



CSCDA
CALIFORNIA STATEWIDE COMMUNITIES
DEVELOPMENT AUTHORITY



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

May 16, 2013

10:00 a.m.

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

County of Monterey
168 West Alisal Street
Salinas, CA 93901

City of Stanton
7800 Katella Avenue
Stanton, CA 90680

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

- I. Call the Roll (alternates designate which member they are representing).
- II. Approve the Minutes of the April 25, 2013 Regular Meeting and the April 25, 2013 Special Meeting.
- III. Staff Updates.
- IV. Approve Consent Calendar.
- V. Discussion and approval of resolution recognizing Dan Harrison's service to CSCDA.
- VI. 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. Orvieto B Family Apartments, LP (Orvieto B Family Apartments), City of San Jose, County of Santa Clara; up to \$26,000,000 in multi-family housing revenue bonds.

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

- b. Statewide Community Infrastructure Program (SCIP) Refunding Revenue Bonds 2013A; up to \$17,000,000 in refunding revenue bonds.
- VII. Discuss and approve resolution for restructuring multifamily housing revenue bonds for Sunrise Terrace I and Sunrise Terrace II Apartments.
- VIII. Discuss and approve Resolution of Intention to Finance the Installation of Distributed Generation Renewable Energy Sources, Energy Efficiency and Water Efficiency Improvements through the CaliforniaFirst Program.
- IX. Discuss and approve resolution rendering approval and explaining review process under the California Environmental Quality Act for the CaliforniaFirst Program.
- X. Discuss and approve letter to the Department of Industrial Relations regarding the applicability of prevailing wage requirements to the CaliforniaFirst Program.
- XI. Discuss and approve engagement of Orrick, Herrington & Sutcliffe LLP as Special Tax Counsel for the University Retirement Community at Davis Internal Revenue Service Audit.
- XII. Discuss and approve changes amending the rate and method of apportionment of the special tax for Improvement Area No. 1 and No. 3 for Community Facilities District No. 2012-01 (Fancher Creek – City of Fresno)
 - a. Conduct Public Hearing
 - b. Adoption of Resolutions of Change Amending the Rate and Method of Apportionment of the Special Tax for Improvement Area No. 1 and No. 3.
 - c. Conduct Election
 - d. Consider Introduction of Ordinances Levying Special Tax
- XIII. Discuss and approve appointment of an ad hoc committee to determine duties and obligations of CSCDA Executive Director.
- XIV. Discuss and approve appointment of an ad hoc committee to review auditor request for proposal submissions.
- XV. Public Comment.
- XVI. Adjourn.

◆ ◆ ◆ ◆ ◆ ◆ ◆

**CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY
CONSENT CALENDAR**

1. Induce the following projects:
 - a. Pacific West Communities, Inc. (Richmond Senior Apartments), City of Richmond, County of Contra Costa; issue up to \$10,000,000 in multi-family housing debt obligations.
 - b. St. Anton Capital, LLC (Anton Menlo Apartments), City of Menlo Park, County of San Mateo; issue up to \$110,000,000 in multi-family housing debt obligations.
 - c. Westside Shafter AR, LP (Westside Village Apartments), City of Shafter, County of Kern; issue up to \$7,000,000 in multi-family housing debt obligations.
 - d. Tyler Greenfield AR, LP (Tyler Park Townhomes), City of Greenfield, County of Monterey; issue up to \$9,000,000 in multi-family housing debt obligations.
 - e. Harden Salinas AR, LP (Harden Ranch Apartments), City of Salinas, County of Monterey; issue up to \$10,000,000 in multi-family housing debt obligations.
 - f. Hacienda Pleasanton, LP (Anton Hacienda Apartments), City of Pleasanton, County of Alameda; issue up to \$40 million in multi-family housing debt obligations.
2. Approve the following invoices for payment:
 - a. David Taussig & Associates Invoice #1303105.
 - b. David Taussig & Associates Invoice #1303155.
 - c. Willdan Invoice #010-20655.

Thursday, May 16, 2013

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

Item II

Approve the Minutes of the April 25, 2013 Regular Meeting and the April 25, 2013 Special Meeting.

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

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

April 25, 2013

MINUTES

Commission Chair Larry Combs called the meeting to order at 10:05 AM and continued the meeting to 11:00 AM. Meeting called to order at 11:07 AM.

I. Roll Call

Commission members present: Larry Combs; Commission members participating by conference telephone: Dan Mierzwa, Kevin O'Rourke and Tim Snellings. Alternate Commissioner Ron Holly participated by conference phone representing Commissioner Terry Schutten.

Others present: James Hamill, CSCDA staff; Mark Paxson, State Treasurer's Office. Others participating by conference telephone: Greg Stepanicich, Richards Watson & Gershon;

II. Approval of Minutes

The commission approved the minutes of the meeting held April 17, 2013.

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

III. Staff Updates

James Hamill reported that the CSCDC received a New Market Tax Credit allocation in the amount of \$35 million. This was the third largest award in California out of 9 applications.

Larry Combs also gave an update on the agreement reached with the State Treasurer's Office including the appointment of an executive director. The matter will be brought back to the May 16th meeting for the appointment of an ad hoc committee to outline duties and responsibilities of the executive director position.

IV. Approval of Consent Calendar

The commission approved by consent the following invoices for payment:

- a. Burke, Williams & Sorenson, LLP Invoice #164137.
- b. Burke, Williams & Sorenson, LLP Invoice #165221.

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

V. Financing Approval

The commission approved the financing; all necessary actions; the execution and delivery of all necessary documents; and authorized any member to sign all necessary financing documents for the following projects:

- a. HCP Belwood Arms, LP (Belwood Arms Apartments), City of Long Beach, County of Los Angeles; up to \$7,000,000 in multi-family housing revenue bonds.

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

VI. San Diego State University Student Housing

Motion to approve in concept the financing/ownership model for San Diego State University student housing project made by O'Rourke; second by Snellings; motion fails 3-2 – Combs, O'Rourke, Snellings – yes, Holly and Mierzwa – no. Four votes necessary for approval pursuant to the CSCDA Joint Powers Agreement.

VII. Public Comments. There were none.

VIII. Adjournment

Commission Chair Larry Combs adjourned the meeting at 12:41 PM.

Submitted by: James Hamill, CSCDA Staff

*The next regular meeting of the commission is scheduled for
Thursday, May 16, at 10:00 AM
in the League Office at 1400 K Street, Sacramento, CA.*

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

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

April 25, 2013

MINUTES

Commission Chair Larry Combs called the meeting to order at 9:30 a.m.

I. Roll Call

Commission members present: Larry Combs. Commission members participating by conference telephone: Dan Mierzwa, Tim Snellings, and Alternate Commissioner Ron Holly representing Commissioner Terry Schutten.

Others present included: James Hamill, CSCDA staff; Dan Harrison and Perry Stottlemeyer, League of California Cities; and Mark Paxson, State Treasurer's Office. Others participating by conference telephone: Greg Stepanicich, Richards Watson & Gershon; and Roger Davis, Orrick Herrington & Sutcliffe, who joined the special meeting in progress.

II. San Diego State University Student Housing Project

The commission participated in a thorough discussion of issues raised by the proposed San Diego State University Student Housing Project. The discussion addressed both questions relating to the general policy of whether or not CSCDA would expand its service model to include ownership of real estate assets as well as the details of the proposed project. No action was taken.

III. Public Comments. There were none.

IV. Adjournment.

Commission Chair Larry Combs adjourned the meeting at 10:45 AM.

Submitted by: Daniel B. Harrison, Assistant to the Secretary

*The next regular meeting of the commission is scheduled for
Thursday, May 16, 2013, at 10:00 AM
in the League office at 1400 K Street, Sacramento, CA.*

Item IV

Approve Consent Calendar

1. Induce the following projects:
 - a. Pacific West Communities, Inc. (Richmond Senior Apartments), City of Richmond, County of Contra Costa; issue up to \$10,000,000 in multi-family housing debt obligations.
 - b. St. Anton Capital, LLC (Anton Menlo Apartments), City of Menlo Park, County of San Mateo; issue up to \$110,000,000 in multi-family housing debt obligations.
 - c. Westside Shafter AR, LP (Westside Village Apartments), City of Shafter, County of Kern; issue up to \$7,000,000 in multi-family housing debt obligations.
 - d. Tyler Greenfield AR, LP (Tyler Park Townhomes), City of Greenfield, County of Monterey; issue up to \$9,000,000 in multi-family housing debt obligations.
 - e. Harden Salinas AR, LP (Harden Ranch Apartments), City of Salinas, County of Monterey; issue up to \$10,000,000 in multi-family housing debt obligations.
 - f. Hacienda Pleasanton, LP (Anton Hacienda Apartments), City of Pleasanton, County of Alameda; issue up to \$40 million in multi-family housing debt obligations.

Applicant Information

Primary Contact E-mail: denisec@tpchousing.com

Name of Developer: **Pacific West Communities, Inc.**

TIN or EIN: **20-1657561**

Primary Contact

First Name: **Shellan**

Last Name: **Rodriguez**

Title: **Housing**

Address:

Street: **430 E. State Street**

Suite: **100**

City: **Eagle**

State: **Idaho**

Zip: **83616**

Phone: **208-461-0022**

Ext: **3033**

Fax: **208-461-3267**

Email: **shellanr@tpchousing.com**

Borrower Description:

☒ Same as developer ?

Name of Borrowing Entity: **Pacific West Communities, Inc.**

Type of Entity:

☒ For-profit Corporation

☐ Non-profit Corporation

☐ Partnership

☐ Other (specify)

☐ Will you be applying for State Volume Cap?

Date Organized: **9/24/2004**

No. of Multi-Family Housing Projects Completed in the Last 10 Years: **110**

No. of Low Income Multi-Family Housing Projects Completed in the Last 10 Years: **110**

Primary Billing Contact

Organization: **Pacific West Communities, Inc.**

First Name: **Shellan**

Last Name: **Rodriguez**

Title: **Housing**

Address

Street: **430 E. State Street**

Suite: **100**

City: **Eagle**

State: **Idaho**

Zip: **83616**

Phone: **208-461-0022**

Ext: **3033**

Fax: **208-461-3267**

Email: **shellanr@tpchousing.com**

Project Information

Project Information

Project Name: **Richmond Senior Apartments**

New Project Name(optional):

Facility Information

Facility #1

Facility Name: **Richmond Senior Apartments**

Facility Bond Amount: **\$8000000.00**

Project Address:

Street: **20 Harbour Way**

City: **Richmond**

State: **California**

Zip: **94804**

County: **Contra Costa**

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

Total Number of Units:

Market:

Restricted: **62**

Total: **62**

Lot size: **40,280 s.f.**

Amenities:

community room, fitness room, great room, computer room , on site resident manager, manager's office, maintenance office, common laundry room, outdoor common areas, picnic/ bbq

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

4 story, elevator, 1 building

Type of Housing:

☒ New Construction

☐ Acquisition/Rehab

Facility Use:

☐ Family

☒ Senior

Is this an Assisted Living Facility? ☐

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

First Name: **Hector**

Last Name: **Lopez**

Title: **Senior Planner**

Phone: **510-620-6702**

Ext:

Fax:

Email: **hector_lopez@ci.richmond.ca.us**

Public Benefit Info:

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

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

Total Number of Management Units: **4**

#	Bedrooms (Unit Size)	%AMI	No. of restricted units	Restricted rent	Market rent	Expected savings
1.	1 bedroom	50	5	836.00	950.00	
2.	1 bedroom	60	45	836.00	950.00	
3.	2 bedroom	50	1	1003.00	1125.00	

4.	2 bedroom	60	10	1003.00	1125.00	
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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 #:
11	9	15

Financing Information

Financing Information

Maturity **40** Years

Interest Rate Mode:

☒ Fixed

☐ Variable

Type of Offering:

☒ Public Offering

☐ Private Placement

☐ Refunding

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

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

Construction Financing:

☐ Credit Enhancement

☐ None

☐ Letter of Credit

☐ Other (specify)

Name of Credit Enhancement Provider or Private Placement Purchaser:

Permanent Financing:

☐ Credit Enhancement

☐ None

☐ Letter of Credit

☐ Other (specify)

Name of Credit Enhancement Provider or Private Placement Purchaser:

Expected Rating:

☒ Unrated

Moody's:

S&P:

Fitch:

Projected State Allocation Pool:

☒ General ☐ Mixed Income ☐ Rural

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

Sources and Uses

Construction Sources:

Tax-Exempt Bond Proceeds: **\$7675506.00**

Tax Credits: **\$730721.00**

Other Funds (Describe):

Deferred Costs

Total sources: **\$9727090.00**

Uses:

Land Acquisition: **\$275000.00**

Construction or Remodel: **\$5811120.00**

Capitalized Interest: **\$**

Other Uses (Describe):

Architectural

Permit

Developer O

Soft Costs

Total uses: **\$9727090.00**

Taxable Bond Proceeds: **\$**

Developer Equity: **\$1183863.00**

\$137000.00

\$

\$

\$

\$

Building Acquisition: **\$**

Cost of Issuance: **\$640149.00**

Reserves: **\$137000.00**

\$310000.00

\$868000.00

\$1183863.00

\$501958.00

\$

Financing Team Information

Bond Counsel

Firm Name: Orrick, Herrington and Sutcliffe, LLP

Primary Contact

First Name: Justin

Last Name: Cooper

Title: Attorney

Address:

Street: 405 Howard Street, Orrick Building

Suite:

City: San Francisco

State: California

Zip: 94105-2669

Phone: 415-773-5908

Ext:

Fax: 415-773-5759

Email: jcooper@orrick.com

Bank/Underwriter/Bond Purchaser

Firm Name:

Primary Contact

First Name:

Last Name:

Title:

Address:

Street:

Suite:

City:

State:

Zip:

Phone:

Ext:

Fax:

Email:

Financial Advisor

Firm Name:

Primary Contact

First Name:

Last Name:

Title:

Address:

Street:

Suite:

City:

State:

Zip:

Phone:

Ext:

Fax:

Email:

Rebate Analyst

Firm Name:

Primary Contact

First Name:

Last Name:

Title:

Address:

Street:

Suite:

City:

State:

Zip:

Phone:

Ext:

Fax:

Email:



Building Communities, Investing in Local Government Since 1988

Housing Bond Application

APPLICANT INFORMATION

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

BORROWER DESCRIPTION

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

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

Name of Borrowing Entity: **TBD**

Date Established: **TbD**

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

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

PRINCIPAL FINANCE TEAM INFORMATION

UNDERWRITER/PLACEMENT AGENT

Firm: **TBD**

Contact:

Address:

Telephone:

Fax:

E-mail:

BOND COUNSEL

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

Contact: **Thomas Downey**

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

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

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

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

Application Number: **2013044 - Anton Menlo**

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

PROJECT DESCRIPTION

Current Project Name: **Anton Menlo**

New Project Name:

Project Street Address: **Haven Avenue**

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

County: **San Mateo**

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

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

Lot Size: **9.69**

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

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

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

City or county contact information:

Contact Name: **NA NA**

Title: **NA**

Phone Number: **NA**

Fax Number: **NA**

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

PUBLIC BENEFIT

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

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

Total Number of Management Units: **4**

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

Remarks:

OTHER PUBLIC BENEFIT**SERVICES PROVIDED**

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

ENVIRONMENT**Energy**

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

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

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

If Yes, what is the size in kWh? _____

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

If Yes, what is the annual consumption? _____

Water

Does the facility provide any of the following:

Efficient Toilets? ☒ Yes ☐ No ☐ N/A

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

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

Other, specify: _____

Transportation

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

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

Waste

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

WORKFORCE**Employment Creation**

Job Type/Description	During Construction	Post Construction
None	0	0

GOVERNMENTAL INFORMATION

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

Application Number: **2013044 - Anton Menlo**

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

FINANCING STRUCTURE

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

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

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

Maturity: **15 Years**

Interest Rate Mode: ☒ Fixed ☐ Variable

CONSTRUCTION FINANCING:

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

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

PERMANENT FINANCING:

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

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

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

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

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

SOURCES & USES

CONSTRUCTION SOURCES

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

USES

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

Application Number: **2013044 - Anton Menlo**

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

PRINCIPAL FINANCE TEAM INFORMATION (continued)

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

ADDITIONAL REQUIREMENT

Please provide the following as an additional attachment:

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

MAILING ADDRESS

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

Applicant Information

Primary Contact E-mail: peggy.lichthart@housingpartners.com

Name of Developer: **Highridge Costa Housing Partners, LLC**

TIN or EIN:

Primary Contact

First Name: **Peggy**

Last Name: **Lichthart**

Title: **Project Manager**

Address:

Street: **330 W. Victoria Street**

Suite:

City: **Gardena**

State: **California**

Zip: **90248**

Phone: **424-258-2808**

Ext:

Fax:

Email: **Peggy.lichthart@housingpartners.com**

Borrower Description:

☐ Same as developer ?

