certifications of compliance with the terms and conditions set forth in this Resolution annually on March 1st of each year or when reasonably requested by the Committee.

Section 14. This Resolution shall take effect immediately upon its adoption.

CERTIFICATION

I, SEAN L. SPEAR, Executive Director of the California Debt Limit Allocation Committee, hereby certify that the above is a full, true, and correct copy of the Resolution adopted at a meeting of the Committee held in the Jesse Unruh Building, 915 Capitol Mall, Room 587, Sacramento, California 95814, on March 19, 2014 at 11:09 a.m. with the following votes recorded:

AYES: Michael Paparian for State Treasurer Bill Lockyer
Todd Jerue for Governor Edmund G. Brown Jr.
Alan Gordon for State Controller John Chiang

NOES: None
ABSTENTIONS: None
ABSENCES: None


SEAN L. SPEAR, Executive Director

Date: March 19, 2014

RESOLUTION NO. 14-30
(QUALIFIED RESIDENTIAL RENTAL PROJECT)
EXHIBIT A

1. Applicant: California Statewide Communities Development Authority
2. Application No.: 14-033
3. Project Sponsor: CH Valley View Partners, LP (The Hampstead Group, Inc.; and CARE Housing Services GP, LLC)
4. Project Management Co.: Edgewood Management Corporation
5. Project Name: Valley View Apartments
6. Type of Project: Acquisition and Rehabilitation/Family
7. Location: Delano, CA
8. Private Placement Purchaser: Citibank, N.A.
9. The Private Placement Purchaser at the time of issuance will be the same as represented in the application.
10. Total Number of Units: **89** plus 1 manager unit
11. Total Number of Restricted Rental Units: **89**
12. The term of the income and rental restrictions for the Project will be at least **55** years.
13. The Project will utilize Gross Rents as defined in Section 5170 of the Committee's Regulations.
Applicable
14. Income and Rental Restrictions:
For the entire term of the income and rental restrictions, the Project will have:

At least **18** Qualified Residential units rented or held vacant for rental for persons or families whose income is at 50% or below of the Area Median Income.

At least **71** Qualified Residential units rented or held vacant for rental for persons or families whose income is at 60% or below of the Area Median Income.
15. For acquisition and rehabilitation projects, a minimum of \$10,000 in hard construction costs will be expended for each Project unit.
Applicable
16. A minimum of \$1,960,347 of public funds will be expended for the Project.
Applicable

RESOLUTION NO. 14-30

Exhibit A

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17. At a minimum, the financing for the Project shall include a Taxable Tail in the amount of \$0,000. Taxable debt may only be utilized for Project related expenses, not for the cost of issuance, for which the Project Sponsor could otherwise have used tax-exempt financing.
Not Applicable
18. If the Project received points for having large family units, for the entire term of the income and rental restrictions, the Project will have at least three-bedroom or larger units.
Not Applicable
19. For a period of ten (10) years after the Project is placed in use, the Project will provide to Project residents high-speed Internet or wireless (WiFi) service in each Project unit.
Not Applicable
20. For a period of ten (10) years after the Project is placed in use, the Project will offer to Project residents an after school programs of an ongoing nature on-site or there must be an after school program available to Project residents within 1/4 mile of the Project. The programs shall include, but are not limited to: tutoring, mentoring, homework club, and art and recreation activities to be provided weekdays throughout the school year for at least 10 hours per week.
Not Applicable
21. For a period of ten (10) years after the Project is placed in use, the Project will offer to Project residents instructor-led educational, health and wellness, or skill building classes. The classes shall include, but are not limited to: financial literacy, computer training, home-buyer education, GED, resume building, ESL, nutrition, exercise, health information/awareness, art, parenting, on-site food cultivation and preparation and smoking cessation. Classes shall be provided at a minimum of 84 hours per year (drop-in computer labs, monitoring and technical assistance shall not qualify) and be located within 1/4 mile of the Project.
Not Applicable
22. For a period of ten (10) years after the Project is placed in use, the Project will offer to Project residents 20 hours or more per week of licensed childcare on-site or there must be 20 hours or more per week of licensed childcare available to Project residents within 1/4 mile of the Project.
Not Applicable
23. For a period of ten (10) years after the Project is placed in use, the Project will offer to Project residents health and wellness services and programs within 1/4 mile of the Project. Such services and programs shall provide individualized support for tenants (not group classes) but need to be provided by licensed individuals or organizations. The services shall include, but are not limited to: visiting nurses programs, intergenerational visiting programs, and senior companion programs. Services shall be provided for a minimum of 100 hours per year.
Not Applicable
24. For a period of ten (10) years after the Project is placed in use, the Project will offer to Project residents a bona fide service coordinator. The responsibilities must include, but are not limited to: (a) providing tenants with information about available services in the community, (b) assisting tenants to access services through referral and advocacy, and (c) organizing community-building and/or enrichment activities for tenants (such as holiday events, tenant council, etc.)
Not Applicable
25. All projects that receive points for being a Federally Assisted At-Risk Project will renew all Section 8 HAP Contracts or equivalent Project-based subsidies for their full term, and will seek additional renewals, if available, throughout the Project's useful life.
Not Applicable
26. All projects that receive points for being a Federally Assisted At-Risk Project based on an expiring Low Income Housing Tax Credit Regulatory Agreement or Tax-Exempt Bond Regulatory Agreement shall have a plan in place to re-certify the incomes of the existing tenants and shall not cause involuntary displacement of any tenant whose income may exceed the Project's income limits.
Not Applicable

RESOLUTION NO. 14-30

Exhibit A

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27. Applicants shall meet the multiple sustainable building standards utilizing landscaping and construction materials which are compatible with the neighborhood in which the proposed project is to be located, and that the architectural design and construction materials will provide for low maintenance and durability, as well as be suited to the environmental conditions to which the project will be subjected:

Applicable

Section Waived:

<input type="checkbox"/>	Energy Efficiency
<input type="checkbox"/>	CALGreen Compliance
<input type="checkbox"/>	Landscaping
<input type="checkbox"/>	Roofs
<input type="checkbox"/>	Exterior Doors
<input type="checkbox"/>	Appliances
<input type="checkbox"/>	Window Coverings
<input type="checkbox"/>	Water Heater
<input type="checkbox"/>	Floor Coverings
<input type="checkbox"/>	Paint
<input type="checkbox"/>	Insulation

28. The project commits to becoming certified under any one of the following programs upon completion:

- | | |
|---|-----------------------|
| a. Leadership in Energy & Environmental Design (LEED) | Not Applicable |
| b. Green Communities | Not Applicable |
| c. GreenPoint Rated Multifamily Guidelines | Not Applicable |

29. The project is a New Construction or Adaptive Reuse Project exceeding the Standards of Title 24, Part 6, of the California Building Code by:

- | | |
|----------|-----------------------|
| a. 17.5% | Not Applicable |
| b. 20% | Not Applicable |
| c. 25% | Not Applicable |

30. The Project will exceed the minimum energy efficiency certification requirements for New Construction/ Adaptive Reuse:

- | | |
|----------------------------|-----------------------|
| a. LEED for Homes (Silver) | Not Applicable |
| b. LEED for Homes (Gold) | Not Applicable |
| c. Green Point Rated (100) | Not Applicable |
| d. Green Point Rated (125) | Not Applicable |

31. The project is a Home Energy Rating System (HERS II) Rehabilitation Project that commits to improve energy efficiency above the current modeled energy consumption of the building(s) by:

- | | |
|--------|-----------------------|
| a. 15% | Applicable |
| b. 20% | Not Applicable |
| c. 25% | Not Applicable |
| d. 30% | Not Applicable |

32. The project is a Rehabilitation Project that commits to developing, and/or managing the Project with the following Photovoltaic generation or solar energy:

- | | |
|---|-----------------------|
| a. Photovoltaic generation that offsets tenants loads | Not Applicable |
| b. Photovoltaic generation that offsets 50% of common area load | Applicable |
| c. Solar hot water for all tenants who have individual water meters | Not Applicable |

RESOLUTION NO. 14-30

Exhibit A

Page 4 of 4

33. The project will implement sustainable building management practices that include: 1) development of a percent-specific maintenance manual including replacement specifications and operating information on all energy and green building features; 2) Certification of building management staff in sustainable building operations per BPI Multifamily Building Operator or equivalent training program; and 3) Undertaking formal building systems commissioning, retro-commissioning or re-commissioning as appropriate (continuous commissioning is not required:

Not Applicable

34. The project will sub-meter centralized hot water systems for all tenants:

Not Applicable

The following certification must be submitted by the Project Sponsor (on Project Sponsor letterhead) to the Applicant (Issuer) who will then forward it to the California Debt Limit Allocation Committee annually on March 1st (or at such other time as requested by the Committee).

CERTIFICATION OF COMPLIANCE

Project Name: Valley View Apartments

(If project has changed name since the award of allocation please note the original project name as well as the new project name)

Name of Bond Issuer: California Statewide Communities Development Authority

CDLAC Application No.: 14-033

Pursuant to Section 13 of Resolution No. 14-30 (the "Resolution"), adopted by the California Debt Limit Allocation Committee (the "Committee") on March 19, 2014, I, _____, an Officer of the Project Sponsor, hereby certify under penalty of perjury that, as of the date of this Certification, the above-mentioned Project is in compliance with all of the terms and conditions set forth in the Resolution.

I further certify that I have read and understand the CDLAC Resolution, which specifies that once the Bonds are issued, the terms and conditions set forth in the Resolution Exhibit A, shall be enforceable by the Committee through an action for specific performance, negative points, withholding future allocation or any other available remedy.

Please check or write N/A to the items list below :

_____ The project is currently in the Construction or Rehabilitation phase.

_____ The project has incorporated the minimum specifications into the project design for all new construction and rehabilitation projects as evidenced by attached the applicable thirty party certification (HERS Rater, Green Point Rater or US Green Building Council). For projects under construction or rehabilitation, the information is due following receipt of the verification but in no event shall the documentation be submitted more than two years after the issuance of bonds.

_____ For projects that received point for exceeding the minimum requirements please attach the appropriate California Energy Commission compliance form for the project which shows the necessary percentage improvement better than the appropriate standards. The compliance form must be signed by a California Association of Building Consultants, Certified Energy Plans Examiner or HERS Rater as applicable.

Signature of Officer

Date

Printed Name of Officer

Title of Officer

Phone Number

STATE OF CALIFORNIA
CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
ACCOUNTING SERVICES
915 Capitol Mall, Room 311
Sacramento, CA 95814
(916) 653-3255

FILING FEE INVOICE

PAYMENT IS DUE WITHIN 30 DAYS OF BOND CLOSING

Date: March 19, 2014

Invoice No.: FY 13-112
Application No.: 14-033
Analyst Initials: SL

To: Caitlin Lanctot
Compliance Manager
California Statewide Communities Development Authority
2999 Oak Road, Ste. 710
Walnut Creek, CA 94597

2nd Installment of fee levied pursuant to Section 8869.90 of the California Government Code:

NAME OF ISSUER: California Statewide Communities Development Authority

NAME OF PROJECT: Valley View Apartments

ALLOCATION AWARD DATE: March 19, 2014

ALLOCATION AWARD AMOUNT: \$5,000,000

<u>AMOUNT DUE:</u>	Allocation award x .00035	=	\$	1,750.00
	Less initial application fee	=	-\$	600.00
	Amount Due	=	\$	1,150.00

Issuer or bond trustee to complete the following (please use ink):

BOND ISSUANCE DATE:

PRINCIPAL AMOUNT OF BOND ISSUE: \$

AMOUNT OF BOND ALLOCATION USED: \$

The application fee is based on the amount of allocation used to issue bonds. Please complete the following *only if* the amount of allocation used is less than the amount of allocation awarded, and remit the *revised* amount due.

<u>REVISED AMOUNT DUE:</u>	Amount issued x .00035	=	\$	
	Less initial application fee	=	-\$	600.00
	Revised Amount Due	=	\$	

PLEASE WRITE APPLICATION NUMBER ON YOUR CHECK, OR
RETURN A COPY OF THIS INVOICE WITH YOUR PAYMENT.

Item Vb.

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. California Shock Trauma Air Rescue (CALSTAR), City of Gilroy, County of Santa Clara; unincorporated County of Sacramento; unincorporated County of Contra Costa; City of Auburn, County of Placer; City of Ukiah, County of Mendocino; City of Salinas, County of Monterey; City of South Lake Tahoe, County of El Dorado; City of Santa Maria, County of Santa Barbara; City of Vacaville, County of Solano; up to \$13 million in 501(C)(3) non-profit revenue notes. (Staff: Scott Carper)

SUMMARY AND APPROVALS

DATE: APRIL 3, 2014

APPLICANT: CALIFORNIA SHOCK TRAUMA AIR RESCUE

AMOUNT: UP TO \$13 MILLION IN TAX-EXEMPT OBLIGATIONS

PURPOSE: FINANCE THE ACQUISITION OF 2 EC135 EMERGENCY AMBULANCE
HELICOPTERS, INCLUDING THE MEDICAL INTERIOR CONFIGURATION

PRIMARY ACTIVITY: PROVIDING MEDICAL TRANSPORTATION

LEGAL STRUCTURE: 501(C)(3) CORPORATION

Background:

California Shock Trauma Air Rescue (“CALSTAR”) is a nonprofit regional air ambulance service., whose mission is to save lives, reduce disability and speed recovery for victims of trauma and illness through rapid transport, quality medical care and education. CALSTAR began operations in 1984, and is primarily located in McClellan, California, with wing bases at other locations in California. CALSTAR is a non-profit public benefit corporation organized under the laws of the State of California and is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code of 1986.

CALSTAR is seeking up to \$13 million in tax-exempt revenue notes (the “Notes”) to finance 2 EC135 emergency ambulance helicopters, including the medical interior configuration, to be located at various sites throughout the State of California (the “Equipment”). The Equipment will be owned by CALSTAR and used to provide rapid, on-site medical care to critically ill or injured patients. CALSTAR’s administrative, finance, maintenance and communication offices are located at 4933 Bailey Loop, McClellan, CA. CALSTAR’s flight crews also respond from full-time rotor wing bases at the following locations: 177 John Glenn Drive, Concord, CA; 590 Cohansey Avenue, Gilroy, CA; 13750 Lincoln Way, Auburn, CA; 1407 S. State Street, Ukiah, CA; 37 Mortensen Avenue, Salinas, CA; 1901 Airport Blvd., South Lake Tahoe, CA; 3996 Mitchell Road, Santa Maria, CA; and 301 County Airport Road, Vacaville, CA.

The Borrower’s application was submitted to CSCDA on March 18, 2014. CSCDA has issued notes for CALSTAR in the approximate amount of \$28 million over 6 prior transactions.

Financing Approval:

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

1. Approves the issuance of the Notes;
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

Public Benefit:

CALSTAR provides a public benefit to the State of California through its mission to save lives, reduce disability and speed recovery for victims of trauma and illness through rapid transport, quality medical care.

TEFRA Information:

TEFRA hearings and approvals by the governing body of each municipality have been held:

City of Gilroy:	Hearing held October 1, 2012; unanimous approval
City of Santa Maria:	Hearing held October 2, 2012; unanimous approval
Contra Costa County:	Hearing held October 1, 2012; unanimous approval
El Dorado County:	Hearing held October 16, 2012; unanimous approval
Mendocino County:	Hearing held September 24, 2012; unanimous approval
Monterey County:	Hearing held October 2, 2012; unanimous approval
Placer County:	Hearing held October 9, 2012; unanimous approval
Sacramento County:	Hearing held September 25, 2012; unanimous approval
Solano County:	Hearing held October 2, 2012; unanimous approval

Finance Team:

- Bond Counsel: Gilmore & Bell, P.C., Kanas City, MO
- Private Placement Bank: Banc of America Public Capital Corp, San Francisco, CA
- Lenders: People's Capital and Leasing Corp, San Francisco, CA
Bank of the West, San Francisco, CA

Financing Structure:

Each unrated Note will mature in no more than 12 years and bear interest at a fixed rate not to exceed 5.00%. The Series 2014A Note will be privately placed with People's Capital and Leasing

Corp. The Series 2014B Note will be privately placed with Bank of the West. The proposed issuance of the Notes is in accordance with CSCDA's issuance guidelines.

Estimated Sources and Uses:

Sources:

Note Proceeds:	\$13,000,000.00
----------------	-----------------

Uses:

Equipment Acquisition	\$13,000,000.00
Total Uses:	\$13,000,000.00

Attachments:

1. Original application

Organization

Name of Organization: **California Shock Trauma Air Rescue**

TIN or EIN: **94-2914758**

Primary Contact

First Name: **Mark**

Last Name: **Vincenzini**

Title: **Chief Financial Officer**

Street: **4933 Bailey Loop**

Suite:

City: **McClellan**

State: **California**

Zip: **95652**

Phone: **916-921-4045**

Ext:

Fax:

Email: **mvincenzini@calstar.org**

Primary Billing Contact

Organization: **California Shock Trauma Air Rescue**

First Name: **Darrin**

Last Name: **Webb**

Title: **Accounting Manager**

Address:

Street: **4933 Bailey Loop**

Suite:

City: **McClellan**

State: **California**

Zip: **95652**

Phone: **916-921-4071**

Ext:

Fax:

Email: **dwebb@calstar.org**

Project Information

Project type: **Emergency Air Ambulance**

Other: **Emergency Air Ambulance**

Project Name: **CALSTAR**

☐ Small Issue Public Benefit Project?

Facility #1

Facility Name: **CALSTAR (Main Location)**

Facility Bond Amount: **\$6,200,000.00**

Project Address:

Street: **4933 Bailey Loop**

City: **McClellan**

State: **California**

Zip: **95652**

County: **USA**

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 #:

State Senate District #:

State Assembly District #:

Financing Information

Financing Information

Tax Exempt: \$ 6,200,000.00
Taxable: \$
Total Principal Amount: \$ 6,200,000.00
Maturity 10Years

Interest Rate Mode:

☒ Fixed ☐ Variable

Denominations: 5000

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: **Banc of America Public Capital Corp.**

Expected Rating:

☒ Unrated

Moody's:

S&P:

Fitch:

Financing Team Information

Bond Counsel

Firm Name: Gilmore & Bell, P.C.

Primary Contact

First Name: **Nancy**

Last Name: **Midden**

Title: **Attorney**

Address:

Street: **2405 Grand Boulevard**

Suite: **1100**

City: **Kansas City**

State: **Missouri**

Zip: **64108**

Phone: **816-218-7532**

Ext:

Fax:

Email: **jwinn@gilmorebell.com**

Bank/Underwriter/Bond Purchaser

Firm Name: Banc of America Public Capital Corp.

Primary Contact

First Name: **Eddie**

Last Name: **Clark**

Title: **Managing Director**

Address:

Street: **101 S. Tyron Street**

Suite:

City: **Charlotte**

State: **North Carolina**

Zip: **28255**

Phone: **704-231-2211**

Ext:

Fax:

Email: **eddie.r.clark@bamf.com**

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. 2014NP-1

A RESOLUTION OF THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY AUTHORIZING THE ISSUANCE OF ITS REVENUE NOTES FOR THE FINANCING OR REFINANCING OF CERTAIN EQUIPMENT BY THE BORROWER NAMED HEREIN AND PROVIDING THE TERMS AND CONDITIONS FOR THE ISSUANCE OF THE REVENUE NOTES AND OTHER MATTERS RELATING THERETO

Issuer: California Statewide Communities Development Authority
Borrower: California Shock Trauma Air Rescue or an affiliate
Notes: Revenue Notes (California Shock Trauma Air Rescue Project), Series 2014A and Series 2014B
Equipment: Air rescue helicopters, other air rescue equipment and related property
Local Government Participants: City of Gilroy, California
City of Santa Maria, California
County of Contra Costa, California
County of El Dorado, California
County of Mendocino, California
County of Monterey, California
County of Placer, California
County of Sacramento, California
County of Solano, California

Local Government

Participants' Statutory

Authorities: Section 37350 of the California Government Code (Cities of Gilroy and Santa Maria)
Section 26227 of the California Government Code (Counties of Contra Costa, El Dorado, Mendocino, Monterey, Placer, Sacramento and Solano)

Maximum

Principal Amount: \$13,000,000

Maximum

Interest Rate: 5.00% per annum

Maximum Final

Maturity: 12 years from date of issuance

Expected Public

Benefits:

- (1) Creates opportunities for the creation or retention of employment.
- (2) Promotes residential, commercial and industrial development.
- (3) Provides stimulation to economic activity that increases the tax base.