Name of Borrowing Entity: **Westside Shafter AR, L.P.**

Type of Entity:

☐ For-profit Corporation

☐ Non-profit Corporation

☒ Partnership

☐ Other (specify)

☐ Will you be applying for State Volume Cap?

Date Organized: 1/1/13

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

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

Primary Billing Contact

Organization: **Highridge Costa Housing Partners, LLC**

First Name: **Peggy**

Last Name: **Lichthart**

Title: **Project Manager**

Address

Street: **330 W. Victoria Street**

Suite:

City: **Gardena**

State: **California**

Zip: **90248**

Phone: **424-258-2808**

Ext:

Fax:

Email: **Peggy.lichthart@housingpartners.com**

Project Information

Project Information

Project Name: **Westside Village**

New Project Name(optional):

Facility Information

Facility #1

Facility Name: **Westside Village**

Facility Bond Amount: \$5015000.00

Project Address:

Street: **550-598 Santa Maria Way, 304-478 Arroyo Seco Avenue, 310-479 Mesa Verde Avenue, 324-480 Tulare Avenue, 503-595 Verz Cruz**

City: **Shafter**

State: **California**

Zip: **93263**

County: **Kern**

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

Total Number of Units:

Market: **1**

Restricted: **80**

Total: **81**

Lot size: **11.88 acres**

Amenities:

single family rental homes

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

single family rental homes

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:

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: 50

Total Number of Management Units: 4

#	Bedrooms (Unit Size)	%AMI	No. of restricted units	Restricted rent	Market rent	Expected savings
1.	3 bedroom	40	16	506.00	1050.00	
2.	3 bedroom	50	24	657.00	1050.00	

3.	4 bedroom	40	16	571.00	1125.00	
4.	4 bedroom	50	24	739.00	1125.00	

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 #:
20	16	30

Financing Information

Financing Information

Maturity **40** Years

Interest Rate Mode:

☒ Fixed

☐ Variable

Type of Offering:

☐ Public Offering

☒ Private Placement

☐ Refunding

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

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

Construction Financing:

☐ Credit Enhancement

☐ None

☐ Letter of Credit

☐ Other (specify)

Name of Credit Enhancement Provider or Private Placement Purchaser: America First Real Estate Group, LLC

Permanent Financing:

☐ Credit Enhancement

☒ None

☐ Letter of Credit

☐ Other (specify)

Name of Credit Enhancement Provider or Private Placement Purchaser: America First Real Estate Group, LLC

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

Construction Sources:

Tax-Exempt Bond Proceeds: **\$5015000.00**

Tax Credits: **\$1199548.00**

Other Funds (Describe):

Costs Paid at Perm Closing

Income During Construction

Total sources: **\$7157873.00**

Uses:

Land Acquisition: \$

Construction or Remodel: **\$852930.00**

Capitalized Interest: \$

Other Uses (Describe):

Contractor Overhead

Developer Fee

Other

Total uses: **\$7157873.00**

Taxable Bond Proceeds: \$

Developer Equity: \$

\$912966.00

\$30359.00

\$

\$

\$

Building Acquisition: \$

Cost of Issuance: **\$114464.00**

Reserves: \$

\$48600.00

\$764450.00

\$362429.00

\$

\$

Financing Team Information

Bond Counsel

Firm Name: Orrick Herrington

Primary Contact

First Name: Justin

Last Name: Cooper

Title: Bond Counsel

Address:

Street: 405 Howard Street

Suite:

City: San Francisco

State: California

Zip: 94105

Phone: 415-773-5908

Ext:

Fax:

Email: jcooper@orrick.com

Bank/Underwriter/Bond Purchaser

Firm Name: America First Tax Exempt Investors, L.P.

Primary Contact

First Name: Robert

Last Name: Schultz

Title: Senior Vice President

Address:

Street: 9090 S. Ridgeline Blvd.

Suite: 100

City: Highlands Ranch

State: Colorado

Zip: 80129

Phone: 7202191112

Ext:

Fax:

Email: rschultz@afreg.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:

Applicant Information

Primary Contact E-mail: bill.vanderschans@housingpartners.com

Name of Developer: **Highridge Costa Housing Partners, LLC**

TIN or EIN: **27-3320865**

Primary Contact

First Name: **Bill**

Last Name: **Vanderschans**

Title: **Senior Project Manager**

Address:

Street: **330 W. Victoria Street**

Suite:

City: **Gardena**

State: **California**

Zip: **90248**

Phone: **424-258-2820**

Ext:

Fax: **424-258-2821**

Email: **bill.vanderschans@housingpartners.com**

Borrower Description:

☐ Same as developer ?

Name of Borrowing Entity: **Tyler Greenfield AR, L.P.**

Type of Entity:

☐ For-profit Corporation

☐ Non-profit Corporation

☒ Partnership

☐ Other (specify)

☐ Will you be applying for State Volume Cap?

Date Organized: **March 19, 2013**

No. of Multi-Family Housing Projects Completed in the Last 10 Years: **30**

No. of Low Income Multi-Family Housing Projects Completed in the Last 10 Years: **30**

Primary Billing Contact

Organization: **Highridge Costa Housing Partners, LLC**

First Name: **Bill**

Last Name: **Vanderschans**

Title: **Senior Project Manager**

Address

Street: **330 W. Victoria Street**

Suite:

City: **Gardena**

State: **California**

Zip: **90248**

Phone: **424-258-2820**

Ext:

Fax: **424-258-2821**

Email: **bill.vanderschans@housingpartners.com**

Project Information

Project Information

Project Name: **Tyler Park Townhomes**

New Project Name(optional):

Facility Information

Facility #1

Facility Name: **Tyler Park Townhomes**

Facility Bond Amount: \$6557157.00

Project Address:

Street: **1120 Heidi Drive**

City: **Greenfield**

State: **California**

Zip: **93927**

County: **Monterey**

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

Total Number of Units:

Market: **0**

Restricted: **88**

Total: **88**

Lot size: **274,123 sq.ft. or 6.29 acres**

Amenities:

Basketball, Carports, Clubhouse/Community Room, Central Laundry, Picnic area, and Playground

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

Wood Frame, 2 story walk up townhome style, 15 buildings and 1 one story community building

Type of Housing:

☐ New Construction

☒ Acquisition/Rehab

Facility Use:

☒ Family

☐ Senior

Is this an Assisted Living Facility? ☐

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

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: 25

Total Number of Management Units: 6

#	Bedrooms (Unit Size)	%AMI	No. of restricted units	Restricted rent	Market rent	Expected savings
1.	2 bedroom	50	14	736.00	1000.00	-264.00
2.	2 bedroom	60	6	897.00	1000.00	-103.00
3.	3 bedroom	50	32	856.00	1250.00	-394.00

4.	3 bedroom	60	12	1042.00	1250.00	-208.00
5.	4 bedroom	50	20	947.00	1365.00	-418.00
6.	4 bedroom	60	4	1154.00	1365.00	-211.00

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 #:
17	12	28

Financing Information

Financing Information

Maturity **40** Years

Interest Rate Mode:

☒ Fixed

☐ Variable

Type of Offering:

☐ Public Offering

☒ Private Placement

☐ Refunding

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

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

Construction Financing:

☐ Credit Enhancement

☐ None

☐ Letter of Credit

☐ Other (specify)

Name of Credit Enhancement Provider or Private Placement Purchaser:

Permanent Financing:

☐ Credit Enhancement

☒ None

☐ Letter of Credit

☐ Other (specify)

Name of Credit Enhancement Provider or Private Placement Purchaser:

Expected Rating:

☒ Unrated

Moody's:

S&P:

Fitch:

Projected State Allocation Pool:

☒ General ☐ Mixed Income ☐ Rural

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

Sources and Uses

Construction Sources:

Tax-Exempt Bond Proceeds: **\$6557157.00**

Tax Credits: **\$2223583.00**

Other Funds (Describe):

Seller Note

Income During Construction

Costs Paid at Conversion

Total sources: **\$10500200.00**

Uses:

Land Acquisition: **\$**

Construction or Remodel: **\$1049840.00**

Capitalized Interest: **\$**

Other Uses (Describe):

Soft Costs

Permanent Loan Costs

TCAC Application Fees

Developer Fee

Total uses: **\$10500200.00**

Taxable Bond Proceeds: **\$**

Developer Equity: **\$**

\$750000.00

\$45450.00

\$924010.00

\$

\$

Building Acquisition: **\$7700000.00**

Cost of Issuance: **\$143857.00**

Reserves: **\$202939.00**

\$99025.00

\$52000.00

\$40352.00

\$1212187.00

\$

Financing Team Information

Bond Counsel

Firm Name: Orrick Herrington and Sutcliffe, LLP

Primary Contact

First Name: Justin

Last Name: Cooper

Title: Bond Counsel

Address:

Street: 405 Howard Street

Suite:

City: San Francisco

State: California

Zip: 94105

Phone: 415-773-5908

Ext:

Fax: 415-773-5759

Email: jcooper@orrick.com

Bank/Underwriter/Bond Purchaser

Firm Name: America First Tax Exempt Investors, LP

Primary Contact

First Name: Robert

Last Name: Schultz

Title: Senior Vice President

Address:

Street: 9090 S. Ridgeline Boulevard

Suite: 100

City: Highlands Ranch

State: Colorado

Zip: 80129

Phone: 720-219-1112

Ext:

Fax:

Email: rschultz@afreg.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:

Applicant Information

Primary Contact E-mail: bill.vanderschans@housingpartners.com

Name of Developer: **Highridge Costa Housing Partners, LLC**

TIN or EIN: **27-3320865**

Primary Contact

First Name: **Bill**

Last Name: **Vanderschans**

Title: **Senior Project Manager**

Address:

Street: **330 W. Victoria Street**

Suite:

City: **Gardena**

State: **California**

Zip: **90248**

Phone: **424-258-2820**

Ext:

Fax: **424-258-2821**

Email: **bill.vanderschans@housingpartners.com**

Borrower Description:

☐ Same as developer ?

Name of Borrowing Entity: **Harden Salinas AR, L.P.**

Type of Entity:

☐ For-profit Corporation

☐ Non-profit Corporation

☒ Partnership

☐ Other (specify)

☐ Will you be applying for State Volume Cap?

Date Organized: **March 19, 2013**

No. of Multi-Family Housing Projects Completed in the Last 10 Years: **30**

No. of Low Income Multi-Family Housing Projects Completed in the Last 10 Years: **30**

Primary Billing Contact

Organization: **Highridge Costa Housing Partners, LLC**

First Name: **Bill**

Last Name: **Vanderschans**

Title: **Senior Project Manager**

Address

Street: **330 W. Victoria Street**

Suite:

City: **Gardena**

State: **California**

Zip: **90248**

Phone: **424-258-2820**

Ext:

Fax: **424-258-2821**

Email: **bill.vanderschans@housingpartners.com**

Project Information

Project Information

Project Name: **Harden Ranch Apartments**

New Project Name(optional):

Facility Information

Facility #1

Facility Name: **Harden Ranch Apartments**

Facility Bond Amount: \$7745246.00

Project Address:

Street: **1907 Dartmouth Way**

City: **Salinas**

State: **California**

Zip: **93906**

County: **Monterey**

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

Total Number of Units:

Market: **1**

Restricted: **99**

Total: **100**

Lot size: **261,360 sq. ft. or 6.0 acres**

Amenities:

Basketball Court, Business Center/Computer Lab, Carports, Clubhouse/Meeting Room/Community Room, Central Laundry, Picnic Area, and Playground

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

Wood Frame, 9 two-story buildings and 1 single story community building

Type of Housing:

☐ New Construction

☒ Acquisition/Rehab

Facility Use:

☒ Family

☐ Senior

Is this an Assisted Living Facility? ☐

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

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: 59

Total Number of Management Units: 8

#	Bedrooms (Unit Size)	%AMI	No. of restricted units	Restricted rent	Market rent	Expected savings
1.	1 bedroom	50	7	617.00	1119.00	-502.00
2.	1 bedroom	60	9	751.00	1119.00	-368.00
3.	2 bedroom	50	7	736.00	1287.00	-551.00

4.	2 bedroom	60	13	897.00	1287.00	-390.00
5.	3 bedroom	50	20	856.00	1661.00	-805.00
6.	3 bedroom	60	28	1042.00	1661.00	-619.00
7.	4 bedroom	50	7	947.00	1528.00	-581.00
8.	4 bedroom	60	9	1154.00	1528.00	-374.00

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 #:

17

State Senate District #:

12

State Assembly District #:

28

Financing Information

Financing Information

Maturity **40** Years

Interest Rate Mode:

☒ Fixed

☐ Variable

Type of Offering:

☐ Public Offering

☒ Private Placement

☐ Refunding

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

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

Construction Financing:

☐ Credit Enhancement

☒ None

☐ Letter of Credit

☐ Other (specify)