WHEREAS, pursuant to the Joint Powers Act, Article 1, Article 2 and Article 3 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 other California local public agencies have entered into a joint exercise of powers agreement (the "Joint Powers Agreement") pursuant to which the Issuer

was organized and those cities, counties and other local public entities became program participants of the Issuer; and

WHEREAS, the Issuer is authorized by the Act and its Amended and Restated Joint Exercise of Powers Agreement, dated as of June 1, 1988, as the same may be amended, to undertake financing programs under the Act or other applicable provisions of law to promote economic development through the issuance of bonds, notes or other evidences of indebtedness; and

WHEREAS, Local Government Participants are program participants of the Issuer with the power to participate in financings for facilities that are owned and operated by nonprofit public benefit corporations pursuant to each Local Governmental Participant's Statutory Authority; and

WHEREAS, the Borrower is a California nonprofit public benefit corporation; and

WHEREAS, the Borrower is undertaking the financing or refinancing of the acquisition of the Equipment, which is located or is to be located within the territorial limits of the Local Government Participants, and the financing or refinancing of the acquisition of the Equipment is expected to promote economic development by providing the Expected Public Benefits within the jurisdictions of the Local Government Participants; and

WHEREAS, the Borrower is requesting the Issuer's assistance in providing funds for financing or refinancing of the acquisition of the Equipment; and

WHEREAS, to that end, the Borrower proposes that, from time to time, the Issuer issue one or more series of the Notes and loan the proceeds of such Notes to the Borrower to finance or refinance the acquisition of the Equipment and, if requested, pay certain costs associated with acquisition of the Equipment; and

WHEREAS, the maximum aggregate principal amount of the Notes to be issued with respect to the Equipment is the lesser of (i) the Maximum Principal Amount or (ii) the expected cost of the Equipment, including costs of issuance of not to exceed 2% of the principal amount of the Notes; and

WHEREAS, the Issuer wishes to order the issuance of one or more Notes in an aggregate principal amount not to exceed the Maximum Principal Amount for the foregoing purposes and to authorize the execution of certain other related documents and agreements; and

WHEREAS, there have been presented to this meeting the following:

(1) Proposed form of Loan Agreement (the "Loan Agreement") to be entered into in connection with the issuance of each Note among the Issuer, the Borrower and the lender identified therein (the "Lender");

(2) Proposed form of Escrow Agreement (the "Escrow Agreement") to be entered into in connection with the issuance of each Note among the Issuer, the Borrower, the Lender and an escrow agent identified therein (the "Escrow Agent"); and

(3) Proposed form of Tax Compliance Agreement (the "Tax Compliance Agreement") to be entered into in connection with the issuance of the Notes among the Issuer, the Borrower and the Escrow Agent.

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

Section 1. The Issuer, based on the information provided in the application by the Borrower with respect to the Equipment hereby finds that the Equipment is expected to provide the Expected Public Benefits within the jurisdictions of the Local Government Participants.

Section 2. The forms of the Loan Agreement, the Escrow Agreement and the Tax Compliance Agreement are hereby approved in substantially the forms presented at this meeting with such changes and insertions therein as are approved by the person executing those documents on behalf of the Issuer, that person's execution of those documents to be conclusive evidence of that person's approval thereof. Any Authorized Signatory duly authorized pursuant to Resolution No. 14R-4 of the Issuer adopted on February 6, 2014 (each, an "Authorized Signatory"), is hereby authorized and directed, for and on behalf of the Issuer, to execute and deliver the Loan Agreement, the Escrow Agreement and the Tax Compliance Agreement in connection with the issuance of each Note.

Section 3. The issuance of the Notes is hereby authorized in an aggregate principal amount not to exceed the Maximum Principal Amount. Each Note shall be issued in accordance with the terms of and shall be secured by the Loan Agreement entered into in connection with its issuance. Each Note shall bear interest at a rate (which shall not exceed the Maximum Interest Rate) set forth in or determined in accordance with the Loan Agreement entered into in connection with its issuance, shall mature in installments (with a final maturity which shall not exceed the Maximum Final Maturity) as set forth in that Loan Agreement, shall be subject to prepayment and shall have such other terms and provisions as set forth in that Loan Agreement and shall be substantially in the form attached to that Loan Agreement as Exhibit B, with such changes and insertions therein as are approved by the person executing each Note on behalf of the Issuer, that person's execution of each Note to be conclusive evidence of that person's approval thereof. Payment of the principal of, and any redemption premium and the interest on, each Note shall be made solely from the revenues to be received by the Issuer pursuant to the Loan Agreement entered into in connection with its issuance, and no Note shall be deemed to constitute a debt or liability of the Issuer or any member of the Issuer.

Section 4. Each Note shall be executed on behalf of the Issuer by the manual or facsimile signature of any Authorized Signatory of the Issuer, and said Authorized Signatories are hereby authorized to deliver each Note to the Lender upon payment of the purchase price therefor of the principal amount thereof plus accrued interest, if any, to its issuance date.

Section 5. All actions heretofore taken by the officers and agents of the Issuer with respect to the issuance and sale of each Note are hereby approved, confirmed and ratified, and the officers of the Issuer and their authorized deputies and agents are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all certificates and other documents in addition to those enumerated herein which they or bond counsel may deem necessary or advisable in order to consummate the issuance, sale and delivery of each Note and otherwise to effectuate the purposes of this resolution.

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

PASSED AND ADOPTED by the California Statewide Communities Development Authority
this 3rd 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 Issuer at a duly called meeting of the Commission of the Issuer held in accordance with law on April 3, 2014.

Authorized Signatory
California Statewide Communities
Development Authority

Item VI

Consideration of a request to accept reduced annual administrative fees on behalf of Quail Ridge Apartments. (Staff: Mike LaPierre)

SUMMARY AND APPROVALS

DATE: APRIL 3, 2014
PROJECT: QUAIL RIDGE APARTMENTS
PURPOSE: REQUEST TO REDUCE CSCDA ANNUAL COMPLIANCE FEE
PROGRAM: MULTIFAMILY AFFORDABLE HOUSING

Background:

In January 2001, CSCDA issued \$16,750,000 in tax-exempt multifamily housing revenue bonds (the “Bonds”) on behalf of Oracle Communities Rialto 360 Corporation (the “Borrower”) to finance the acquisition and renovation of an existing affordable housing facility known as Quail Ridge Apartments (the “Project”) located in the City of Rialto, California. The facility site consists of 360 apartment units located in 32 buildings on a 16-acre parcel. In August 2002, CSCDA issued \$19,950,000 of multifamily housing refunding revenue bonds to refinance the 2001 bonds and provide additional monies for Project renovations.

The Project Regulatory Agreement requires 40% of the units (144) to be rented to individuals / families earning 60% or less of AMI and 35% of the units (126) to be rented to individuals / families earning 80% or less of AMI. The remaining 90 units are rented at market rate. The Regulatory Agreement expires on August 28, 2017.

At this time the Borrower is in the final stages of closing on a HUD loan the proceeds of which will be used to pay off the outstanding bonds issued by CSCDA in 2002. Although the CSCDA bonds will be fully redeemed, the CSCDA Regulatory Agreement, and CSCDA’s respective compliance monitoring obligations, will remain in place through the termination of the Regulatory Agreement on August 28, 2017.

As part of its HUD loan restructuring, the Borrower is requesting that CSCDA accept \$41,000 as payment in full of past due CSCDA compliance fees and that CSCDA agree to waive future CSCDA annual compliance fees owed through 2017. Currently, the Borrower owes \$73,796.90 in delinquent annual CSCDA compliance fees dating back to 2011. The total amount of CSCDA annual compliance fees both delinquent and owed through 2017 would be approximately \$167,000.

Discussion:

According to the Borrower, Wells Fargo Bank serving as the Trustee, caused significant financial issues for the Project because of its application of funds inconsistent with the provisions of the Indenture. Under the Indenture, all Project revenues, upon receipt by the Project, were deposited with the Trustee by the Project. The Trustee is obligated to make all payments of Project costs and debt service and fund all reserves, before any surplus is released to the Project. Thus, the Project never had control of over the payments to be made. The long term misapplication of funds by the Trustee resulted in overpayments to some bond holders, underpayments of other

bondholders, underfunding of required reserves, and shortages of operating funds which caused non-payments of the CSCDA issuer fee, the property manager and others. The Borrower states it was not possible to recover the overpayments from the recipients. After the Borrower's auditor uncovered the Trustee's misapplication of funds, the Trustee was put on notice. The Borrower indicates it took over one year for the Borrower to reach an agreement with Wells Fargo Bank by which it conceded its misapplication and paid \$41,000 to the Borrower for payment to CSCDA. The Borrower currently holds that money.

The Borrower claims the request for CSCDA to receive the \$41,000 in payment in full coupled with the reduced debt service costs from the HUD loan and the improvements of the project provided by the rehabilitation will put the Project on a much more stable operating basis and assure the preservation of the project as affordable for the long term. Moreover, the Borrower claims forgiveness of the CSCDA fees will enable the Project to expand its learning center in effort to assist the community in overcoming some of its ingrained problems.