Name of Credit Enhancement Provider or Private Placement Purchaser:

Permanent Financing:

☐ Credit Enhancement

☐ None

☐ Letter of Credit

☐ Other (specify)

Name of Credit Enhancement Provider or Private Placement Purchaser:

Expected Rating:

☒ Unrated

Moody's:

S&P:

Fitch:

Projected State Allocation Pool:

☒ General ☐ Mixed Income ☐ Rural

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

Sources and Uses

Construction Sources:

Tax-Exempt Bond Proceeds: **\$7745246.00**

Tax Credits: **\$2165084.00**

Other Funds (Describe):

Income During Construction

Costs Paid at Conversion

Seller Note

Total sources: **\$12030845.00**

Uses:

Land Acquisition: **\$**

Construction or Remodel: **\$1193000.00**

Capitalized Interest: **\$161679.00**

Other Uses (Describe):

Soft Costs

Developer Fee

TCAC Application Fees

Total uses: **\$12030845.00**

Taxable Bond Proceeds: **\$**

Developer Equity: **\$**

\$83545.00

\$1161970.00

\$875000.00

\$

\$

Building Acquisition: **\$8800000.00**

Cost of Issuance: **\$52000.00**

Reserves: **\$243287.00**

\$100500.00

\$1434802.00

\$45577.00

\$

\$

Financing Team Information

Bond Counsel

Firm Name: Orrick Herrington and Sutcliffe, LLP

Primary Contact

First Name: Justin

Last Name: Cooper

Title: Bond Counsel

Address:

Street: 405 Howard Street

Suite:

City: San Francisco

State: California

Zip: 94105

Phone: 415-773-5908

Ext:

Fax: 415-773-5759

Email: jcooper@orrick.com

Bank/Underwriter/Bond Purchaser

Firm Name: America First Tax Exempt Investors, LP

Primary Contact

First Name: Robert

Last Name: Schultz

Title: Senior Vice President

Address:

Street: 9090 S. Ridgeline Boulevard

Suite: 100

City: Highlands Ranch

State: Colorado

Zip: 80129

Phone: 720-219-1112

Ext:

Fax:

Email: rschultz@afreg.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:



Building Communities, Investing in Local Government Since 1988

Housing Bond Application

APPLICANT INFORMATION

Application Number: **2013043**
Name of Developer: **St. Anton Capital, LLC**
Primary Contact: **Courtney Thomson**
Title: **Project Analyst**
Address: **1801 I Street, Suite 200
Sacramento, CA 95811**
Telephone Number: **(916) 446-7603**
Fax Number: **(916) 444-9843**
E-mail: **cet@antonllc.com**

BORROWER DESCRIPTION

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

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

Name of Borrowing Entity: **Hacienda Pleasanton L.P.**

Date Established: **09-16-1996**

Number of Multi-Family Housing Projects Completed in the Last 10 Years: **24**

Number of Low Income Multi-Family Housing Projects Completed in the Last 10 Years: **17**

PRINCIPAL FINANCE TEAM INFORMATION

UNDERWRITER/PLACEMENT AGENT

Firm: **TBD**

Contact:

Address:

Telephone:

Fax:

E-mail:

BOND COUNSEL

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

Contact: **Tom Downey**

Address: **405 Howard St.
San Francisco, CA 94105**

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

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

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

Application Number: **2013043 - Anton Hacienda Apartments**

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

PROJECT DESCRIPTION

Current Project Name: **Anton Hacienda Apartments**

New Project Name:

Project Street Address: **5729 West Las Positas Blvd.**

City: **Pleasanton** State: **CA** Zip Code: **94588**

County: **Alameda**

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

Total Number of Units: Market: **134** Restricted: **34** Total Units: **168**

Lot Size: **4.93 acres**

Amenities: **5,168 sq. ft. clubhouse complete with leasing offices, services room, fitness center, yoga studio, kitchen, and great room. Other features of the site include a swimming pool, village green, barbecue and picnic area, tot lot with play structure, pocket park, dog park, community vegetable garden and direct trail access.**

Type of Construction (i.e., Wood Frame, 2 Story, 10 Buildings): **Two Three-story Buildings, One Four-story Buildings, And One Single-story Clubhouse All Wood Frame.**

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

City or county contact information:

Contact Name: **Rosalind Rondash**

Title: **Planner**

Phone Number: **(925) 931-5607**

Fax Number: **(925) 931-5483**

E-mail: **rrondash@cityofpleasantonca.gov**

PUBLIC BENEFIT

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

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

Total Number of Management Units: **2**

Unit Size	% AMI	# of Restricted Units	Restricted Rent	Market Rent	Expected Savings
1 Bedroom	50	9	\$799	\$1,660	\$861
1 Bedroom	50	2	\$799	\$1,775	\$976
1 Bedroom	50	2	\$799	\$1,690	\$891
2 Bedrooms	50	11	\$956	\$2,170	\$1,214
2 Bedrooms	50	5	\$956	\$2,275	\$1,319
2 Bedrooms	50	2	\$956	\$2,375	\$1,419
3 Bedrooms	50	3	\$1,101	\$2,910	\$1,809

Remarks:

OTHER PUBLIC BENEFIT**SERVICES PROVIDED**

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

ENVIRONMENT**Energy**

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

If Yes, by what percent? **20%**

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

If Yes, what is the size in kWh? _____

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

If Yes, what is the annual consumption? _____

Water

Does the facility provide any of the following:

Efficient Toilets? ☒ Yes ☐ No ☐ N/A

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

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

Other, specify: _____

Transportation

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

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

Waste

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

WORKFORCE**Employment Creation**

Job Type/Description	During Construction	Post Construction
None	0	0

GOVERNMENTAL INFORMATION

Congressional District #	State Senate District #	State Assembly District #
11	7	16

Application Number: **2013043 - Anton Hacienda Apartments**

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

FINANCING STRUCTURE

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

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

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

Maturity: **15 Years**

Interest Rate Mode: ☒ Fixed ☐ Variable

CONSTRUCTION FINANCING:

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

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

PERMANENT FINANCING:

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

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

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

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

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

SOURCES & USES

CONSTRUCTION SOURCES

Tax-Exempt Bond Proceeds:	\$36,400,000
Taxable Bond Proceeds:	
Tax Credits:	\$2,289,740
Developer Equity:	\$4,994,227
Other Funds(Describe):	
NOI During Lease-up	\$1,498,960
_____	_____
_____	_____
_____	_____
_____	_____
TOTAL:	\$45,182,927

USES

Land Acquisition:	\$7,950,000
Building Acquisition:	
Construction or Remodel:	\$22,388,636
Cost of Issuance:	\$135,168
Capitalized Interest:	\$2,386,528
Reserves:	\$150,000
Other Funds(Describe):	
Land Closing/Carrying Costs	\$228,599
Government Impact Fees	\$6,720,000
Other Soft Costs	\$2,250,764
Developer Fee	\$2,500,000
Other Financing Costs	\$473,232
TOTAL:	\$45,182,927

Application Number: **2013043 - Anton Hacienda Apartments**

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

PRINCIPAL FINANCE TEAM INFORMATION (continued)

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

ADDITIONAL REQUIREMENT

Please provide the following as an additional attachment:

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

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

*Refundable only if financing not approved.

MAILING ADDRESS

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

Item IV

Approve Consent Calendar

2. Approve the following invoices for payment:
 - a. David Taussig & Associates Invoice #1303105.
 - b. David Taussig & Associates Invoice #1303155.
 - c. Willdan Invoice #010-20655.

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

Project No: 13-0006.000

Invoice No: 1303105

March 31, 2013

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

Project 13-0006.000 CSCDA/CFD 2012-01 Admin

Professional Services through March 31, 2013

Dear Mr. Hamill:

This invoice is submitted for professional consulting services in association with the special tax administration of CFD No. 2012-01 (Francher Creek). Please remit invoice payment payable to David Taussig and Associates, Inc.

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

Professional Services	Hours	Rate	Amount
Vice President			
Morgan, Shayne			
03-19-13 Began review of continuing disclosure annual report.	.25	215.00	53.75
03-20-13 Reviewed and provided continuing disclosure report edits to Mr. Perez.	1.25	215.00	268.75
Perez, Nathan			
02-26-13 Attention to initial development of CSCDA Annual Report for CFD No. 2012-01, discussion with Mr. Wekwete, review of bond documentation and maturity information.	3.25	215.00	698.75
03-08-13 Attention to continued review of Annual Report, discussion with Mr. Wekwete, internal distribution.	1.75	215.00	376.25
03-15-13 Attention to conversations with Orrick regarding disclosure obligations and status of accounts, email follow up.	1.25	215.00	268.75
03-21-13 Attention to MSRB submission of Annual Report, notification to interested parties.	1.00	215.00	215.00
Manager			
Wekwete, Kudakwashe			
03-08-13 Review of Annual Report.	.75	200.00	150.00
Totals	9.50		2,031.25

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

Project No: 12-11980.000

Invoice No: 1303155

March 31, 2013

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

Project 12-11980.000 CSCDA/Orinda Wilder Project-Admin

Professional Services through March 31, 2013

Dear Mr. Hamill:

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

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

Professional Services	Hours	Rate	Amount
Mosesman, Mitchell			
03-28-13 Property owner, title company call. Coordinate w/S. Morgan.	.25		0.00
Vice President			
Morgan, Shayne			
03-06-13 Answered First American Title Company call relating to disclosure of maximum special taxes.	.25	185.00	46.25
03-18-13 Reviewed February account statements and transactions.	.13	185.00	24.05
03-28-13 Answered prospective homebuyer phone call, walked through prepayment process with Chicago Title representative.	.75	185.00	138.75
03-29-13 Answered property owner phone calls, walked through prepayment implementation and ballpark amounts with title company.	.50	185.00	92.50
Totals	1.88		301.55
Additional Fees			
3% Administrative Expenses			9.05
Total Additional Fees			9.05

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

Project	12-11980.000	CSCDA/Orinda Wilder Project-Admin	Invoice 1303155
Total this Invoice			\$310.60

Outstanding Invoices

Number	Date	Balance
1302027	02-28-13	962.67
Total		962.67



INVOICE

Mr. James F. Hamill
RE: SCIP
California Communities
2999 Oak Road, Suite 710
Walnut Creek, CA 94597

INVOICE #: 010-20655
INVOICE DATE: 4/10/2013
PROJECT #: 101168
PHASE #: 1013
TERMS: NET 30 DAYS

Agency PO #:

Description:

Statewide Communities Infrastructure Program Assessment
This is the Annual Invoice for Fiscal Year 2012/13

G/L Acct. Code	District(s)	Active Parcels	Annual Amount	Costs Advanced	R & T 163 Fee	Total Per District
	AD 03-01 (Contra Costa)	198	2,056.00	6.91	75.00	2,137.91
	AD 03-01 (Placer)	10	103.84	0.35	7.50	111.69
	AD 03-01 (San Mateo)	106	1,100.69	3.70	75.00	1,179.39
	AD 03-01 (Ventura)	1	10.38	0.03	0.75	11.16
Assessment District 2003-01 Total:		315	\$3,270.90	\$10.99	\$158.25	\$3,440.14
	AD 04-01 (Contra Costa)	3	187.45	0.10	2.25	189.80
	AD 04-01 (Napa)	3	187.45	0.10	2.25	189.80
	AD 04-01 (Placer)	22	1,374.63	0.77	16.50	1,391.90
	AD 04-01 (Sacramento)	11	687.32	0.38	8.25	695.95
Assessment District 2004-01 Total:		39	\$2,436.85	\$1.35	\$29.25	\$2,467.45
	AD 05-01 (Contra Costa)	6	122.79	0.21	4.50	127.50
	AD 05-01 (Napa)	1	20.46	0.03	0.75	21.24
	AD 05-01 (Placer)	73	1,493.91	2.55	54.75	1,551.21
	AD 05-01 (Sacramento)	8	163.72	0.28	6.00	170.00
	AD 05-01 (San Mateo)	53	1,084.62	1.85	39.75	1,126.22
Assessment District 2005-01 Total:		141	\$2,885.50	\$4.92	\$105.75	\$2,996.17
	AD 06-01 (Alameda)	18	258.08	0.63	13.50	272.21
	AD 06-01 (Contra Costa)	1	14.34	0.03	0.75	15.12
	AD 06-01 (Placer)	26	372.78	0.91	19.50	393.19
	AD 06-01 (Sacramento)	5	71.69	0.17	3.75	75.61
	AD 06-01 (San Mateo)	144	2,064.63	5.03	75.00	2,144.66
Assessment District 2006-01 Total:		194	\$2,781.52	\$6.77	\$112.50	\$2,900.79
	AD 07-01 (Alameda)	26	219.30	0.91	19.50	239.71
	AD 07-01 (Contra Costa)	1	8.43	0.03	0.75	9.21
	AD 07-01 (El Dorado)	56	472.34	1.95	42.00	516.29
	AD 07-01 (Placer)	176	1,484.49	6.14	75.00	1,565.63
	AD 07-01 (Sacramento)	0	0.00	0.00	0.00	0.00
	AD 07-01 (Sonoma)	171	1,442.32	5.97	75.00	1,523.29

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

Questions? Please call Billing at (951) 587-3500



INVOICE

Mr. James F. Hamill
RE: SCIP
California Communities
2999 Oak Road, Suite 710
Walnut Creek, CA 94597

INVOICE #: 010-20655
INVOICE DATE: 4/10/2013
PROJECT #: 101168
PHASE #: 1013
TERMS: NET 30 DAYS

Agency PO #:

Description:

Statewide Communities Infrastructure Program Assessment
This is the Annual Invoice for Fiscal Year 2012/13

G/L Acct. Code	District(s)	Active Parcels	Annual Amount	Costs Advanced	R & T 163 Fee	Total Per District
Assessment District 2007-01 Total:		430	\$3,626.89	\$15.00	\$212.25	\$3,854.14
	AD 07-02 (El Dorado)	3	55.06	0.10	2.25	57.41
	AD 07-02 (Placer)	11	201.90	0.38	8.25	210.53
	AD 07-02 (Sacramento)	6	110.13	0.21	4.50	114.84
	AD 07-02 (San Diego)	53	972.78	1.85	39.75	1,014.38
	AD 07-02 (San Mateo)	57	1,046.20	1.99	42.75	1,090.94
Assessment District 2007-02 Total:		130	\$2,386.07	\$4.53	\$97.50	\$2,488.10
	AD 08-01 (Alameda)	2	75.06	0.07	1.50	76.63
	AD 08-01 (Contra Costa)	1	37.53	0.03	0.75	38.31
	AD 08-01 (El Dorado)	15	562.92	0.52	11.25	574.69
	AD 08-01 (Napa)	1	37.53	0.03	0.75	38.31
	AD 08-01 (Placer)	21	788.08	0.73	15.75	804.56
	AD 08-01 (Sacramento)	6	225.17	0.21	4.50	229.88
	AD 08-01 (Yolo)	10	375.28	0.35	7.50	383.13
Assessment District 2008-01 Total:		56	\$2,101.56	\$1.94	\$42.00	\$2,145.50
	AD 10-01 (Placer)	9	1,217.74	0.31	6.75	1,224.80
	AD 10-01 (Sacramento)	1	135.30	0.03	0.75	136.08
	AD 10-01 (Solano)	1	135.30	0.03	0.75	136.08
	AD 10-01 (Stanislaus)	1	135.30	0.03	0.75	136.08
	AD 10-01 (Yolo)	2	270.61	0.07	1.50	272.18
Assessment District 2010-01 Total:		14	\$1,894.27	\$0.47	\$10.50	\$1,905.24

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

Questions? Please call Billing at (951) 587-3500

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 TERMS: NET 30 DAYS

Agency PO # :

Description:

Statewide Communities Infrastructure Program Assessment
 This is the Annual Invoice for Fiscal Year 2012/13

G/L Acct. Code	District(s)	Active Parcels	Annual Amount	Costs Advanced	R & T 163 Fee	Total Per District
	AD 11-01 (El Dorado)	4	541.22	0.14	3.00	544.36
	AD 11-01 (San Joaquin)	74	10,012.55	2.58	55.50	10,070.63
	AD 11-01 (Sutter)	1	135.30	0.03	0.75	136.08
Assessment District 2011-01 Total:		79	\$10,689.08	\$2.75	\$59.25	\$10,751.08
TOTAL		1,398	\$32,072.64	\$48.72	\$827.25	\$32,948.61

Costs Advanced Since Previous Billing

Copies: \$ -
 Telephone: -
 Postage: 6.85
 County Data 41.95
 Travel: -
 Maps & Data Requests: -
 Recording: -
 Outside Services: -
Total Costs Advanced : \$ 48.80

INVOICE TOTAL: \$32,948.61

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

Questions? Please call Billing at (951) 587-3500

Item V

Discussion and approval of resolution recognizing Dan Harrison's service to CSCDA.