Past Compliance Issues / CSCDA Policy on Fee Adjustment Requests:

In June 2006, CSCDA compliance staff identified a variety of compliance issues at four properties owned by the Borrower for which CSCDA had previously issued bonds, including Quail Ridge Apartments. CSCDA compliance staff spent an inordinate amount of time working with the Borrower, property manager, and a consultant engaged by CSCDA, Novogradac & Co., to resolve the compliance matters for close to a year at all four properties. Compliance related matters specific to Quail Ridge Apartments included, charging of rents in excess of State law requirements, minimum set asides not being met, and missing tenant files.

In August 2012, the CSCDA Commission adopted a uniform policy for fee adjustment requests stating that adjustments to annual administration fee requests will only be heard by the Commission if the project has missed debt service payments. Any other requests prior to missing debt service payments will not be heard by the Commission.

Questions of the Borrower:

In a follow up email from CSCDA staff the following questions were posed regarding the Borrower's request last Friday. Staff has received no response to date:

1. Aside from the misappropriation of funds by Wells Fargo, has Oracle Communities Corp. ever missed a debt service payment on its own?
2. If we read the Lewis Roca Rothgerber analysis correctly it states on page 5 regarding Priority 16 – Issuer Fee the overfunding in the priority of \$42,653 was the result of Gross Revenues being applied to purposes with lower priorities in the Revenue Fund waterfall. If the amount of the Issuer Fee priority was overfunded then why has CSCDA not received payment for its Issuer Fees since 2011? See attached portion of Lewis Roca Rothgerber analysis.
3. Can you confirm other professional fees will be paid from the HUD refinancing? If so why can't the past due and future CSCDA annual administrative costs through 2017 be included in those costs?

4. We understand the current senior bonds have an interest rate of around 8% and the proposed HUD refunding will reduce that interest that to around 4%. Can you demonstrate how the project will no longer be able to pay its annual CSCDA administrative fee now that the interest rate has been cut in half?
5. You indicate the repositioning of the project is a cooperative effort among a number of interested and affected parties. Can you identify those interested and affected parties that are also taking less in fees due to this restructuring and how much?
6. Although we appreciate the savings attributed to the HUD loan will, in part, be used to expand after school programs is not the ongoing compliance of the property to ensure adherence to the Federal tax code of equal or greater importance? Note the project is subject to IRS audit through 2017.

Recommendations:

Based on the ongoing compliance responsibilities of CSCDA, past compliance issues at the Project, and non-compliance with the CSCDA Commission policy for fee adjustment requests, the CSCDA Executive Director and staff recommend all past fees be made current by the Borrower and all future compliance fees be paid in accordance with the Regulatory Agreement through August 2017. In addition, we recommend the CSCDA hold off on executing any documents necessary for the Borrower to complete its HUD loan until this matter has been resolved.

SUMMARY AND APPROVALS

REQUEST: DISCUSS AND APPROVE PROPOSED POLICY REGARDING ADJUSTMENTS TO ANNUAL ADMINISTRATION FEES

PURPOSE: PROVIDE A UNIFORM POLICY FOR FEE ADJUSTMENT REQUESTS

DATE: AUGUST 23, 2012

Background:

At the August 9, 2012 CSCDA meeting the Commission requested staff propose a policy to address the fee adjustment requests that have become commonplace over the last 6 months. A majority of these requests have been from the affordable housing bond issues.

It is essential that all of the borrowers who issue bonds through CSCDA are treated equally, and a uniform policy to address these requests is required at this time. Staff proposes that adjustments to annual administration fee requests only be heard by the Commission if the project has missed debt service payments. Any other requests prior to missing debt service payments will not be heard by the Commission.

This policy, if approved, would be placed on the CSCDA fee schedule to ensure borrowers are made aware of the requirements.

Approvals:

Approval of a CSCDA policy that adjustments to annual administration fee requests only be heard by the Commission if the project has missed debt service payments. Any other requests prior to missing debt service payments will not be heard by the Commission.

LEWIS ROCA ROTHGERBER

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Our File Number: 26426-00114

October 25, 2013

Via E-Mail & U.S. Mail

Mr. James Hamill
California Statewide Communities Development Authority
1100 K Street
Sacramento, California 95814
E-mail: JHamill@cacommunities.com

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Re: California Statewide Communities Development Authority
Multifamily Housing Revenue Refunding Bonds (Quail Ridge Apartments Project)
Senior Series 2002 E-1, Subordinate Series 2002 E-3 & Junior Subordinate Series 2002 E-4

COMMUNICATIONS AND INFORMATION SUBJECT TO F.R.E. RULE 408 AND ANY STATE LAW EQUIVALENTS – COMPROMISE OFFERS AND NEGOTIATIONS. This letter and all other written or oral communication related hereto and thereto are expressly subject to Federal Rule of Evidence 408 F.R.E. undertaken in an attempt to compromise a claim and negotiation related thereto.

Gentlemen:

I am writing to discuss certain matters arising in connection with the Multifamily Housing Revenue Refunding Bonds (Quail Ridge Apartments Project), Senior Series 2002 E-1 (the "Series E-1 Bonds"), Subordinate Series 2002 E-3 (the "Series E-3 Bonds") and Junior Subordinate Series 2002 E-4 (the "Series E-4 Bonds", and together with the Series E-1 Bonds and the Series E-3 Bonds, the "Bonds"), issued by the California Statewide Communities Development Authority (the "Issuer").¹

¹ Information has come to the attention of the Trustee that the Borrower may be in default in certain of its obligations under the Loan Agreement. The Trustee reserves all of its rights under the Indenture, Loan Agreement and the other Bond Documents. The inclusion of a description of particular events of default herein is not intended to be a comprehensive enumeration of all events of defaults under the Bond Documents that may exist.

BACKGROUND

As you are aware, we serve as Special Counsel to Wells Fargo Bank, N.A., in its capacity as trustee (the "Trustee") under that certain Trust Indenture, dated as of August 1, 2002 (the "Indenture"), by and between the Issuer and the Trustee, pursuant to which the Issuer issued the Bonds. The proceeds from the sale of the Bonds were loaned by the Issuer to Oracle Communities 360 Corporation (the "Borrower") pursuant to the terms and conditions set forth in that certain Loan Agreement, dated as of August 1, 2002 (the "Loan Agreement"), by and between the Issuer and the Borrower. Capitalized terms used herein and not otherwise defined shall have the meanings given to such terms in the Indenture.

Representatives of the Borrower raised some questions and concerns regarding the accounting of balances on the funds established under the Indenture as shown in the monthly statements provided by the Trustee. In response to these questions and concerns, this firm engaged Caine Mitter, an independent financial expert (the "Consultant"), to prepare a report (the "Consultant's Report"). A copy of the Consultant's Report is attached hereto as Exhibit A. The Consultant's Report is not meant to serve as a reconciliation of the balances in the funds and accounts established under the Indenture. Rather, the Consultant's Report shows: (1) on a normative basis, the cumulative deposits, transfers and payments between, among and from trust funds that would have occurred if Gross Revenues had been applied in accordance with Article IV of the Indenture from the date of issuance of the Bonds; (2) on an actual basis, the cumulative deposits, transfers and payments that were made by the Trustee in accordance with its understanding of the Bond Documents and in response to requisitions by the Borrower; and (3) on a normative basis, the net cumulative differential of (1) and (2) above.

Reference is made to those portions of the Consultant's Report captioned "Summary Table A – Comparison by Account as of February 10, 2013" (herein referred to as "Table A") and "Summary Table B – Comparison of Payments by Counterparty as of February 10, 2013" (herein referred to as "Table B"). See Exhibit B-1 and Exhibit B-2 for a copy of Table A and Table B, respectively. For ease of review, certain of the discussions below will be organized by the priorities listed in Table A, each of which corresponds to a clause of Section 4.4(b) of the Indenture (each, a "Priority").

Using the Consultant's Report and working in reliance on the opinion of counsel as to questions concerning the Bond Documents, the Trustee completed its internal reconciliation of the Trust Funds under the Indenture. Certain corrective measures driven by this internal reconciliation were completed by the Trustee earlier this month. Accordingly, there is a timing differential between the Consultant's Report (February 2013) and the completion of the corrective measures (October 2013) referenced in the discussion below.

DISCUSSION

Application of Moneys in the Revenue Fund

General. The Borrower is obligated to cause all of the Gross Revenues of the Project to be transferred to the Trustee within three Business Days. See Section 3.2(a) of the Loan Agreement. The Trustee is directed by Section 4.4 of the Indenture to deposit Gross Revenues into the Revenue Fund for later disbursement or payment on or before the 10th day of each month. Section 4.4(b) of the Indenture sets forth the Priorities for the application of moneys in the Revenue Fund (see Exhibit C for a copy of Article IV of the Indenture), subject to two override provisions.

Override Provisions. The first override of the waterfall in the Revenue Fund is Section 4.4(c) of the Indenture, which provides in pertinent part:

On each Interest Payment Date, if amounts in the Senior Bond Fund or the Series E-3 Bond Fund are insufficient to pay the principal of or interest on the Senior Bonds or the Series E-3 Bonds, respectively, then due and payable, prior to the release of any moneys pursuant to clauses (8) through (19) above, the Trustee shall transfer amounts on deposit in the Funds set forth above (in inverse order, beginning with the Surplus Fund) to the Senior Bond Fund or the Series E-3 Bond Fund, in such priority and as necessary to make such debt services payments.

The net effect of Section 4.4(c) is if there is a deficiency in either the Senior Bond Fund or the Series E-3 Bond Fund on an Interest Payment Date, the Trustee is directed to apply moneys from the funds or divert moneys from the purposes described in clauses (b)(8) through (b)(19) until the deficiency is corrected.