**A RESOLUTION RECOGNIZING AND ACKNOWLEDGING DAN HARRISON'S SERVICE
TO THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY**

WHEREAS, Dan Harrison has served the Commission of the California Statewide Communities Development Authority since its inception in 1988; and

WHEREAS, Dan Harrison served as a Commissioner, Assistant to the Secretary and the Superintendent of Streets; and

WHEREAS, Dan Harrison supported projects which furthered the mission of California Statewide Communities Development Authority to provide local governments and private entities access to low-cost, tax-exempt financing for projects that provide a tangible public benefit, contribute to social and economic growth and improve the overall quality of life in local communities throughout California; and

WHEREAS, Dan Harrison has been an integral member and participant of the Commission and fostered productive discussions amongst the Commission's members; and

WHEREAS, Dan Harrison notified the Commission and the League of California Cities and Staff of his retirement from the League of California Cities effective May 31, 2013; and

NOW, THEREFORE BE IT RESOLVED that the Commission of the California Statewide Communities Development Authority recognizes and is appreciative of the exceptional contributions of Dan Harrison serving as Commissioner, Assistant to the Secretary and the Superintendent of Streets for the California Statewide Communities Development Authority since 1988. On behalf of the Commission and Staff of the California Statewide Communities Development Authority, we thank you for serving in an exemplary fashion during this productive tenure.

Larry T. Combs
Chair
California Statewide Communities Development Authority

Item VI

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. Orvieto B Family Apartments, LP (Orvieto B Family Apartments), City of San Jose, County of Santa Clara; up to \$26,000,000 in multi-family housing revenue bonds.

SUMMARY AND APPROVALS

DATE:	MAY 16, 2013
APPLICANT:	ORVIETO B FAMILY APARTMENTS, L.P. / ROEM DEVELOPMENT CORPORATION
AMOUNT:	UP TO \$26,000,000 OF TAX-EXEMPT MULTI-FAMILY HOUSING REVENUE BONDS
PURPOSE:	FINANCE THE CONSTRUCTION OF 106-UNIT ORVIETO B FAMILY APARTMENTS LOCATED AT THE SOUTHEAST CORNER OF MONTECITO VISTA DRIVE AND MONTECITO VISTA WAY IN SAN JOSE, CA
CSCDA PROGRAM:	HOUSING

Background:

The proposed project, Orvieto B Family Apartments (the “Project”), is a 106-unit proposed new development project located in San Jose, California. The Project application was filed on October 4, 2012 and induced on October 11, 2012.

Summary:

Orvieto B Family Apartments, L.P. (the “Borrower”) has requested CSCDA to issue and deliver multifamily housing revenue obligations in the anticipated principal amount of \$26,000,000 (the “Bonds”) for the purpose of financing the ground-up new development of the Project. The Project will provide 24 one-bedroom units and 82 two-bedroom units to low-income families in San Jose.

The 1.73-acre Orvieto site is located at the Southeast corner of Montecito Vista Drive & Montecito Vista Way - approximately 3 miles south of San Jose’s downtown core. The project will consist of one four story building with a parking garage containing 204 spaces with three stories of residential units above. The Project will be built of high-quality residential construction over an above grade podium parking garage featuring a total of 106-units. The community will include two courtyards with an outdoor BBQ and dining area, tot-lot, and lounging areas. In addition, the apartment complex will include a community room with media alcove, kitchen, entertainment area, storage area, restrooms, leasing office, homework/computer room, and laundry facilities. These spaces will be integral to the project’s on-site resident service program. An emphasis will be placed on providing residents with valuable services and opportunities that enhance their quality of life and promote a safe and stable community. The project will benefit from a full-time property manager who will reside on-site and ensure that the property is maintained to the highest standard.

Orvieto B represents the third phase of Montecito Vista Urban Village, a 29.5-acre master-planned community which, when complete, will include 8 distinct phases comprising condominiums, apartments and attached townhomes. The master-planned community will also include a 2-acre public park and 18,000 square feet of retail.

Orvieto B will represent an environmentally-sensitive development while achieving a contemporary design with distinct Mediterranean design elements, consistent with the overall style of Montecito Vista.

All units will feature private balconies or patios averaging 60 square feet. Unit amenities will include: blinds, carpet and coat closets. Units will be centrally heated and cooled. Appliances will be electrical and will include a four-burner stove/oven, dishwasher, refrigerator, and garbage disposal. The Project will address several key issues in green building, including a focus on water efficiencies, energy efficiencies, air quality management, and construction and waste management. Water efficiency will include strategies such as: high efficiency irrigation system, specifying limited turf, drought resistant plan palette, efficient showerheads and kitchen faucets, dual flush toilets, roof drainage collection system via down spouts, and landscaped courtyards. Energy efficiency including better insulation in exterior walls and roofs, insulated windows, high efficiency heating and cooling equipment, and Energy Star refrigerators and dishwashers.

The anticipated construction start date is June 2013 with a completion date of November 2014.

The Borrower has previously constructed or rehabilitated 17 multifamily and senior housing properties throughout the United States. This is their seventh financing with CSCDA.

Public Benefit:

- Project Affordability
 - 100% of the Project's units will be income restricted:
 - 94 units reserved for tenants whose income is at or below 60% AMI
 - 11 units reserved for tenants whose income is at or below 50% AMI
 - 1 manager unit
 - The term of the income and rental restrictions for the Project will be at least 55 years
- Site Amenities
 - The Project is located within ¼ mile of a Public Transit Corridor
 - The Project is located within ¼ mile of a neighborhood market
 - The Project will provide after school programs to residents
 - The Project will provide educational, health and wellness, or skill building classes
- Economic Benefits
 - Based upon \$31,566,142 Project costs using a 1.8 multiplier the Project produces \$56,819,055.60 total economic activity, and at 2.1 jobs per unit produces approximately 222 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: November 16, 2012, City of San Jose, unanimous approval
CDLAC Approval: March 13, 2013

Estimated Sources and Uses:

Construction
 Sources:

Tax Exempt Bond Proceeds	\$22,660,000	71.79%
Low Income Housing Tax Credit Equity	\$3,101,425	9.83%
Seller Carry Loan	\$2,400,000	7.60%
Accrued Interest – Seller Carry Loan	\$192,000	0.61%

Lease Up Income	\$425,349	1.35%
Deferred Reserve Funding	\$337,368	1.07%
Deferred Developer Fee	<u>\$2,450,000</u>	<u>7.76%</u>
Total Construction Sources	\$31,556,142	100.00%

Uses:

Acquisition Cost	\$5,000,000	15.85%
Hard Construction Costs	\$16,815,557	53.29%
Architect & Engineering Fees	\$600,000	1.90%
Contractor Overhead & Profit	\$638,162	2.02%
Developer Fee	\$2,500,000	7.92%
Cost of Issuance	\$258,445	0.82%
Capitalized Interest	\$1,314,280	4.16%
Cash Reserves	\$337,368	1.07%
Other Soft Costs (Marketing, Etc.)	<u>\$4,092,330</u>	<u>12.97%</u>
Total Uses	\$31,556,142	100.00%

Finance Team:

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

Financing Structure:

The construction bonds will have a term of 24 months and will carry a variable interest rate of approximately 2.9%. The Bonds will then convert to the permanent phase for 17 years. The projected true interest cost of the fixed rate loan under current market conditions is estimated to be 4.65%.

By using \$22,660,000 in CSCDA Bonds the Project is able to leverage an additional \$4,814,936 in other resources, for a ratio of 1.4 to 1.

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

San Jose, 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 San Jose TEFRA Resolution
3. CDLAC Approval



Building Communities, Investing in Local Government Since 1988

Housing Bond Application

APPLICANT INFORMATION

Application Number: **2012082**
Name of Developer: **ROEM Development Corporation**
Primary Contact: **Mark Pilarczyk**
Title: **Land Acquisition Manager**
Address: **1650 Lafayette Street
Santa Clara, CA 95050**
Telephone Number: **(408) 984-5600 Ext. 13**
Fax Number: **(408) 984-3111**
E-mail: **mpilarczyk@roemcorp.com**

BORROWER DESCRIPTION

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

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

Name of Borrowing Entity: **TBD**

Date Established: **TBD**

Number of Multi-Family Housing Projects Completed in the Last 10 Years: **17**

Number of Low Income Multi-Family Housing Projects Completed in the Last 10 Years: **17**

PRINCIPAL FINANCE TEAM INFORMATION

UNDERWRITER/PLACEMENT AGENT

Firm: **TBD**

Contact:

Address:

Telephone:

Fax:

E-mail:

BOND COUNSEL

Firm: **Orrick**

Contact: **Justin Cooper**

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

Telephone: **(415) 773-5908**

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

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

Application Number: **2012082 - Orvieto B**
Name of Borrower: **ROEM Development Corporation**

PROJECT DESCRIPTION

Current Project Name: **Orvieto B**

New Project Name:

Project Street Address: **80 Montecito Vista Drive**

City: **San Jose** State: **CA** Zip Code: **95111**

County: **Santa Clara**

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

Total Number of Units: Market: **1** Restricted: **105** Total Units: **106**

Lot Size: **1.73 acres**

Amenities: **On-site leasing office, lobby area with seating, elevator, community room with library and catering kitchen, classroom with computers, common area restrooms, fitness center, laundry rooms with trash/recycling centers, landscaped courtyard with tot-lot and bbq, and gated parking.**

Type of Construction (i.e., Wood Frame, 2 Story, 10 Buildings): **Type Va Wood Frame, Three Story Residential Over 1 Level At-grade Concrete Podium Podium Parking**

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

City or county contact information:

Contact Name: **Lesley Xavier**
Title: **Planner II**
Phone Number: **(408) 535-7852**
Fax Number: **(408) 292-6055**
E-mail: **lesley.xavier@sanjoseca.gov**

PUBLIC BENEFIT

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

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

Total Number of Management Units: **1**

Unit Size	% AMI	# of Restricted Units	Restricted Rent	Market Rent	Expected Savings
1 Bedroom	60	21	\$1,181	\$1,350	\$169
1 Bedroom	50	3	\$984	\$1,350	\$366
2 Bedrooms	60	73	\$1,417	\$1,623	\$206
2 Bedrooms	50	8	\$1,181	\$1,623	\$442

Remarks: **AMI may be adjusted based on Market Study. Unit mix above excludes the manager's unit. Building has 106 total units with 105 of them restricted to 50% and 60% AMI.**

OTHER PUBLIC BENEFIT

SERVICES PROVIDED

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

ENVIRONMENT

Energy

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

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

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

If Yes, what is the size in kWh? _____

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

If Yes, what is the annual consumption? _____

Water

Does the facility provide any of the following:

Efficient Toilets? ☒ Yes ☐ No ☐ N/A

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

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

Other, specify: _____

Transportation

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

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

Waste

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

WORKFORCE

Employment Creation

Job Type/Description	During Construction	Post Construction
<u>TBD</u>	<u>100</u>	<u>20</u>

GOVERNMENTAL INFORMATION

Congressional District #	State Senate District #	State Assembly District #
<u>16</u>	<u>13</u>	<u>23</u>

Application Number: **2012082 - Orvieto B**
 Name of Borrower: **ROEM Development Corporation**

FINANCING STRUCTURE

Type of Financing: ☐ Public Sale ☒ Private Placement ☐ Refunding
 For Refundings only: Will you be applying for State Volume Cap? **No**
 For Refundings only: Is this a transfer of property to a new owner? _____
 Maturity: **18 Years** Interest Rate Mode: ☒ Fixed ☐ Variable

CONSTRUCTION FINANCING:

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

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

PERMANENT FINANCING:

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

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

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

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

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

SOURCES & USES

CONSTRUCTION SOURCES

Tax-Exempt Bond Proceeds:	\$23,900,000
Taxable Bond Proceeds:	
Tax Credits:	\$3,037,542
Developer Equity:	\$480,181
Other Funds(Describe):	
Deferred accrued interest on Seller Note	\$60,000
Lease-up Income	\$410,212
Deferred Reserve Funding	\$351,158
Seller Carry	\$1,000,000
Housing Trust	\$1,000,000
TOTAL:	\$30,239,093

USES

Land Acquisition:	\$4,000,000
Building Acquisition:	
Construction or Remodel:	\$17,560,867
Cost of Issuance:	
Capitalized Interest:	
Reserves:	
Other Funds(Describe):	
Soft Costs	\$6,178,226
Developer Fee	\$2,500,000
_____
_____
_____
TOTAL:	\$30,239,093

Application Number: **2012082 - Orvieto B**
Name of Borrower: **ROEM Development Corporation**

PRINCIPAL FINANCE TEAM INFORMATION (continued)

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

ADDITIONAL REQUIREMENT

Please provide the following as an additional attachment:

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

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

*Refundable only if financing not approved.

MAILING ADDRESS

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

RESOLUTION NO. 76482

**A RESOLUTION OF THE CITY OF SAN JOSE HOLDING A
TEFRA HEARING REGARDING THE ISSUANCE OF TAX
EXEMPT DEBT BY THE CALIFORNIA STATEWIDE
COMMUNITIES DEVELOPMENT AUTHORITY FOR THE
CONSTRUCTION OF MULTIFAMILY HOUSING LOCATED
AT MONTECITO VISTA DRIVE AND MONTECITO VISTA
WAY (THE ORVIETO B APARTMENTS AFFORDABLE
HOUSING PROJECT)**

WHEREAS, ROEM Development Corporation, or its designated partnership, (the "Developer"), the proposed developer of a 106-unit multifamily housing complex to be located at the corner of Montecito Vista Drive and Montecito Vista Way (the "Project") in the City of San José (the "City") has requested the California Statewide Communities Development Authority ("CSCDA") to issue up to \$24,000,000 in revenue bonds for the purpose of financing the construction of the Project; and

WHEREAS, the interest on the bonds will be excluded from gross income for federal income tax purposes, and the bonds will be "private activity bonds" for purposes of the Internal Revenue Code of 1986 (the "Code"); and

WHEREAS, Section 147(f) of the Code requires that the "applicable elected representative" with respect to the geographical jurisdiction in which the Project is located hold a public hearing on and approve the issuance of bonds; and

WHEREAS, a notice of public hearing has been published at least fourteen days prior to the date of such hearing in a newspaper of general circulation in the City, to the effect that a public hearing would be held by this City Council on November 27, 2012, regarding nature and location of the Project; and

WHEREAS, this City Council held said public hearing on such date, at which time an opportunity was provided to present arguments both for and against the issuance of bonds by CSCDA and the nature and location of the Project; and

WHEREAS, this City Council is the applicable elected legislative body of the City;

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SAN JOSE THAT:

SECTION 1. The foregoing is true and correct.

SECTION 2. The City Council hereby approves the issuance of the Bonds by the California Statewide Communities Development Authority ("CSCDA"). It is the purpose and intent of the City Council that this resolution constitute approval of the issuance of the Bonds by the CSCDA, for the purposes of (a) Section 147(f) of the Code by the applicable elected representative of the governmental unit having jurisdiction over the area in which the Project is located, in accordance with said Section 147(f).

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 which 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 transaction approved hereby.

SECTION 4. This resolution shall take effect immediately upon its adoption.

ADOPTED this 27th day of November, 2012, by the following vote:

AYES: CAMPOS, HERRERA, KALRA, LICCARDO, NGUYEN,
OLIVERIO, PYLE, ROCHA.

NOES: NONE.

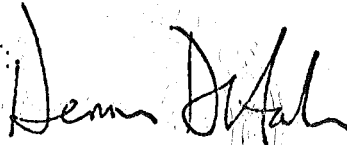
ABSENT: CHU, CONSTANT; REED.

DISQUALIFIED: NONE.



CHUCK REED
Mayor

ATTEST:



DENNIS D. HAWKINS, CMC
City Clerk

RESOLUTION NO. 13-07
(QUALIFIED RESIDENTIAL RENTAL PROJECT)
EXHIBIT A

1. Applicant: California Statewide Communities Development Authority
2. Application No.: 13-005
3. Project Sponsor: To Be Formed L.P. (ROEM Development Corporation and Pacific Housing, Inc.)
4. Project Management Co.: FPI Management, Inc.
5. Project Name: Orvieto B Apartments
6. Type of Project: New Construction/Family
7. Location: San Jose, 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: **105** plus **1** manager unit
11. Total Number of Restricted Rental Units: **105**
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 **11** 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 **94** 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.
Not Applicable
16. A minimum of \$0,000 of public funds will be expended for the Project.
Not Applicable

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.
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

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) | 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) | 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% | Not 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 | Not Applicable |
| c. Solar hot water for all tenants who have individual water meters | Not Applicable |

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

RESOLUTION NO. 13H-__

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 \$26,000,000 FOR THE FINANCING OF A MULTIFAMILY RENTAL HOUSING PROJECT TO BE GENERALLY KNOWN AS ORVIETO B FAMILY 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, Orvieto B Family Apartments, 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 (Orvieto B Family Apartments Project) 2013 Series L (the “Note”) to assist in the financing of the construction and development of a 106-unit multifamily housing rental development located in the City of San Jose, California, and to be known as Orvieto B Family Apartments (the “Project”);

WHEREAS, on March 13, 2013, the Authority received an allocation in the amount of \$24,000,000 (the “Allocation Amount”) from the California Debt Limit Allocation Committee in connection with the Project;

WHEREAS, the City of San Jose (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 \$26,000,000, 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 (Orvieto B Family Apartments Project) 2013 Series L” 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 \$26,000,000; 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. 11R-18 of the Authority, adopted on September 28, 2011) (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 May 1, 2058), 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 May 16, 2013.

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 May 16, 2013.

By _____
Authorized Signatory

Item VI

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

- b. Statewide Community Infrastructure Program (SCIP) Refunding Revenue Bonds 2013A; up to \$17,000,000 in refunding revenue bonds.

SUMMARY AND APPROVALS

PROJECT: STATEWIDE COMMUNITY INFRASTRUCTURE PROGRAM REFUNDING REVENUE
BONDS - SCIP 2003A & 2005A REFINANCING

PRIMARY ACTIVITY: FINANCING PUBLIC IMPROVEMENTS AND IMPACT FEES

DATE: MAY 16, 2013

Background:

On March 28, 2013 the CSCDA Commission approved the initiation of the refinancing of SCIP 2003A and 2005A. In 2003 and 2005 CSCDA through the Statewide Community Infrastructure Program (SCIP) issued \$6,270,000 and \$10,645,000 respectively in bonds (the "Bonds").

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

Discussion:

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

At current interest rates RBC Capital Markets expect the savings would be approximately \$1.45 million over the life of the bonds. The net present value is approximately \$900,000 or 6.45% of the outstanding par amount. The next call date for the Bonds is September 2, 2013. The savings would be credited back to property owners within the districts. The expected par amount of the issue would be approximately \$15,500,000, and the property owners would not pay any out of pocket expenses for the refinancing. These numbers are preliminary and subject to change.

Sources & Uses:

Sources:		(Refunding of Series 2003A)	(Refunding of Series 2005A)	Total
Bond Proceeds:				
	Par Amount	5,695,000.00	9,785,000.00	15,480,000.00
	Net Premium	30,034.90	21,928.50	51,963.40
		5,725,034.90	9,806,928.50	15,531,963.40
Other Sources of Funds:				
	Prior Reserve	449,593.76	691,210.08	1,140,803.84
Total		6,174,628.66	10,498,138.58	16,672,767.24
Uses:		(Refunding of Series 2003A)	(Refunding of Series 2005A)	Total
Refunding Escrow Deposits:				
	Cash Deposit	0.51	0.13	0.64
	SLGS Purchases	5,629,976.00	9,564,592.00	15,194,568.00
		5,629,976.51	9,564,592.13	15,194,568.64
Other Fund Deposits:				
	Debt Service Reserve Fund	396,461.03	681,188.97	1,077,650.00
Delivery Date Expenses:				
	Cost of Issuance	61,217.57	105,182.43	166,400.00
	Underwriter's Discount	85,425.00	146,775.00	232,200.00
		146,642.57	251,957.43	398,600.00
Other Uses of Funds:				
	Additional Proceeds	1,548.55	400.05	1,948.60
Total		6,174,628.66	10,498,138.58	16,672,767.24

Approvals:

Based upon the savings to be generated by the refinancing it is submitted that this Commission approve the Resolution, which:

1. Approves the issuance of the Bonds and the refinancing of the Bonds;
2. Approves all necessary actions and documents for the issuance of the Bonds; and
3. Authorizes any member of the Commission or authorized signatory to sign all necessary documents.

RESOLUTION NO. 13R-_____

A RESOLUTION OF THE COMMISSION OF THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY AUTHORIZING THE ISSUANCE, SALE AND DELIVERY OF NOT TO EXCEED \$17,000,000 OF ITS STATEWIDE COMMUNITY INFRASTRUCTURE PROGRAM REFUNDING REVENUE BONDS, SERIES 2013A; APPROVING THE FORMS OF AN AMENDED AND RESTATED TRUST AGREEMENT, A BOND PURCHASE AGREEMENT, AND A CONTINUING DISCLOSURE AGREEMENT, AUTHORIZING CHANGES THERETO AND EXECUTION AND DELIVERY THEREOF AS MODIFIED; APPROVING A PRELIMINARY OFFICIAL STATEMENT AND AUTHORIZING CHANGES THERETO AND DELIVERY THEREOF AS MODIFIED; AUTHORIZING THE PREPARATION OF A FINAL OFFICIAL STATEMENT SUBSTANTIALLY DERIVED FROM THE PRELIMINARY OFFICIAL STATEMENT AND EXECUTION AND DELIVERY THEREOF; AND AUTHORIZING CERTAIN OTHER ACTIONS IN CONNECTION WITH THE ISSUANCE, SALE AND DELIVERY OF SUCH BONDS AND IMPLEMENTATION OF THE RELATED FINANCING PROGRAM

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

WHEREAS, the Authority has previously issued its Statewide Community Infrastructure Program Revenue Bonds, Series 2003A (the “Series 2003A Bonds”), currently outstanding in the principal amount of \$5,320,000 and its Statewide Community Infrastructure Program Revenue Bonds, Series 2005A (the “Series 2005A Bonds”), currently in the principal amount of \$9,065,000; and

WHEREAS, this Commission is empowered under the provisions of Article 4, Chapter 5, Division 7, Title 1 of the California Government Code (the “Law”) to issue bonds of the Authority for the purpose of refunding bonds, notes and other securities of the Authority, including the Series 2003A Bonds and the Series 2005A Bonds; and

WHEREAS, the Commission now finds it necessary and desirable to authorize and undertake the issuance of the Authority’s Statewide Community Infrastructure Program Revenue Bonds, Series 2013A (the “Bonds”) pursuant to an Amended and Restated Trust Agreement (the “Trust Agreement”), between the Authority and Wells Fargo Bank, National Association, as Trustee (the “Trustee”), to refund the Series 2003A Bonds and the Series 2005A Bonds, to fund a reserve fund and to pay costs of issuance (the “Refunding Plan”); and

WHEREAS, this Commission has determined that the estimated amount necessary to refund the Series 2003A Bonds and the Series 2005A Bonds, to fund a reserve fund and to pay costs of issuance will require the issuance of the Bonds in the aggregate principal amount not to exceed \$17,000,000; and

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

WHEREAS, in furtherance of implementing the financing described above, there have been made available to the Commission for consideration and approval at this meeting, forms of the following:

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

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

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

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

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

Section 2. Pursuant to the Law, the Bonds shall be issued in the aggregate principal amount of not to exceed \$17,000,000; provided, however, that (a) the net present value savings

of the Refunding shall be not less than [3.0%], and (b) the maximum term of any maturity shall not extend beyond the year September 2, 2035.

Section 3. The form and substance of the Trust Agreement is hereby approved. Any member of the Commission of the Authority or their administrative delegates duly authorized pursuant to Resolution No. 11R-18 of the Authority, adopted on September 28, 2011 (each, an “Authorized Signatory”) is hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver the Trust Agreement in substantially said form, with such changes therein as any member of the Commission may require or approve in consultation with Bond Counsel, such approval to be conclusively evidenced by the execution and delivery thereof.

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

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

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

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

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

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

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

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

PASSED AND ADOPTED by the Commission of the California Statewide Communities Development Authority this _____, 2013.

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

By: _____

Authorized Signatory
California Statewide Communities
Development Authority

Item VII

Discuss and approve resolution for restructuring multifamily housing revenue bonds for Sunrise Terrace I and Sunrise Terrace II Apartments.

SUMMARY AND APPROVALS

DATE: MAY 16, 2013

PROJECT: SUNRISE TERRACE I AND SUNRISE TERRACE II APARTMENTS

PURPOSE: RESTRUCTURE AND AMEND MULTIFAMILY HOUSING REVENUE BONDS

PROGRAM: HOUSING

Background:

In 2006 CSCDA issued two series of tax-exempt affordable housing revenue bonds for Sunrise Terrace I and II. The following is a summary of the transactions:

- On April 17, 2006, CSCDA issued \$12,000,000 of tax-exempt revenue bonds on behalf of KDF Communities, LLC (the “Borrower”), consisting of the Series 2006 B Bonds (the “B Bonds”).
- The Borrower used the proceeds from the sale of the B Bonds to finance the acquisition and construction of the Sunrise Terrace I Apartments, located at 16599 Muscatel Street in Hesperia (“Project I”).
- Project I was completed in 2008 and provided 110 new apartment units to low income families in Hesperia.
- On August 18, 2006 CSCDA issued \$10,000,000 of revenue bonds on behalf of the Borrower, consisting of the 2006 Series Z Bonds (the “Z Bonds”).
- The Borrower used the proceeds from the sale of the Z Bonds to finance the acquisition and construction of the Sunrise Terrace II Apartments, located at 8632 C Avenue in Hesperia (“Project II”).
- Project II was completed in 2008 and provided 72 new apartments to low income families in Hesperia.

Sunrise Terrace I and Sunrise Terrace II (the “Projects”) have been experiencing financial difficulty for a number of years due to a decline in the housing market and general economy. The Borrower failed to make a prepayment to partially redeem the Projects’ Bonds by December 31, 2011, as was required in the Loan Agreements for not achieving stabilization. In order to prevent default and a potential foreclosure, the bonds will be restructured pursuant to a supplemental indenture in connection with a restructuring of the debt. The First Supplemental Indenture (the “Indenture”) will modify redemption provisions and deem the Projects to have achieved

stabilization. The Indenture will provide for a partial mandatory redemption payment and directs the Trustee to waive all unpaid installments of principal and interest in the redemption price of the Bonds.

Pursuant to review by Bond Counsel and CSCDA Issuer Counsel the Bonds will remain in compliance with all of CSCDA's issuance policies after the restructuring.

Recommendations:

It is recommended that this Commission approve the Resolution as submitted to the Commission, which:

1. Approves the First Supplemental Indentures in connection with the restructuring of multifamily housing revenue bonds for Sunrise Terrace I and Sunrise Terrace II Apartments; and
2. Authorizes any member of the Commission or Authorized Signatory to sign all necessary documents.

RESOLUTION NO. 13H-__

A RESOLUTION OF THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY AUTHORIZING THE EXECUTION AND DELIVERY OF A FIRST SUPPLEMENTAL INDENTURE IN CONNECTION WITH THE RESTRUCTURING OF CERTAIN MULTIFAMILY HOUSING REVENUE BONDS PREVIOUSLY ISSUED BY THE AUTHORITY FOR THE FINANCING OF A MULTIFAMILY RENTAL HOUSING PROJECT KNOWN AS SUNRISE TERRACE I 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.