Later in Section 4.5(c) of the Indenture, the Trustee is instructed to use amounts on deposit in the various Bond Funds to make up for insufficient amounts to pay debt service on any higher priority series of the Bonds. Section 4.6(d) of the Indenture, which governs the Debt Service Reserve Funds, does not specify whether or not the overrides required by Sections 4.4(c) and 4.5(c) should be applied before the Trustee is obligated to hit the Senior Debt Service Reserve Fund or the Series E-3 Debt Service Reserve Fund. The Trustee, acting on the advice of legal counsel, has applied the override provisions of Sections 4.4(c) and 4.5(c) prior to drawing against the Debt Service Reserve Funds. Any alternative construction of these provisions would, in the opinion of legal counsel, defeat the priorities established in Section 4.4(b) and deprive Sections 4.4(c) and 4.5(c) of any meaningful effect.

Priorities

Priority 1 – Operating Expenses. As this is the very first application of moneys in the Revenue Fund, the underfunding of this priority shown in the Consultant's Report is most likely attributable to: (a) the Trustee making payments directly from the Revenue Fund (as opposed to from a lower priority fund) against invoices to pay for lower priority fees (e.g., Issuer Fees (Priority 16) or Asset Management Fees (Priority 17)); or (b) distortions arising out of the Borrower's decision in November 2012 to not deposit all of the Gross Revenues in the Revenue Fund and to withhold those amounts determined by the Borrower and the Manager to be allocable to Operating Expenses.

Priority 2 – Escrow Fund. Table A reflects over deposits to the Escrow Fund. The Trustee has reviewed its administration of the Escrow Fund and determined that these over deposits are actually reflections of the Trustee using moneys in the Escrow Fund to pay against requisitions from the Borrower for lower priority uses (e.g., repairs in excess of available amounts in the Repair and Replacement Fund) and the Trustee later depositing moneys in the Escrow Fund as reimbursement for the earlier non-qualifying uses. Both the original monthly deposits and any later reimbursement deposits are captured by the Consultant's Report. The Consultant's Report does not net out reimbursement between trust funds.

Priority 3 – Rebate Fund. The Borrower has not reported any rebate amounts payable to the Treasury. Accordingly, other than invoices for rebate analysts, there has been no activity in the Rebate Fund.

Priority 4 – Management Fee (First Installment). Table A reflects that 75% of the monthly portion of the Management Fee may have been underfunded at this Priority in the Revenue Fund waterfall. Reference is made to Priority 15 – Management Fee (Final Installment) of Table A which shows a cumulative over payment to the Manager in the amount of \$56,111. Also see Table B.

Priority 5 – Fees Fund. Table A indicates that a portion of the ordinary fees and expenses of the Trustee were under paid.

Priority 6 – Senior Bond Fund. The Consultant's Report shows an immaterial over funding in the Senior Bond Fund of \$202. This amount has not been attributed by the Trustee to any specific activity at this time.

Priority 7 – Senior Debt Service Reserve Fund. The Consultant's Report shows a modest underfunding of the Senior Bond Fund of \$83. The Trustee advises that it inadvertently made draws against the Senior Debt Service Reserve Fund (on or about October 17, 2012) for the purpose of restoring an earlier draw against the Series E-4 Debt Service Reserve Fund. Reportedly, this transfer was, in turn, driven by a mistaken transfer from the Series E-4 Debt Service Reserve Fund to cover debt service for the July 1, 2012 Interest Payment Date on the Senior Bonds. In any event, the Trustee has confirmed that all of these transfers have been reconciled and corrected. The \$83 shortfall is thought to be attributable to interest income that was credited to the Senior Debt Service Reserve Fund during the period of these transfers (July 2012 to October 2012).

Priority 8 – Series E-3 Bond Fund. It is the observation of the Consultant that the shortfall in this Priority (\$45,576) was the result of Gross Revenues being applied to purposes with lower priorities in the Revenue Fund waterfall. See Priorities 10, 15, 17 in Table A. This misapplication has been addressed by the Trustee, and, at present, there has not been any payment default on the Series E-3 Bonds. The Trustee does advise that certain debt service payments on the Series E-3 Bonds were not made on the corresponding Interest Payment Date, due in no part to any fault of the Borrower.

Priority 9 – Series E-3 Debt Service Reserve Fund. It is the observation of the Consultant that the shortfall in this Priority (\$52,294) was the result of Gross Revenues being applied to purposes with lower priorities in the Revenue Fund waterfall. See Priorities 10, 15, 17 in Table A. This misapplication has been addressed by the Trustee through corrective transfers made earlier this month. The current deficit in the E-3 Debt Service Reserve Fund Requirement is now approximately \$10,903.

Priority 10 – Repair and Replacement Fund. Table A indicates that \$917,807 of Gross Revenues should have been deposited in the Repair and Replacement Fund through February 2013. The difference, an overfunding of \$100,852, would have flowed through to lower priorities in the Revenue Fund waterfall. It appears that the Repair and Replacement Fund and the Escrow Fund were at one time treated by the Trustee and the Borrower as though they were interchangeable. By way of example, approximately \$59,141 from the Repair Fund was applied at the request of the Borrower to pay taxes and insurance from the Repair and Replacement Fund (these amounts should have been paid from deposits to the Escrow Fund – see Priority 2 above).

Priority 11 – Additional Annual Repair and Replacement Reserve Account. This amount is supposed to be established in an engineer's report. See Section 1.1 of the Indenture. The Trustee has not received any such report or any related requisitions. This Priority would have also been an appropriate level for excess draws against the Repair and Replacement Fund.

Priority 12 – Properly Documented Unpaid Expenses. The Borrower is entitled to pay for expenses that are properly documented but not qualifying under the first eleven Priorities (i.e., not included in the annual Budget). The Trustee did not receive any specific requisitions to make payments at this Priority. Table A shows that approximately \$168,347 in expenditures could have been properly paid at the Priority, subject to any Section 4.4(c) overrides, but that were most likely requested under and made from other Priorities.

Priority 13 – Series E-4 Bond Fund. The underfunding in this Priority (\$208,477) appears to be the result of Gross Revenues being applied to purposes with lower priorities in the Revenue Fund waterfall (see Priorities 10, 15, 17 in Table A).

Priority 14 – Series E-4 Debt Service Reserve Fund. The Consultant's Report shows an over funding balance in the Series E-4 Debt Service Reserve Fund of \$136,986. As discussed under Priority 7, the Trustee inadvertently made draws against the Senior Debt Service Reserve Fund (on or about October 17, 2012) for the purpose of restoring an earlier draw against the Series E-4 Debt Service Reserve Fund. Reportedly, this transfer was, in turn, driven by a mistaken transfer from the Series E-4 Debt Service Reserve Fund to cover debt service for the July 1, 2012 Interest Payment Date on the Senior Bonds. In any event, the Trustee advises that all of the transfers have been reconciled and corrected.

Priority 15 – Management Fee (Final Installment). The overpayment in this Priority (\$90,463) was the result of Gross Revenues being applied to purposes with lower priorities in the Revenue Fund waterfall. When netted against the underfunding of Priority 4, Table B shows a cumulative overpayment of \$56,111.

→ Priority 16 – Issuer Fee. The overpayment in this Priority (\$42,653) was the result of Gross Revenues being applied to purposes with lower priorities in the Revenue Fund waterfall.

Priority 17 – Asset Management Fee. The overpayment in this Priority (\$32,500) was the result of Gross Revenues being applied to purposes with lower priorities in the Revenue Fund waterfall.

Priority 18 – Financial Monitoring Fee. The overpayment in this Priority (\$4,875) was the result of Gross Revenues being applied to purposes with lower priorities in the Revenue Fund waterfall.

Priority 19 – Surplus Fund. The Project did not generate sufficient Gross Revenues so as to create a balance in the Surplus Fund.

Trust Fund Statements

As discussed above, the Trustee, using the Consultant's Report and working in reliance on the opinion of counsel as to questions concerning the Bond Documents, recently completed its internal reconciliation of the Trust Funds under the Indenture. A copy of the Trust Fund Statement for the year ending December 31, 2012 (the "2012 Annual Statement") and reconciled Trust Fund Statements for the ten months ending October 31, 2013 (the "Reconciled Monthly Trust Fund Statements"), will be distributed under separate cover on November 5, 2013. The 2012 Annual Statement does not reflect the corrective measures made by the Trustee discussed above. The Reconciled Monthly Trust Fund Statement for October, 2013 will reflect the vast majority of the corrective measures taken by the Trustee.

Preliminary Findings

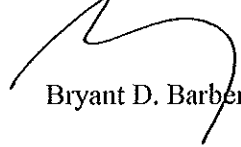
Based on its internal reconciliation and working through the Consultant's Report with guidance from legal counsel (as to question of law and interpretative matters under the Bond Documents), the Trustee has made the following preliminary findings (all as of October 24, 2013):

- The Senior Bond Fund has been properly funded, and all payments due to the Senior Bondholders have been made.
- The Senior Debt Service Reserve Fund has been fully funded.
- The Series E-3 Bond Fund required certain corrective transfers (to take into account, among other things, the Section 4.4(c) and Section 4.5(c) overrides), but all payments due to the holders of the Series E-3 Bondholders have been made.
- The Series E-3 Debt Service Reserve Fund required certain corrective transfers (to take into account, among other things, the Section 4.4(c) and Section 4.5(c) overrides), and a modest deficiency in the Series E-3 Debt Service Reserve Requirement has occurred and continues to exist.
- The Series E-4 Bond Fund (and, derivatively, the Series E-4 Bondholders) may have been underfunded due to transfers to pay amounts with a lower priority in the Revenue Fund waterfall. The Trustee intends to confer with the Series E-4 Bondholders on how they want to proceed in this regard.
- The Series E-4 Debt Service Reserve Fund has been properly funded and the moneys therein have been applied as required by Article IV of the Indenture.

Next Steps

The Trustee and I certainly appreciate your patience as we have worked through the issues described above. I will be working through legal counsel to the affected financing participants to explore how we can bring this matter to conclusion. In the interim, please feel free to contact me if you have any questions regarding the foregoing or the attached.

Very truly yours,



Bryant D. Barber

cc: Kevin Wetmore (w/att)
Cherie Duve (w/ att)

California Statewide Communities Development Authority
 Multifamily Housing Revenue Refunding Bonds (Quail Ridge Apartments Project)
 Senior Series 2002 E-1, Subordinate Series 2002 E-3 and Junior Subordinate Series 2002 E-4

Table B

Comparison of Payments by Counterparty as of February 10, 2013
 Amounts Shown Based on Actual Receipts

<u>Counterparties</u>	<u>Deposits Based on Section 4.4 Priorities</u>	<u>Actual Trustee Deposits/Payments</u>	<u>Over / (Under) Deposits/Payments Based on Section 4.4 Priorities</u>
Taxes & Insurance	1,367,725	1,520,676	152,952
2002 E-1 & 2002 E-2 Bond Holders (P&I)	11,210,085	11,210,286	202
2002 E -3 Bond Holders (P&I)	1,192,096	1,145,520	(46,576)
2002 E-4 Bond Holders (P&I)	2,157,513	1,949,035	(208,477)
Management (Management Fee)	1,228,066	1,284,177	56,111
Trustee (Trustee's Expenses)	35,000	33,468	(1,533)
Issuer (Issuer's Fee)	200,018	242,652	42,635
Rebate Analyst	4,000	4,000	0
Asset Management	195,000	227,500	32,500
Financial Monitor	29,250	34,125	4,875



Item VII.

Consideration of Willdan Financial Services contract for existing administrative work on existing assessment districts. (Staff: Scott Carper)

AGREEMENT FOR PROFESSIONAL SERVICES

THIS AGREEMENT is made and entered into this _____ day of _____, 2014, by and between **WILLDAN FINANCIAL SERVICES ("WFS")**, a corporation, and the **CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY**, hereinafter referred to as "Client."

WHEREAS, Client desires to employ WFS to furnish ongoing professional services in connection with **Annual Administration Services specific to the Statewide Community Infrastructure Program**, hereinafter referred to as the "Project."

NOW, THEREFORE, in consideration of the mutual premises, covenants and conditions herein contained, the parties agree as follows:

SECTION I – BASIC SERVICES

WFS shall provide to the Client the basic services described in detail in "Exhibit A," Scope of Services, attached hereto and incorporated herein by this reference.

SECTION II – ADDITIONAL SERVICES

WFS may furnish additional services, which are in addition to the basic services. To the extent that the additional services have been identified in this Agreement, they are itemized in "Exhibit A" and will be paid for by Client as indicated in Section III hereof. Further additional services may be requested by Client, pursuant to a written addendum executed by both parties, setting forth the additional scope of services to be performed, the performance time schedule and the compensation for such services.

SECTION III – COMPENSATION

WFS shall be compensated for basic services rendered under Section I, as in accordance with the terms and conditions indicated in "Exhibit B," Fees for Services; and WFS will be compensated for any additional services rendered under Section II as more particularly described in a fully approved and executed addendum to this Agreement.

WFS may submit monthly statements for basic and additional services rendered. It is intended that Client will make payments to WFS within thirty (30) days of invoice. All invoices not paid within thirty (30) days shall bear interest at the rate of one and one-half (1½) percent per month.

SECTION IV – INDEMNITY; INSURANCE REQUIRED

A. **Indemnity.** WFS shall indemnify and hold harmless Client, its officers, officials, directors, employees, designated agents, and appointed volunteers from and against all claims, damages, losses and expenses, including attorney fees, arising out of the performance of the services described herein, caused in whole or in part by the negligent acts, errors, or omissions of WFS, any subconsultant, anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable, except where caused by the active negligence or willful misconduct of Client or Client's officers, agents, or employees.

B. **Insurance.** Without in any way limiting WFS' liability pursuant to the indemnification described above, WFS shall maintain, during the term of this contract, the following insurance:

Coverage	Minimum Limits
General Liability Comprehensive General Liability, including: Premises and Operations Contractual Liability Personal Injury Liability Independent Contractors Liability (if applicable)	\$1,000,000 Combined Single Limit, per occurrence and general aggregate
Automobile Liability Comprehensive Automobile Liability (including owned, non-owned and hired autos)	\$1,000,000 Combined Single Limit, per occurrence
Workers' Compensation and Employer's Liability Workers' Compensation Insurance Employer's Liability	Statutory, \$1,000,000
Professional Liability Professional Liability Insurance	\$1,000,000 per claim and annual aggregate

SECTION V – INDEPENDENT CONTRACTOR STATUS

WFS shall be an independent contractor and shall have responsibility for and control over the details and means of providing the services under this Agreement.

SECTION VI – OWNERSHIP AND MAINTENANCE OF DOCUMENTS

WFS may rely upon the accuracy of any documents provided to WFS by Client. All documents, including without limitation, reports, plans, specifications, field data, field notes, laboratory test data, calculations, estimates, schedules, spreadsheets, or other documents furnished by WFS pursuant to this Agreement, regardless of media (e.g., paper, electronic, magnetic, optical, Mylar, etc), are instruments of WFS' services in respect to this Project and not products. All such documents shall remain the property of WFS provided, however, that a copy of the final documents shall be made available to Client upon request. These documents are not intended, nor represented to be suitable for reuse by Client or any others on extensions of this Project or on any other project. Any modification or reuse without specific written verification and adoption by WFS for the specific purposes intended will be at user's sole risk. Client agrees to save, keep and hold harmless WFS from all damages, costs or expenses in law and equity including costs of suit and attorneys' fees resulting from such unauthorized reuse. Client further agrees to compensate WFS for any time spent or expenses incurred by WFS in defense of any such claim, in accordance with WFS' prevailing fee schedule.

Client acknowledges that its right to utilize the services and instruments of services of WFS will continue only so long as Client is not in default of the terms and conditions of this Agreement and Client has performed all obligations under this Agreement. Client further acknowledges that WFS has the unrestricted right to use the services provided pursuant to this Agreement, as well as to all instruments of service provided pursuant to this Agreement.

Client agrees not to use any instruments of service prepared by WFS, which are not final and which WFS does not sign. Client agrees to be liable for any such use of non-final instruments of service not signed, stamped or sealed by WFS and waives liability against WFS for their use.

WFS' records, documents, calculations, test information and all other instruments of service shall be kept on file in legible form for a period of not less than two (2) years after completion of the services covered in this Agreement.

SECTION VII – SUSPENSION OF SERVICES

Client may, at any time, by thirty (30) days' written notice, suspend further performance by WFS. All suspensions shall extend the time schedule for performance in a mutually satisfactory manner and WFS shall be paid for all services performed and reimbursable expenses incurred prior to the suspensions date.

SECTION VIII – TERMINATION

Either party may terminate this Agreement at any time by giving thirty (30) days' written notice to the other party of such termination. If this Agreement is terminated as provided herein, WFS will be paid an amount which bears the same ratio to the total compensation as the services actually performed bear to the total services of WFS covered by this Agreement, less payments of compensation previously made.

SECTION IX – COMPLIANCE WITH LAW

Each party hereto will use reasonable care to comply with applicable laws in effect at the time the services are performed hereunder, which to the best of their knowledge, information and belief apply to their respective obligations under this Agreement.

SECTION X – SUCCESSORS AND ASSIGNS

This Agreement shall be binding on the successors and assigns of the parties; but either party, without written consent of the other party, shall not assign it.

SECTION XI – ATTORNEYS' FEES

In the event that any judgment is entered in any action upon this Agreement, the party hereto against whom such judgment is rendered agrees to pay the amount equal to the reasonable attorneys' fees of the prevailing party in such action and that such amount may be added to and made a part of such judgment.

SECTION XII – ALTERNATIVE DISPUTE RESOLUTION

If a dispute arises between the parties relating to this Agreement, the parties agree to use the following procedure prior to either party pursuing other available remedies:

A. A meeting shall be held promptly between the parties, attended by individuals with decision-making authority regarding the dispute, to attempt in good faith to negotiate a resolution of the dispute.

B. If, within thirty (30) days after such meeting, the parties have not succeeded in negotiating a resolution of the dispute, they will jointly appoint a mutually-acceptable neutral person not affiliated with either of the parties (the "neutral"), seeking assistance in such regard if they have been unable to agree upon such appointment within forty (40) days from the initial meeting. The parties shall share the fees of the neutral equally.

C. In consultation with the neutral, the parties will select or devise an alternative dispute resolution procedure ("ADR") by which they will attempt to resolve the dispute, and a time and place for the ADR to be held, with the neutral making the decision as to the procedure, and/or place and time (but unless circumstances require otherwise, not later than sixty (60) days after selection of the neutral) if the parties have been unable to agree on any of such matters within twenty (20) days after initial consultation with the neutral.

D. The parties agree to participate in good faith in the ADR to its conclusion, as designated by the neutral. If the parties are not successful in resolving the dispute through the ADR, then the parties may agree to submit the matter to binding arbitration or a private adjudicator, or either party may seek an adjudicated resolution through the appropriate court.

SECTION XIII – RECORDS

Records of WFS' direct labor costs, payroll costs, and reimbursable expenses pertaining to the Project covered by this Agreement will be kept on a generally recognized accounting basis and made available during normal business hours upon reasonable notice.

WFS' records will be available for examination and audit if and as required.

SECTION XIV – MISCELLANEOUS PROVISIONS

This Agreement is subject to the following special provisions:

A. The titles used in this Agreement are for general reference only and are not a part of the Agreement.

B. This Agreement shall be interpreted as though prepared by both parties.

C. Any provision of this Agreement held to violate any law shall be deemed void, and all remaining provisions shall continue in full force and effect.

D. This Agreement shall be interpreted under the laws of the State of California.

E. This Agreement comprises a final and complete repository of the understandings between the parties and supersedes all prior or contemporary communications, representations, or agreements, whether oral or written, relating to the subject matter of this Agreement.

F. Any notices given pursuant to this Agreement shall be effective on the third business day after posting by first class mail, postage prepaid, to the address appearing immediately after the signatures below.

G. WFS shall not be liable for damages resulting from the actions or inactions of governmental agencies, including, but not limited to: permit processing, environmental impact reports, dedications, General Plans, and amendments thereto; zoning matters, annexations, or consolidations; use or Conditional Use Permits; project or plan approvals; and building permits.