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, 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, the Authority previously issued its Multifamily Housing Revenue Bonds (Sunrise Terrace I Apartments) 2006 Series B in the original aggregate principal amount of \$12,000,000 (the “Bonds”), pursuant to a Trust Indenture, dated as of April 1, 2006 (as amended, modified or supplemented from time to time, the “Indenture”), between the Authority and Wells Fargo Bank, National Association, as trustee (the “Trustee”), to finance a portion of the costs of the acquisition and equipping of a 110-unit residential rental development known as “Sunrise Terrace I Apartments” and located in the City of Hesperia, California (the “Project”);

WHEREAS, pursuant to a Loan Agreement, dated as of April 1, 2006, among the Issuer, the Trustee and KDF Hesperia, L.P., a limited partnership organized and existing under the laws of the State of California (together with its successors and assigns, the “Borrower”), the Authority loaned the proceeds of the Bonds to the Borrower to finance a portion of the cost of the Project;

WHEREAS, among other things, the Borrower was obligated pursuant to Section 6.2 of the Loan Agreement to make a prepayment in the amount specified by the Majority Owner (as defined in the Indenture) to effectuate a partial redemption of Bonds pursuant to Section 4.01(b) of the Indenture in the event the Project did not achieve “Stabilization” on or before the date that was forty-eight (48) months following Completion (*i.e.*, December 31, 2011);

WHEREAS, as of the date hereof, such payment has not been made as required;

WHEREAS, the Borrower and the Servicer (as defined in the Indenture), with the consent of the Majority Owner of the Bonds, have asked the Issuer and the Trustee to enter into a First Supplemental Indenture (the “First Supplemental Indenture”) to modify such redemption provisions, to provide for a redemption payment concurrently with the execution and delivery thereof, and to make certain other modifications to the terms of the Bonds as more fully described therein;

WHEREAS, the amendment of the terms of the Bond pursuant to the First Supplemental Indenture is intended to avoid the potential declaration of an event of default under the Indenture and possible pursuit of remedies, including but not limited to foreclosure, by the Majority Owner and/or the Servicer;

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. The First Supplemental Indenture in the form presented at this meeting is hereby approved. Any Member of the Commission of the Authority (each, a “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. 11R-18 of the Authority, adopted on September 28, 2011) (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 First Supplemental Indenture, 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 3. All actions heretofore taken by the officers and agents of the Authority with respect to the financing of the Project 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 supplemental tax certificate, which they, or any of them, may deem necessary or advisable in order to consummate the lawful execution and delivery of the First Supplemental Indenture 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 and refinancing of the Project.

Section 4. 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 First Supplemental Indenture, 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, 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 and refinancing of the Project; provided such action shall not create any obligation or liability of the Authority other than as provided in the First Supplemental Indenture and other documents approved herein.

Section 5. This Resolution shall take effect upon its adoption.

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PASSED AND ADOPTED by the California Statewide Communities Development Authority this May 16, 2013.

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 May 16, 2013.

By _____
Authorized Signatory

RESOLUTION NO. 13H-__

A RESOLUTION OF THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY AUTHORIZING THE EXECUTION AND DELIVERY OF A FIRST SUPPLEMENTAL INDENTURE IN CONNECTION WITH THE RESTRUCTURING OF CERTAIN MULTIFAMILY HOUSING REVENUE BONDS PREVIOUSLY ISSUED BY THE AUTHORITY FOR THE FINANCING OF A MULTIFAMILY RENTAL HOUSING PROJECT KNOWN AS SUNRISE TERRACE II 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.

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, 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, the Authority previously issued its Multifamily Housing Revenue Bonds (Sunrise Terrace II Apartments) 2006 Series Z in the original aggregate principal amount of \$10,000,000 (the “Bonds”), pursuant to a Trust Indenture, dated as of July 1, 2006 (as amended, modified or supplemented from time to time, the “Indenture”), between the Authority and Wells Fargo Bank, National Association, as trustee (the “Trustee”), to finance a portion of the costs of the acquisition and equipping of a 72-unit residential rental development known as “Sunrise Terrace II Apartments” and located in the City of Hesperia, California (the “Project”);

WHEREAS, pursuant to a Loan Agreement, dated as of July 1, 2006, among the Issuer, the Trustee and KDF Hesperia II, L.P., a limited partnership organized and existing under the laws of the State of California (together with its successors and assigns, the “Borrower”), the Authority loaned the proceeds of the Bonds to the Borrower to finance a portion of the cost of the Project;

WHEREAS, among other things, the Borrower was obligated pursuant to Section 6.2 of the Loan Agreement to make a prepayment in the amount specified by the Majority Owner (as defined in the Indenture) to effectuate a partial redemption of Bonds pursuant to Section 4.01(b) of the Indenture in the event the Project did not achieve “Stabilization” on or before the date that was forty-eight (48) months following Completion (*i.e.*, December 31, 2011);

WHEREAS, as of the date hereof, such payment has not been made as required;

WHEREAS, the Borrower and the Servicer (as defined in the Indenture), with the consent of the Majority Owner of the Bonds, have asked the Issuer and the Trustee to enter into a First Supplemental Indenture (the “First Supplemental Indenture”) to modify such redemption provisions, to provide for a redemption payment concurrently with the execution and delivery thereof, and to make certain other modifications to the terms of the Bonds as more fully described therein;

WHEREAS, the amendment of the terms of the Bond pursuant to the First Supplemental Indenture is intended to avoid the potential declaration of an event of default under the Indenture and possible pursuit of remedies, including but not limited to foreclosure, by the Majority Owner and/or the Servicer;

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. The First Supplemental Indenture in the form presented at this meeting is hereby approved. Any Member of the Commission of the Authority (each, a “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. 11R-18 of the Authority, adopted on September 28, 2011) (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 First Supplemental Indenture, 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 3. All actions heretofore taken by the officers and agents of the Authority with respect to the financing of the Project 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 supplemental tax certificate, which they, or any of them, may deem necessary or advisable in order to consummate the lawful execution and delivery of the First Supplemental Indenture 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 and refinancing of the Project.

Section 4. 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 First Supplemental Indenture, 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, 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 and refinancing of the Project; provided such action shall not create any obligation or liability of the Authority other than as provided in the First Supplemental Indenture and other documents approved herein.

Section 5. 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 May 16, 2013.

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 May 16, 2013.

By _____
Authorized Signatory

Item VIII

Discuss and approve Resolution of Intention to Finance the Installation of Distributed Generation Renewable Energy Sources, Energy Efficiency and Water Efficiency Improvements through the CaliforniaFirst Program.

SUMMARY AND APPROVALS

PROGRAM: CALIFORNIAFIRST

PURPOSE: FOR EACH PARTICIPATING COUNTY, DISCUSS AND APPROVE A RESOLUTION DECLARING INTENTION TO FINANCE INSTALLATION OF DISTRIBUTED GENERATION RENEWABLE ENERGY SOURCES, ENERGY EFFICIENCY AND WATER EFFICIENCY IMPROVEMENTS

Background:

CSCDA established CaliforniaFIRST Program (the “Program”) for financing energy/water efficiency upgrades and renewable energy facilities for private use. CSCDA’s practice is to establish a separate Program in a county when it has been asked to do so by the county and a city within the county. CSCDA previously established 14 Programs in 14 counties.

In each of the following counties, the county and a city within the county have asked CSCDA to establish a Program and a separate Resolution of Intention (“ROI”) (see attached) will be considered for each of the counties:

1. Contra Costa County
2. Marin County
3. Napa County
4. Tulare County

Discussion:

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

The ROI satisfies legal requirements to begin implementing the Program under Chapter 29 of Part 3 of Division 7 of the Streets & Highways Code of the State of California, which is commonly referred to as Assembly Bill 811. Specifically, the ROI sets forth the Commission’s determination that the public interest will be served by the Program; directs creation of a report that identifies the details of the Program (including a map of the boundaries for the each Program, a draft contract for Program participants, a financing plan for the Program, and a list of eligible improvements); and sets the date for the public hearing to receive any public comment on the proposed Program report and for the Commission to confirm or modify the report. The ROI sets the hearing for June 13, 2013 at 10:00 am at the League of California Cities.

Approvals:

Based upon the resolutions submitted and reviewed it is requested that this Commission approve a separate ROI for each county Program, which would:

1. Approve all necessary actions and documents;
2. Authorize any member of the Commission or Authorized Signatory to sign all necessary documents; and
3. Set the public hearing for June 13, 2013 at 10:00 a.m. at the League of California Cities, 1400 K Street, 3rd Floor, Sacramento CA 95814

RESOLUTION NO. ____

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

COUNTY OF CONTRA COSTA

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

WHEREAS, Chapter 29 authorizes California Communities to enter into contractual assessments to finance the installation of Authorized Improvements in the County of Contra Costa (the "County"); and

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

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

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

- (a) The above recitals are true and correct.
- (b) Energy conservation efforts, including the promotion of energy-related Authorized Improvements to residential, commercial, industrial, or other real property, are necessary to address the issue of global climate change and the reduction of greenhouse gas emissions in the County.
- (c) Water conservation efforts, including the promotion of water-related Authorized Improvements to residential, commercial, industrial, or other real property, are necessary to address the issue of chronic water shortages in California.
- (d) The upfront cost of making residential, commercial, industrial, or other real property more energy and water efficient, along with the fact that most commercial loans for that purpose

are due on the sale of the property, prevents many property owners from installing Authorized Improvements.

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

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

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

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

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

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

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

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

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

Section 6. Public Hearing. Pursuant to the Act, California Communities hereby orders that a public hearing be held before this Commission, at 1400 K Street, 3rd Floor, Sacramento, CA 95814, on June 13, 2013, at 10:00 a.m., for the purposes of allowing interested persons to object to or inquire about the proposed program or any of its particulars. The public hearing may be continued from time to time as determined by the Commission for a time not exceeding a total of 180 days.

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

The Commission hereby orders the Secretary to publish a notice of public hearing once a week for two successive weeks. Two publications in a newspaper published once a week or more often, with at least five days intervening between the respective publication dates not counting such publication dates, are sufficient. The period of notice will commence upon the first day of publication and terminate at the end of the fourteenth day. The first publication shall occur not later than 20 days before the date of the public hearing.

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

- (a) A map showing the boundaries of the territory within which contractual assessments are proposed to be offered, as set forth in Section 4 above.
- (b) A draft contract (the “Contract”) specifying the terms and conditions that would be agreed to by California Communities and a property owner within the County. The Contract may allow property owners to purchase directly the related equipment and materials for the installation of the Authorized Improvements and to contract directly for the installation of such Authorized Improvements.
- (c) A statement of California Communities’ policies concerning contractual assessments including all of the following:
 - (1) Identification of types of Authorized Improvements that may be financed through the use of contractual assessments.
 - (2) Identification of the California Communities official authorized to enter into contractual assessments on behalf of California Communities.
 - (3) A maximum aggregate dollar amount of contractual assessments in the County.
 - (4) A method for setting requests from property owners for financing through contractual assessments in priority order in the event that requests appear likely to exceed the authorization amount.
- (d) A plan for raising a capital amount required to pay for work performed pursuant to contractual assessments. The plan may include amounts to be advanced by California Communities through funds available to it from any source. The plan may include the sale of a bond or bonds or other financing relationship pursuant to Section 5898.28 of Chapter 29. The plan shall include a statement of or method for determining the interest rate and time period during which contracting property owners would pay any assessment. The plan shall provide for any reserve fund or funds. The plan shall provide for the apportionment of all or any portion of the costs incidental to financing, administration, and collection of the contractual assessment program among the consenting property owners and California Communities.
- (e) A report on the results of the consultations with the County Auditor-Controller described in Section 9 below concerning the additional fees, if any, that will be charged to California Communities for incorporating the proposed contractual assessments into the assessments of the general taxes of the County on real property, and a plan for financing the payment of those fees.

Section 8. Nature of Assessments. Assessments levied pursuant to Chapter 29, and the interest and any penalties thereon, will constitute a lien against the lots and parcels of land on which they are made, until they are paid. Unless otherwise directed by California

Communities, the assessments shall be collected in the same manner and at the same time as the general taxes of the County on real property are payable, and subject to the same penalties and remedies and lien priorities in the event of delinquency and default.

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

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

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

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

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

PASSED AND ADOPTED by the California Statewide Communities Development Authority this May 16, 2013.

I, the undersigned, the duly appointed, and qualified member of the Commission of the California Statewide Communities Development Authority, DO HEREBY CERTIFY that the foregoing resolution was duly adopted by the Commission of said Authority at a duly called meeting of the Commission of said Authority held in accordance with law on May 16, 2013.

By: _____
Member

EXHIBIT A

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

RESOLUTION NO. _____

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

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

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

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

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

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

WHEREAS, there has been presented to this meeting a proposed form of Resolution of Intention to be adopted by California Communities in connection with such assessment proceedings (the “ROI”), a copy of which is attached hereto as Exhibit A, and the territory within which assessments may be levied for the CaliforniaFIRST Program shall [*if a County*: be

coterminous with the County's official boundaries of record at the time of adoption of the ROI] [if a City: include all of the territory within the City's official boundaries of record] (the "Proposed Boundaries"); and

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

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

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

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

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

- (1) Such proceedings are conducted pursuant to one or more Resolutions of Intention in substantially the form of the ROI;
- (2) The Participating Property Owners, who shall be the legal owners of such property, execute a contract pursuant to Chapter 29 and comply with other applicable provisions of California law in order to accomplish the valid levy of assessments; and
- (3) [If a city: The City will not be responsible for the conduct of any assessment proceedings; the levy or collection of assessments or any required remedial action in the case of delinquencies in such assessment payments; or the issuance, sale or administration of the Bonds or any other bonds issued in connection with the CaliforniaFIRST Program.] [If a county: The County will not be responsible for the

conduct of any assessment proceedings; the levy of assessments or any required remedial action in the case of delinquencies in such assessment payments; or the issuance, sale or administration of the Bonds or any other bonds issued in connection with the CaliforniaFIRST Program.]

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

Section 3. Pursuant to the requirements of Chapter 29, California Communities has prepared and will update from time to time the “Program Report” for the CaliforniaFIRST Program (the “Program Report”), and California Communities will undertake assessment proceedings and the financing of Improvements as set forth in the Program Report.

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

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

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

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

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

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

AYES: Council/Board Members _____

NOES: Council/Board Members _____

ABSENT: Council/Board Members _____

ABSTAIN: Council/Board Members _____

RESOLUTION NO. ____

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

COUNTY OF MARIN

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

WHEREAS, Chapter 29 authorizes California Communities to enter into contractual assessments to finance the installation of Authorized Improvements in the County of Marin (the "County"); and

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

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

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

- (a) The above recitals are true and correct.
- (b) Energy conservation efforts, including the promotion of energy-related Authorized Improvements to residential, commercial, industrial, or other real property, are necessary to address the issue of global climate change and the reduction of greenhouse gas emissions in the County.
- (c) Water conservation efforts, including the promotion of water-related Authorized Improvements to residential, commercial, industrial, or other real property, are necessary to address the issue of chronic water shortages in California.
- (d) The upfront cost of making residential, commercial, industrial, or other real property more energy and water efficient, along with the fact that most commercial loans for that purpose

are due on the sale of the property, prevents many property owners from installing Authorized Improvements.