H. WFS' waiver of any term, condition, or covenant, or breach of any term, condition, or covenant, shall not constitute the waiver of any subsequent breach of any other term, condition, or covenant.

I. Client acknowledges that WFS is not responsible for the performance of services by third parties, who have not been retained by WFS.

IN WITNESS WHEREOF, the parties hereto have accepted, made and executed this Agreement upon the terms, conditions, and provisions above stated, as of the day and year first above written.

WILLDAN FINANCIAL SERVICES

**CALIFORNIA STATEWIDE COMMUNITIES
DEVELOPMENT AUTHORITY**

By: _____

Name: _____

Title: _____

Address: 27368 Via Industria, Suite 110
Temecula, California 92590-3661

By: _____

Name: _____

Title: _____

Address: _____

Exhibit A

SCOPE OF SERVICES

Annual Administration Services

Willdan proposes to perform the following annual administration services on behalf of the California Statewide Communities Development Authority (CSCDA) for Assessment Districts within the Statewide Community Infrastructure Program (SCIP).

1. Determine the amount of assessments to collect for each fiscal year.
2. Calculate the fiscal year assessment for each district parcel including debt service, administration fee, delinquency management fee, if applicable, and any excess interest credits deemed appropriate.
3. Place the assessment on the County Assessor's Roll.
4. Reconcile rejected parcels from the County, if any, and resubmit corrected assessment data.
5. Prepare final roll summary and debt service schedule for CSCDA.
6. Delinquency management will be performed to the extent required by the CSCDA's foreclosure covenants for the district.
7. Update and file an annual information report with the County Assessor's Office in accordance with Revenue and Taxation Code Section 163
8. Provide an Annual Information Report that shows information for the district.
9. Provide a toll-free phone number to property owners, CSCDA and County staff, and all other interested parties.
10. Upon request, provide payoff quotes of bond assessment liens for all interested parties. In the event of a payoff: provide documentation to be filed with the County, including the Release of Lien and, if applicable, a notice to remove unpaid assessments from the tax roll.
11. Coordinate with the appropriate department to ensure liens are apportioned and recorded when parcels are developed or subdivided.
12. In the event of a bond call authorized by the district, Willdan will prepare the spread of principal to be called within the applicable guidelines of the Bond Indenture, coordinate the bond call and revision of debt service schedule with the Paying Agent trustee.

To complete our analysis, Willdan will rely upon the validity and accuracy of the agency's data / documentation. Willdan shall not be liable for any inaccuracies contained in such information provided by CSCDA.

Legal Opinions

Willdan will provide its professional expertise in preparing resolutions, petitions, notices, ballots, or other legal documents. However, as we do not practice law, we ask that your designated legal counsel review all documents. We will, nevertheless, assist your attorney in identifying any pertinent legal issues.

Exhibit B

FEES FOR SERVICES

Annual Administration Services

The below not-to-exceed fees (NTE) reflect application of the scope of services. This fee is based on the time estimated to be spent on average each year. Fees and rates are subject to increase, beginning in Fiscal Year 2015/2016, which will not exceed the most recent annual change in the Consumer Price Index (CPI) within the applicable region. Willdan shall notify CSCDA in writing at least 30 days in advance before implementing any price increase.

As the work progresses, fees are payable monthly, on a percent-complete basis.

SCIP District Administration Fees				
District	Parcel Count	Per Parcel Fee	Base Fee	Total Fee
AD 2003-01	315	\$3.75	\$3,800.00	\$4,981.25
AD 2004-01	39	\$3.75	\$3,800.00	\$3,946.25
AD 2005-01	141	\$3.75	\$3,800.00	\$4,328.75
AD 2006-01	194	\$3.75	\$3,800.00	\$4,527.50
AD 2007-01	430	\$3.75	\$3,800.00	\$5,412.50
AD 2007-02	130	\$3.75	\$3,800.00	\$4,287.50
AD 2008-01	56	\$3.75	\$3,800.00	\$4,010.00
AD 2010-01	14	\$3.75	\$3,800.00	\$3,852.50
AD 2011-01	79	\$3.75	\$3,800.00	\$4,096.25
FISCAL YEAR 2014/2015 TOTAL ANNUAL FEE				\$39,442.50

Exhibit B

Delinquency Management

As the service is rendered, the fees below are invoiced to CSCDA. They are ultimately paid by, or on behalf of, the delinquent property owners.

Service	Fee
Fees Ultimately Reimbursed to Agency by Property Owner:	
Delinquency Reminder Letter	\$ 15
Delinquency Demand Letter	\$ 45
Foreclosure Letter	\$ 65
Effect Removal from Tax Roll and Record Subsequent Notice of Satisfaction ⁽¹⁾	\$ 125
Payment Plan	\$ 200
Subsequent Foreclosure Services	\$ 300
Fees Paid Directly to Willdan by Requestor:	
Delinquency Demand Payoff ⁽²⁾	\$ 50
Zero Demand ⁽²⁾	\$ 50

- (1) This fee complies with Section 8833 of the California Streets and Highways Code and/or Section 53356.2 of the California Government Code, which requires recording of a Notice of Intent to Remove Delinquent Special Assessments and/or Special Taxes from the County tax roll. It DOES NOT include the County tax roll removal charge, or similar fee, if any.
- (2) This fee is waived for the property owner (except for escrow purposes) or for the CSCDA.

Reimbursable Expenses

Willdan Financial Services will be reimbursed for out-of-pocket expenses. Examples of reimbursable expenses include, but are not limited to: postage, travel expenses, mileage (current prevailing federal mileage rate), maps, electronic data provided from the County and/or other applicable resources, construction cost periodicals, and copying (currently 6¢ per copy). Any additional expense for reports or from outside services will be billed to the CSCDA.

In the event that a third party requests any documents, WFS may charge such third party for providing said documents in accordance with WFS' applicable rate schedule.



CSCDA
CALIFORNIA STATEWIDE COMMUNITIES
DEVELOPMENT AUTHORITY



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

April 3, 2014

**10:00a.m. or upon adjournment of CSCDA Regular Meeting
League of California Cities
1400 K Street, 3rd Floor
Sacramento, California**

27788 Hidden Trail Road
Laguna Hills, CA 92653

709 Portwalk Place
Redwood City, CA 94065

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

3252 Southern Hills Drive
Fairfield, CA 94534

- I. Call the Roll (alternates designate which member they are representing).
- II. Election of Officers.
- III. Discussion regarding IRS Audit for the Tobacco Settlement Asset-Backed Bonds Series 2006.
- IV. Consideration of Engagement Letter with Orrick, Herrington & Sutcliffe for special tax counsel services in response to the IRS Audit.
- V. Consideration of a resolution to add Laura Labanieh Campbell, Nancy Parrish & Norman Copping as an authorized signatory for CSFA.
- VI. Public Comment

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

VII. 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 III.

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

SUMMARY AND APPROVALS

DATE: APRIL 3, 2014
PROJECT: CSFA TOBACCO SETTLEMENT ASSET-BACKED BONDS SERIES 2006
PURPOSE: ENGAGE COUNSEL IN RESPONSE TO IRS AUDIT
PROGRAM: TOBACCO SECURITIZATION BONDS

Background:

In 2002, the California Statewide Financing Authority (CSFA) was created for the purpose of allowing counties to participate in a pooled tobacco securitization financing. Participants were able to use the funds for capital projects or to establish an endowment. In 2006, CSFA securitized \$61,750,538.25 in tobacco settlement on behalf of nine counties in three separate series, 2006A, 2006B, and 2006C. The nine county participants include: Imperial County, Kings County, Madera County, San Benito County, Solano County, Tehama County, Tuolumne County, Yolo County, and Yuba County.

Staff recently received an examination request from the Internal Revenue Service to review the 2006 CSFA Tobacco Settlement Bonds. A power of attorney has been executed with bond counsel to the transaction, Orrick, Herrington & Sutcliffe, to represent CSFA in its response to the IRS. However, Orrick, Herrington & Sutcliffe will also need an engagement letter by and between Orrick and the CSFA detailing its scope of services and fees in responding to the IRS audit. All fees and expenses are to be paid using amounts on deposit and to be deposited in the Operating Account established in the Indenture which was executed in connection with the issuance of the 2006 Bonds and administered by Wells Fargo Bank as Trustee.

Most of the information requested by the IRS will need to be provided by each of the nine county participants. Staff has been in touch with each of the nine counties and is in the process of coordinating conference calls to ensure each response is complete and timely. Richards, Watson & Gershon has reviewed the Orrick engagement letter on behalf of the CSFA.

Recommendation:

It is recommended that this Commission approve and execute the engagement letter by and between Orrick, Herrington & Sutcliffe and the California Statewide Financing Authority.

Item IV.

Consideration of Engagement Letter with Orrick, Herrington & Sutcliffe for special tax counsel services in response to the IRS Audit.

AGREEMENT FOR SPECIAL TAX COUNSEL SERVICES

THIS AGREEMENT is entered into as of March 17, 2014, by and between the CALIFORNIA STATEWIDE FINANCING AUTHORITY (the "Issuer") and ORRICK, HERRINGTON & SUTCLIFFE LLP ("Orrick"), as follows:

RECITALS

A. Issuer has been notified by the Internal Revenue Service (the "IRS") that its \$61,750,538.25 Tobacco Settlement Asset Backed Bonds, Series 2006A, 2006B, 2006C and 2006D (collectively, the "2006 Bonds") are the subject of an examination by the IRS (the "IRS Audit").

B. Issuer desires to engage the services of special tax counsel to represent it in connection with the IRS Audit of the Bonds.

C. Issuer has determined that Orrick possesses the necessary professional capabilities and resources to provide the legal services required by Issuer in connection with the IRS Audit and as described in this Agreement.

AGREEMENT

1. Scope of Services To Be Provided by Orrick. Subject to any exclusions as set forth below, Orrick shall perform the following legal services:

(a) Consultation with appropriate representatives of Issuer, underwriters and others with a connection to the Bonds, with respect to the IRS Audit.

(b) Representation of Issuer before the IRS and otherwise in connection with the IRS Audit, including possible negotiation of a closing agreement.

(c) Such other legal services as may be necessary or appropriate in connection with the foregoing or otherwise in connection with the IRS Audit.

2. Scope of Services Not To Be Provided By Orrick.

Orrick's services are limited to those specifically set forth above. Orrick's services do not include representation of Issuer in any litigation or other legal, administrative or legislative proceeding or matter, including without limiting the foregoing, any other audit or review by any state or federal agency of any other Issuer financing. Orrick's services also do not include any financial advice or analysis.

3. Compensation. In connection with the foregoing, Orrick's services will be billed at its regular hourly rates as established from time to time plus expenses. The following per hourly rates currently are in effect for the following people currently expected to work on the IRS Audit: \$880 for Larry D. Sobel, \$980.00 for Roger Davis, \$720 for Winnie Tsien and \$595 for Justin Gagnon. Such fees are subject to an adjustment annually, and others at Orrick may assist in the IRS Audit.

CD-Rom document generation, messenger and expedited mail services will be used judiciously.

Legal bills will be accompanied by specific time entries describing the work performed by each attorney or other timekeeper and describing expenses by general category.

Fees and disbursements incurred will be billed to Issuer in monthly statements which are payable upon receipt. Issuer agrees to be responsible for all fees and expenses incurred in connection with the IRS Audit, with such fees and expenses to be paid using amounts on deposit and to be deposited in the Operating Account established in the Indenture which was executed in connection with the issuance of the 2006 Bonds. The Issuer agrees to direct the Trustee for the 2006 Bonds to deposit into the Operating Account sufficient amounts needed to pay for such fees and disbursements, in addition to the other amounts which are to be paid from the Operating Account, and to direct the Trustee to pay Orrick's bill promptly upon receipt thereof from time to time.

4. Termination of Agreement and Legal Services. This Agreement and all legal services to be rendered under it may be terminated at any time by written notice from either party, with or without cause. In that event, all files of Issuer maintained by Orrick, shall, at the option of Issuer, become its property and shall be delivered to it or to any other party that it may designate; provided that Orrick shall have no liability whatsoever for any subsequent use of such documents. Upon termination, Orrick shall have no future duty of any kind to or with respect to the IRS Audit described above.

5. Relationships With Other Parties. Issuer acknowledges that Orrick regularly performs legal services for many private and public entities in connection with a wide variety of matters. For example, Orrick has represented, is representing or may in the future represent other public entities, underwriters, trustees, rating agencies, insurers, credit enhancement providers, accountants, investment providers/brokers and others who may have a role or interest in a financing involving Issuer or that may be involved with or adverse to Issuer in this or some other matter. For example, these include representation, in matters unrelated to the Bonds, of counties that participated in the 2006 Bond financing and the underwriter of, and trustee for, the 2006 Bonds. Given the special, limited role of Orrick as special tax counsel to Issuer as described above, Issuer acknowledges that no conflict exists in connection with any such relationships and the IRS Audit and consents to such relationships; provided, however, that a separate conflict waiver will be prepared and presented to Issuer for its consideration with respect to any concurrent representation of Issuer and any other person or entity in connection with the IRS Audit.

Orrick previously served as bond counsel to Issuer in connection with the issuance of the 2006 Bonds. Issuer understands that, by engaging Orrick as counsel in connection with the examination of the Bonds, there is a possibility of a conflict of interest arising. If an actual conflict arises, the parties agree to discuss whether it would be appropriate for Orrick to continue to be engaged in connection with the IRS Audit.

6. Limitation of Rights to Parties; Successor and Assigns. Nothing in this Agreement, expressed or implied, is intended or shall be construed to give any person other than

Issuer and Orrick any legal or equitable right or claim under or in respect of this Agreement, and this Agreement shall inure to the sole and exclusive benefit of Issuer and Orrick.

7. Counterparts. This Agreement may be executed in any number of counterparts and each counterpart shall for all purposes be deemed to be an original, and all such counterparts shall together constitute but one and the same Agreement.

8. Notices. Any and all notice pertaining to this Agreement shall be sent by U.S. Postal Service, first class, postage prepaid to Orrick at Los Angeles, 777 South Figueroa Street, Suite 3200, Los Angeles, California 90017-5855, Attention: Mr. Larry Sobel, and to the Issuer at California Statewide Financing Authority c/o California Statewide Communities Development Authority, 2999 Oak Road, Suite 710, Walnut Creek, California 94597, Attention: Michael LaPierre.

Issuer and Orrick have executed this Agreement by their duly authorized representative as of the date provided above.

CALIFORNIA STATEWIDE FINANCING AUTHORITY

By: _____
Title: _____

ORRICK, HERRINGTON & SUTCLIFFE LLP

By: _____
Title: _____

Item V.

Consideration of a resolution to add Laura Labanieh Campbell, Nancy Parrish & Norman Copping as an authorized signatory for CSFA.

RESOLUTION NO. 14R-__

**A RESOLUTION OF THE CALIFORNIA STATEWIDE FINANCING
AUTHORITY AUTHORIZING, AMONG OTHER MATTERS, DESIGNEES
THEREOF TO EXECUTE AND DELIVER ON BEHALF OF THE BOARD OF
DIRECTORS OR THE AUTHORITY DOCUMENTS REQUIRING SIGNATURE
BY A DIRECTOR OF THE BOARD OF DIRECTORS OR OFFICER OF THE
AUTHORITY AND AUTHORIZED BY AUTHORITY RESOLUTION**

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 and counties entered into a joint exercise of powers agreement dated as of June 1, 2002 (the “Agreement”) pursuant to which the California Statewide Financing Authority (the “Authority”) was organized; and

WHEREAS, pursuant to the Agreement, the Authority is administered by a Board of Directors (the “Board of Directors”) consisting of the members of the Commission of the California Statewide Communities Development Authority, a joint powers agency created pursuant to an Amended and Restated Joint Exercise of Powers Agreement dated as of June 1, 1988 (the “CSCDA Agreement”); and

WHEREAS, pursuant to the Agreement, the Board of Directors has the power, by resolution, to the extent permitted by the Act and any other applicable law, to delegate any of its functions to one or more of the Directors, its officers or its agents and to cause such designees to take any actions and execute any documents or instruments for and in the name and on behalf of the Board of Directors; and

WHEREAS, given the increase in the number of issues of bonds per year by the Authority and the related documentation since the formation of the Authority, the Board of Directors desires to delegate to certain agents the function of execution and delivery on behalf of the Authority of any documents, certificates or instruments requiring signature by any Director, including any Director acting as an officer of the Board of Directors, that are authorized for execution and delivery by adoption of a resolution of the Authority (each an “Authority Resolution”); and

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

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

Section 2. The Authority hereby appoints Laura Labanieh Campbell, Nancy Parrish and Norman Coppinger, and such other persons as may from time to time be appointed pursuant to a resolution of the Authority, as delegatee of the Directors with certain administrative duties as further specified in Sections 3 and 4 below. Laura Labanieh Campbell, Nancy Parrish and Norman Coppinger are each referred to herein as an “Authorized Signatory.”

Section 3. To the extent permitted by the Act or any other applicable law, the Board of Directors hereby delegates to each Authorized Signatory, on behalf of a Director, the

administrative authority to execute and deliver, any documents, certificates or instruments requiring signature by any Director, including any Director acting as an officer of the Board of Directors, that are authorized for execution and delivery by Authority Resolution, including, but not limited to, the execution and delivery of any bonds, notes or other evidences of indebtedness issued and/or delivered by the Authority.

Section 4. Any all amendments, consents, approvals, notices, orders, requests and other actions permitted or required by any of the documents executed in connection with bonds issued by the Authority, which may be necessary or desirable in connection with (i) any amendment of such documents requested by the provider of the credit enhancement for the bonds, which does not adversely affect the holders thereof, or by all of the then-existing holders, but which in either case does not adversely affect the Authority or its Members; (ii) any transfer or other disposition of the applicable project that complies with the conditions set forth in the documents authorized in connection with the approval of such project; (iii) any addition or substitution of security for bonds which has no adverse affect on the holders thereof, especially if a mandatory tender is required; or (iv) any redemption of the bonds in accordance with their terms, may be given or taken by any Director of this Board of Directors without further authorization by this Board of Directors, and such Director is hereby authorized and directed to execute such amendment or give any such consent, approval, notice, order or request and to take any such action that such Director may deem necessary to further the purposes of this resolution and the continued financing of the applicable project.

To the extent permitted by the Act or any other applicable law, the Board of Directors hereby delegates to each Authorized Signatory, on behalf of a Director, including a Director acting as an officer of the Authority, the administrative authority to execute and deliver, any amendments, waivers, consents, approvals, notices, orders, requests, entered into or given in accordance with the documents that are authorized for execution and delivery by Authority Resolution, as provided to such Authorized Signatory by staff to the Authority upon the advice of counsel to the Authority.

Section 5. The Board of Directors hereby further delegates to each Authorized Signatory, the administrative authority to record and publish minutes of meetings of the Board of Directors on behalf of the Authority and further authorizes each Authorized Signatory, to delegate such functions to staff of the League of California Cities or the California Statewide Association of Counties, as he or she may deem necessary or appropriate.

Section 6. All actions heretofore taken by any Director, Authorized Signatory and other appropriate officers and agents of the Authority with respect to the matters herein contained are hereby ratified, confirmed and approved.

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

PASSED AND ADOPTED by the California Statewide Financing Authority this April 3, 2014.

I, the undersigned, an Authorized Signatory of the California Statewide Financing Authority, DO HEREBY CERTIFY that the foregoing resolution was duly adopted by the Board of Directors of the Authority at a duly called meeting of the Board of Directors of the Authority held in accordance with law on April 3, 2014.

By _____
Authorized Signatory
California Statewide Communities
Development Authority