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

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

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

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

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

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

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

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

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

Section 6. Public Hearing. Pursuant to the Act, California Communities hereby orders that a public hearing be held before this Commission, at 1400 K Street, 3rd Floor, Sacramento, CA 95814, on June 13, 2013, at 10:00 a.m., for the purposes of allowing interested persons to object to or inquire about the proposed program or any of its particulars. The public hearing may be continued from time to time as determined by the Commission for a time not exceeding a total of 180 days.

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

The Commission hereby orders the Secretary to publish a notice of public hearing once a week for two successive weeks. Two publications in a newspaper published once a week or more often, with at least five days intervening between the respective publication dates not counting such publication dates, are sufficient. The period of notice will commence upon the first day of publication and terminate at the end of the fourteenth day. The first publication shall occur not later than 20 days before the date of the public hearing.

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

- (a) A map showing the boundaries of the territory within which contractual assessments are proposed to be offered, as set forth in Section 4 above.
- (b) A draft contract (the “Contract”) specifying the terms and conditions that would be agreed to by California Communities and a property owner within the County. The Contract may allow property owners to purchase directly the related equipment and materials for the installation of the Authorized Improvements and to contract directly for the installation of such Authorized Improvements.
- (c) A statement of California Communities’ policies concerning contractual assessments including all of the following:
 - (1) Identification of types of Authorized Improvements that may be financed through the use of contractual assessments.
 - (2) Identification of the California Communities official authorized to enter into contractual assessments on behalf of California Communities.
 - (3) A maximum aggregate dollar amount of contractual assessments in the County.
 - (4) A method for setting requests from property owners for financing through contractual assessments in priority order in the event that requests appear likely to exceed the authorization amount.
- (d) A plan for raising a capital amount required to pay for work performed pursuant to contractual assessments. The plan may include amounts to be advanced by California Communities through funds available to it from any source. The plan may include the sale of a bond or bonds or other financing relationship pursuant to Section 5898.28 of Chapter 29. The plan shall include a statement of or method for determining the interest rate and time period during which contracting property owners would pay any assessment. The plan shall provide for any reserve fund or funds. The plan shall provide for the apportionment of all or any portion of the costs incidental to financing, administration, and collection of the contractual assessment program among the consenting property owners and California Communities.
- (e) A report on the results of the consultations with the County Auditor-Controller described in Section 9 below concerning the additional fees, if any, that will be charged to California Communities for incorporating the proposed contractual assessments into the assessments of the general taxes of the County on real property, and a plan for financing the payment of those fees.

Section 8. Nature of Assessments. Assessments levied pursuant to Chapter 29, and the interest and any penalties thereon, will constitute a lien against the lots and parcels of land on which they are made, until they are paid. Unless otherwise directed by California

Communities, the assessments shall be collected in the same manner and at the same time as the general taxes of the County on real property are payable, and subject to the same penalties and remedies and lien priorities in the event of delinquency and default.

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

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

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

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

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

PASSED AND ADOPTED by the California Statewide Communities Development Authority this May 16, 2013.

I, the undersigned, the duly appointed, and qualified member of the Commission of the California Statewide Communities Development Authority, DO HEREBY CERTIFY that the foregoing resolution was duly adopted by the Commission of said Authority at a duly called meeting of the Commission of said Authority held in accordance with law on May 16, 2013.

By: _____
Member

EXHIBIT A

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

RESOLUTION NO. _____

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

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

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

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

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

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

WHEREAS, there has been presented to this meeting a proposed form of Resolution of Intention to be adopted by California Communities in connection with such assessment proceedings (the “ROI”), a copy of which is attached hereto as Exhibit A, and the territory within which assessments may be levied for the CaliforniaFIRST Program shall [*if a County*: be

coterminous with the County's official boundaries of record at the time of adoption of the ROI] [if a City: include all of the territory within the City's official boundaries of record] (the "Proposed Boundaries"); and

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

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

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

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

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

- (1) Such proceedings are conducted pursuant to one or more Resolutions of Intention in substantially the form of the ROI;
- (2) The Participating Property Owners, who shall be the legal owners of such property, execute a contract pursuant to Chapter 29 and comply with other applicable provisions of California law in order to accomplish the valid levy of assessments; and
- (3) [If a city: The City will not be responsible for the conduct of any assessment proceedings; the levy or collection of assessments or any required remedial action in the case of delinquencies in such assessment payments; or the issuance, sale or administration of the Bonds or any other bonds issued in connection with the CaliforniaFIRST Program.] [If a county: The County will not be responsible for the

conduct of any assessment proceedings; the levy of assessments or any required remedial action in the case of delinquencies in such assessment payments; or the issuance, sale or administration of the Bonds or any other bonds issued in connection with the CaliforniaFIRST Program.]

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

Section 3. Pursuant to the requirements of Chapter 29, California Communities has prepared and will update from time to time the “Program Report” for the CaliforniaFIRST Program (the “Program Report”), and California Communities will undertake assessment proceedings and the financing of Improvements as set forth in the Program Report.

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

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

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

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

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

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

AYES: Council/Board Members _____

NOES: Council/Board Members _____

ABSENT: Council/Board Members _____

ABSTAIN: Council/Board Members _____

RESOLUTION NO. ____

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

COUNTY OF NAPA

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

WHEREAS, Chapter 29 authorizes California Communities to enter into contractual assessments to finance the installation of Authorized Improvements in the County of Napa (the "County"); and

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

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

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

- (a) The above recitals are true and correct.
- (b) Energy conservation efforts, including the promotion of energy-related Authorized Improvements to residential, commercial, industrial, or other real property, are necessary to address the issue of global climate change and the reduction of greenhouse gas emissions in the County.
- (c) Water conservation efforts, including the promotion of water-related Authorized Improvements to residential, commercial, industrial, or other real property, are necessary to address the issue of chronic water shortages in California.
- (d) The upfront cost of making residential, commercial, industrial, or other real property more energy and water efficient, along with the fact that most commercial loans for that purpose

are due on the sale of the property, prevents many property owners from installing Authorized Improvements.

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

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

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

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

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

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

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

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

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

Section 6. Public Hearing. Pursuant to the Act, California Communities hereby orders that a public hearing be held before this Commission, at 1400 K Street, 3rd Floor, Sacramento, CA 95814, on June 13, 2013, at 10:00 a.m., for the purposes of allowing interested persons to object to or inquire about the proposed program or any of its particulars. The public hearing may be continued from time to time as determined by the Commission for a time not exceeding a total of 180 days.

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

The Commission hereby orders the Secretary to publish a notice of public hearing once a week for two successive weeks. Two publications in a newspaper published once a week or more often, with at least five days intervening between the respective publication dates not counting such publication dates, are sufficient. The period of notice will commence upon the first day of publication and terminate at the end of the fourteenth day. The first publication shall occur not later than 20 days before the date of the public hearing.

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

- (a) A map showing the boundaries of the territory within which contractual assessments are proposed to be offered, as set forth in Section 4 above.
- (b) A draft contract (the “Contract”) specifying the terms and conditions that would be agreed to by California Communities and a property owner within the County. The Contract may allow property owners to purchase directly the related equipment and materials for the installation of the Authorized Improvements and to contract directly for the installation of such Authorized Improvements.
- (c) A statement of California Communities’ policies concerning contractual assessments including all of the following:
 - (1) Identification of types of Authorized Improvements that may be financed through the use of contractual assessments.
 - (2) Identification of the California Communities official authorized to enter into contractual assessments on behalf of California Communities.
 - (3) A maximum aggregate dollar amount of contractual assessments in the County.
 - (4) A method for setting requests from property owners for financing through contractual assessments in priority order in the event that requests appear likely to exceed the authorization amount.
- (d) A plan for raising a capital amount required to pay for work performed pursuant to contractual assessments. The plan may include amounts to be advanced by California Communities through funds available to it from any source. The plan may include the sale of a bond or bonds or other financing relationship pursuant to Section 5898.28 of Chapter 29. The plan shall include a statement of or method for determining the interest rate and time period during which contracting property owners would pay any assessment. The plan shall provide for any reserve fund or funds. The plan shall provide for the apportionment of all or any portion of the costs incidental to financing, administration, and collection of the contractual assessment program among the consenting property owners and California Communities.
- (e) A report on the results of the consultations with the County Auditor-Controller described in Section 9 below concerning the additional fees, if any, that will be charged to California Communities for incorporating the proposed contractual assessments into the assessments of the general taxes of the County on real property, and a plan for financing the payment of those fees.

Section 8. Nature of Assessments. Assessments levied pursuant to Chapter 29, and the interest and any penalties thereon, will constitute a lien against the lots and parcels of land on which they are made, until they are paid. Unless otherwise directed by California

Communities, the assessments shall be collected in the same manner and at the same time as the general taxes of the County on real property are payable, and subject to the same penalties and remedies and lien priorities in the event of delinquency and default.

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

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

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

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

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

PASSED AND ADOPTED by the California Statewide Communities Development Authority this May 16, 2013.

I, the undersigned, the duly appointed, and qualified member of the Commission of the California Statewide Communities Development Authority, DO HEREBY CERTIFY that the foregoing resolution was duly adopted by the Commission of said Authority at a duly called meeting of the Commission of said Authority held in accordance with law on May 16, 2013.

By: _____
Member

EXHIBIT A

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

RESOLUTION NO. _____

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

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

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

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

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

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

WHEREAS, there has been presented to this meeting a proposed form of Resolution of Intention to be adopted by California Communities in connection with such assessment proceedings (the “ROI”), a copy of which is attached hereto as Exhibit A, and the territory within which assessments may be levied for the CaliforniaFIRST Program shall [*if a County*: be

coterminous with the County's official boundaries of record at the time of adoption of the ROI] [if a City: include all of the territory within the City's official boundaries of record] (the "Proposed Boundaries"); and

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

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

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

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

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

- (1) Such proceedings are conducted pursuant to one or more Resolutions of Intention in substantially the form of the ROI;
- (2) The Participating Property Owners, who shall be the legal owners of such property, execute a contract pursuant to Chapter 29 and comply with other applicable provisions of California law in order to accomplish the valid levy of assessments; and
- (3) [If a city: The City will not be responsible for the conduct of any assessment proceedings; the levy or collection of assessments or any required remedial action in the case of delinquencies in such assessment payments; or the issuance, sale or administration of the Bonds or any other bonds issued in connection with the CaliforniaFIRST Program.] [If a county: The County will not be responsible for the

conduct of any assessment proceedings; the levy of assessments or any required remedial action in the case of delinquencies in such assessment payments; or the issuance, sale or administration of the Bonds or any other bonds issued in connection with the CaliforniaFIRST Program.]

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

Section 3. Pursuant to the requirements of Chapter 29, California Communities has prepared and will update from time to time the “Program Report” for the CaliforniaFIRST Program (the “Program Report”), and California Communities will undertake assessment proceedings and the financing of Improvements as set forth in the Program Report.

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

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

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

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

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

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

AYES: Council/Board Members _____

NOES: Council/Board Members _____

ABSENT: Council/Board Members _____

ABSTAIN: Council/Board Members _____

RESOLUTION NO. ____

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

COUNTY OF TULARE

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

WHEREAS, Chapter 29 authorizes California Communities to enter into contractual assessments to finance the installation of Authorized Improvements in the County of Tulare (the "County"); and

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

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

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

- (a) The above recitals are true and correct.
- (b) Energy conservation efforts, including the promotion of energy-related Authorized Improvements to residential, commercial, industrial, or other real property, are necessary to address the issue of global climate change and the reduction of greenhouse gas emissions in the County.
- (c) Water conservation efforts, including the promotion of water-related Authorized Improvements to residential, commercial, industrial, or other real property, are necessary to address the issue of chronic water shortages in California.
- (d) The upfront cost of making residential, commercial, industrial, or other real property more energy and water efficient, along with the fact that most commercial loans for that purpose

are due on the sale of the property, prevents many property owners from installing Authorized Improvements.

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

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

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

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

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

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

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

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

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

Section 6. Public Hearing. Pursuant to the Act, California Communities hereby orders that a public hearing be held before this Commission, at 1400 K Street, 3rd Floor, Sacramento, CA 95814, on June 13, 2013, at 10:00 a.m., for the purposes of allowing interested persons to object to or inquire about the proposed program or any of its particulars. The public hearing may be continued from time to time as determined by the Commission for a time not exceeding a total of 180 days.

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

The Commission hereby orders the Secretary to publish a notice of public hearing once a week for two successive weeks. Two publications in a newspaper published once a week or more often, with at least five days intervening between the respective publication dates not counting such publication dates, are sufficient. The period of notice will commence upon the first day of publication and terminate at the end of the fourteenth day. The first publication shall occur not later than 20 days before the date of the public hearing.

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

- (a) A map showing the boundaries of the territory within which contractual assessments are proposed to be offered, as set forth in Section 4 above.
- (b) A draft contract (the “Contract”) specifying the terms and conditions that would be agreed to by California Communities and a property owner within the County. The Contract may allow property owners to purchase directly the related equipment and materials for the installation of the Authorized Improvements and to contract directly for the installation of such Authorized Improvements.
- (c) A statement of California Communities’ policies concerning contractual assessments including all of the following:
 - (1) Identification of types of Authorized Improvements that may be financed through the use of contractual assessments.
 - (2) Identification of the California Communities official authorized to enter into contractual assessments on behalf of California Communities.
 - (3) A maximum aggregate dollar amount of contractual assessments in the County.
 - (4) A method for setting requests from property owners for financing through contractual assessments in priority order in the event that requests appear likely to exceed the authorization amount.
- (d) A plan for raising a capital amount required to pay for work performed pursuant to contractual assessments. The plan may include amounts to be advanced by California Communities through funds available to it from any source. The plan may include the sale of a bond or bonds or other financing relationship pursuant to Section 5898.28 of Chapter 29. The plan shall include a statement of or method for determining the interest rate and time period during which contracting property owners would pay any assessment. The plan shall provide for any reserve fund or funds. The plan shall provide for the apportionment of all or any portion of the costs incidental to financing, administration, and collection of the contractual assessment program among the consenting property owners and California Communities.
- (e) A report on the results of the consultations with the County Auditor-Controller described in Section 9 below concerning the additional fees, if any, that will be charged to California Communities for incorporating the proposed contractual assessments into the assessments of the general taxes of the County on real property, and a plan for financing the payment of those fees.

Section 8. Nature of Assessments. Assessments levied pursuant to Chapter 29, and the interest and any penalties thereon, will constitute a lien against the lots and parcels of land on which they are made, until they are paid. Unless otherwise directed by California

Communities, the assessments shall be collected in the same manner and at the same time as the general taxes of the County on real property are payable, and subject to the same penalties and remedies and lien priorities in the event of delinquency and default.

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

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

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

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

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

PASSED AND ADOPTED by the California Statewide Communities Development Authority this May 16, 2013.

I, the undersigned, the duly appointed, and qualified member of the Commission of the California Statewide Communities Development Authority, DO HEREBY CERTIFY that the foregoing resolution was duly adopted by the Commission of said Authority at a duly called meeting of the Commission of said Authority held in accordance with law on May 16, 2013.

By: _____
Member

EXHIBIT A

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

RESOLUTION NO. _____

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

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

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

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

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

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

WHEREAS, there has been presented to this meeting a proposed form of Resolution of Intention to be adopted by California Communities in connection with such assessment proceedings (the “ROI”), a copy of which is attached hereto as Exhibit A, and the territory within which assessments may be levied for the CaliforniaFIRST Program shall [*if a County*: be

coterminous with the County's official boundaries of record at the time of adoption of the ROI] [if a City: include all of the territory within the City's official boundaries of record] (the "Proposed Boundaries"); and

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

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

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

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

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

- (1) Such proceedings are conducted pursuant to one or more Resolutions of Intention in substantially the form of the ROI;
- (2) The Participating Property Owners, who shall be the legal owners of such property, execute a contract pursuant to Chapter 29 and comply with other applicable provisions of California law in order to accomplish the valid levy of assessments; and
- (3) [If a city: The City will not be responsible for the conduct of any assessment proceedings; the levy or collection of assessments or any required remedial action in the case of delinquencies in such assessment payments; or the issuance, sale or administration of the Bonds or any other bonds issued in connection with the CaliforniaFIRST Program.] [If a county: The County will not be responsible for the

conduct of any assessment proceedings; the levy of assessments or any required remedial action in the case of delinquencies in such assessment payments; or the issuance, sale or administration of the Bonds or any other bonds issued in connection with the CaliforniaFIRST Program.]

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

Section 3. Pursuant to the requirements of Chapter 29, California Communities has prepared and will update from time to time the “Program Report” for the CaliforniaFIRST Program (the “Program Report”), and California Communities will undertake assessment proceedings and the financing of Improvements as set forth in the Program Report.

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

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

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

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

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

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

AYES: Council/Board Members _____

NOES: Council/Board Members _____

ABSENT: Council/Board Members _____

ABSTAIN: Council/Board Members _____

Item IX

Discuss and approve resolution rendering approval and explaining review process under the California Environmental Quality Act for the CaliforniaFirst Program.

SUMMARY AND APPROVALS

PROGRAM: CALIFORNIAFIRST

PURPOSE: RESOLUTION RENDERING APPROVAL, AND EXPLAINING REVIEW PROCESS UNDER THE CALIFORNIA ENVIRONMENTAL QUALITY ACT FOR THE CALIFORNIAFIRST PROGRAM

Background:

The California Environmental Quality Act (“CEQA”) requires that a public agency consider the environmental impacts of a “project” for which it issues a discretionary approval, and the approval may consist of (i) a determination that the project is exempt or otherwise not subject to CEQA, (ii) a determination of no significant impact (a negative declaration), (iii) a determination of no significant impact based upon mitigation measures (a mitigated negative declaration), or (iv) the review and approval of the findings of an environmental impact report that assesses and approves environmental impacts, but may include limitations and requirements applicable to the project.

CSCDA has been advised by its counsel that the CaliforniaFirst program, or the financing of any individual project through the CaliforniaFirst program may constitute a “project” under CEQA. Therefore, CSCDA needs to articulate its procedures for CEQA compliance in connection with the financing of projects.

Discussion:

Under CEQA Guideline Section 15378(b)(4), the CaliforniaFirst program is not a project for purposes of CEQA because it is a government funding mechanism or other government fiscal activity that does not involve any commitment to any specific project that may result in a potentially significant physical impact on the environment. Any project or activity approved or funded under the CaliforniaFirst program may be modified or not implemented at all depending upon a number of factors, including CEQA environmental review.

The resolution states CSCDA will comply with CEQA in its implementation of the CaliforniaFirst program by adhering to the following procedures:

Step 1. During the application review process for each Program Project, CSCDA staff’s designees, will evaluate the facts submitted by the property owner applicants in the application materials and will complete the CEQA Approval Class Checklist (“Checklist”) (attached to this Resolution as Exhibit A) in order to designate the proper CEQA classification for each Program Project. Each Program Project will be classified as a “Class A Project,” “Class B Project” or “Class C Project.”

A “Class A Project” is a project that will not result in a direct or reasonably foreseeable indirect physical change in the environment and are, therefore, not a “project” for purposes of CEQA. 14 Cal. Code Regs. § 15060(c)(2).

A “Class B Project” is a project that meets any one of the criteria listed in Step 2 of the Checklist, which shows that it is exempt from CEQA or it has been determined by CSCDA to have no potential significant environmental impacts.

A “Class C Project” is a project that qualifies neither as a Class A Project or Class B Project.

Attached to the Resolution as Exhibit B is a chart showing the (i) Authorized Improvements that CSCDA with the assistance of counsel has concluded are Class A Projects and (ii) Authorized Improvements that CSCDA and counsel has concluded should be reviewed pursuant to the Checklist to determine if they constitute Class B Projects or Class C Projects.

Step 2. For each project, CSCDA will take one of the following actions based on the project’s classification:

a. Class A Projects. CSCDA will complete the Checklist for any project that is classified as a Class A Project, and CSCDA will undertake no environmental review.

b. Class B Projects. A project that is classified as a Class B Project will proceed through the application process with no additional CEQA or environmental review on the basis that the evidence on the record supports a determination that either (i) there is no possibility that the project may have a significant effect on the environment and, therefore, the project meets the common sense exemption (14 Cal. Code Regs. § 15061(b)(3)) or (ii) the project is exempt from CEQA pursuant to the existing facilities categorical exemption (14 Cal. Code Reg. § 15301).

c. Class C Projects. CSCDA will undertake an individual review and evaluation of each project that it classifies as a Class C Project. If CSCDA thereafter determines that it is required to comply with CEQA with respect to a project, CSCDA will comply with CEQA at that time, but only if the property owner applicant agrees to pay the costs incurred by CSCDA or if another source of funds is available to CSCDA for that purpose such as grant funding.

Step 3. CSCDA will file a Notice of Exemption for each project that CSCDA is exempt from CEQA if the Program Manager determines it is prudent to do so.

This outlines the steps necessary to address CEQA upon the advice of counsel and staff will update the Commission on the implementation of this. A sample resolution is attached.

Approvals:

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

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

RESOLUTION NO. _____

**RESOLUTION RENDERING APPROVAL, AND EXPLAINING REVIEW PROCESS,
UNDER CALIFORNIA ENVIRONMENTAL QUALITY ACT
FOR THE CALIFORNIAFIRST PROGRAM**

COUNTY OF _____

WHEREAS, the California Statewide Communities Development Authority ("California Communities") is authorized under the authority granted to California Communities pursuant to Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (beginning with Section 6500) in accordance with Chapter 29 of Part 3 of Division 7 of the Streets & Highways Code of the State of California (beginning with Section 589810) ("Chapter 29") to levy contractual assessments to finance the installation of distributed generation renewable energy sources and energy efficiency and water efficiency improvements that are permanently fixed to real property ("Authorized Improvements"); and

WHEREAS, Chapter 29 authorizes California Communities to enter into contractual assessments to finance the installation of Authorized Improvements in the County of _____ (the "County"); and

WHEREAS, on January 27, 2010, pursuant to Resolution No. ____ (the "Resolution of Intention"), California Communities declared its intention to establish a CaliforniaFIRST program in the County, pursuant to which California Communities would enter into contractual assessments to finance the installation of Authorized Improvements in the County; and

WHEREAS, the Resolution of Intention ordered the Program Manager for the CaliforniaFIRST program to prepare and file with the Commission a report (the "Report") addressing all the matters set forth in Section 5898.22 of Chapter 29, including a form of agreement (the "Agreement") to be entered into between the Authority and any property owner participating in the CaliforniaFIRST program and that provides for payment of contractual assessments; and

WHEREAS, on March 10, 2010, after holding the duly noticed public hearing, pursuant to Resolution No. ____ (the "Resolution Confirming Report"), California Communities confirmed the Report for the County and established a CaliforniaFIRST program within the boundaries of the County, among other actions; and

WHEREAS, on February 2, 2012, California Communities approved an amended and restated Report (the "Amended and Restated Report") to comply with requirements imposed by AB 44 and SB 1340; and

WHEREAS, the Amended and Restated Report includes as Exhibit C thereto an initial list of Authorized Improvements (which is subject to revision by publication of an updated list in the Program Handbook); and

WHEREAS, the California Environmental Quality Act (“CEQA”) requires that a public agency consider the environmental impacts of a “project” (for purposes of CEQA) for which it issues a discretionary approval, and the approval (“CEQA Approval”) may consist of (i) a determination that the project is exempt or otherwise not subject to CEQA, (ii) a determination of no significant impact (a negative declaration), (iii) a determination of no significant impact based upon mitigation measures (a mitigated negative declaration), or (iv) the review and approval of the findings of an environmental impact report that assesses and approves environmental impacts, but may include limitations and requirements applicable to the project; and

WHEREAS, California Communities has been advised by its counsel that the CaliforniaFIRST program, or the financing of any individual project through the CaliforniaFIRST program (each, a “Program Project”), may constitute a “project” under CEQA; and

WHEREAS, California Communities has considered the environmental impacts of the the CaliforniaFIRST program and wishes to render its CEQA Approval based on its findings; and

WHEREAS, California Communities also wishes to articulate its procedures for CEQA compliance in connection with the financing of each Program Project;

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

1. Under CEQA Guideline Section 15378(b)(4), the CaliforniaFIRST program is not a project for purposes of CEQA because it is a government funding mechanism or other government fiscal activity that does not involve any commitment to any specific project that may result in a potentially significant physical impact on the environment. Any project or activity approved or funded under the CaliforniaFIRST program may be modified or not implemented at all depending upon a number of factors, including CEQA environmental review.

2. California Communities will comply with CEQA in its implementation of the CaliforniaFIRST program (including the approval of financing for each Program Project) by adhering to the following procedures:

Step 1. During the application review process for each Program Project, the staff of California Communities, or the staff’s designees, will evaluate the facts submitted by the property owner applicants in the application materials and will complete the CEQA Approval Class Checklist (“Checklist”) (attached to this Resolution as Exhibit A) in order to designate the proper CEQA classification for each Program Project. Each Program Project will be classified as a “Class A Project,” “Class B Project” or “Class C Project.”

A “Class A Project” is a project that will not result in a direct or reasonably foreseeable indirect physical change in the environment and are, therefore, not a “project” for purposes of CEQA. 14 Cal. Code Regs. § 15060(c)(2).

A “Class B Project” is a project that meets any one of the criteria listed in Step 2 of the Checklist, which shows that it is exempt from CEQA or it has been determined by California Communities to have no potential significant environmental impacts.

A “Class C Project” is a project that qualifies neither as a Class A Project or Class B Project.

Attached to this Resolution as Exhibit B is a chart showing the (i) Authorized Improvements that California Communities has concluded are Class A Projects and (ii) Authorized Improvements that California Communities has concluded should be reviewed pursuant to the Checklist to determine if they constitute Class B Projects or Class C Projects.

Step 2. For each Program Project, California Communities will take one of the following actions based on the Program Project’s classification:

- a. Class A Projects. California Communities will complete the Checklist for any Program Project that is classified as a Class A Project, and California Communities will undertake no environmental review.
- b. Class B Projects. A Program Project that is classified as a Class B Project will proceed through the application process with no additional CEQA or environmental review on the basis that the evidence on the record supports a determination that either (i) there is no possibility that the Program Project may have a significant effect on the environment and, therefore, the Program Project meets the common sense exemption (14 Cal. Code Regs. § 15061(b)(3)) or (ii) the Program Project is exempt from CEQA pursuant to the existing facilities categorical exemption (14 Cal. Code Reg. § 15301).
- c. Class C Projects. California Communities will undertake an individual review and evaluation of each Program Project that it classifies as a Class C Project. If California Communities thereafter determines that it is required to comply with CEQA with respect to a Program Project, California Communities will comply with CEQA at that time, but only if the property owner applicant agrees to pay the costs incurred by California Communities or if another source of funds is available to California Communities for that purpose.

Step 3. California Communities will file a Notice of Exemption for each Program Project that California Communities determines is exempt from CEQA if the Program Manager determines it is prudent to do so.

3. The Program Manager is hereby directed to file a Notice of Exemption for the CaliforniaFIRST program in the County in substantially the form of Exhibit C.

4. All actions heretofore taken by the officers and agents of California Communities with respect to the matters contemplated by this Resolution are hereby approved, confirmed and ratified, and the officers of California Communities are hereby authorized and directed, for and in the name and on behalf of California Communities, to do any and all things and take any and all actions consistent with the purposes of this Resolution.

5. This Resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED by the California Statewide Communities Development Authority this 16th day of May 2013.

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 California Communities at a duly called meeting of the Commission of California Communities held in accordance with law on May 16, 2013.

By: _____
Authorized Signatory
California Statewide
Communities Development
Authority

EXHIBIT A

CEQA Approval Class Checklist

STEP 1:

If the Project is listed as a Class A Project in the Authority's CEQA Resolution, no environmental review is required because the Project will not result in direct or reasonably foreseeable indirect physical change in the environment and is therefore not a "project" for purposes of CEQA. Class A Projects may proceed with the application process with no further Checklist or environmental reviews.

STEP 2:

Any Project meeting one or more of the following descriptions based on the information provided by the applicant or otherwise included in the record for the Project's classification will be a Class B Project and not require any additional environmental review because it is exempt from CEQA pursuant to the existing facilities categorical exemption (14 Cal. Code Reg. § 15301) or the common sense exemption (14 Cal. Code Regs. § 15061(b)(3)).

<u>YES</u>	<u>NO</u>	<u>DESCRIPTION</u>
_____	_____	The Project involves negligible or no expansion of use and consists of interior or exterior alterations involving things such as interior partitions, plumbing, and electrical conveyances.
_____	_____	The Project involves negligible or no expansion of use and consists of additions to existing structures and that addition will not result in an increase of more than 50 percent of the floor area or 2,500 square feet (whichever is less).
_____	_____	The Project involves negligible or no expansion of use and consists of the installation of solar panels on existing residential, commercial, or industrial buildings.
_____	_____	Based on a factual evaluation of the proposed activities, there is evidence in the record that supports a determination that there is no possibility that the activity in question may have a significant effect on the environment.

If any of the above Step 2 responses are "Yes," proceed to Step 3 below. If none of the above Step 2 responses are "Yes," then the Project must be designated as a Class C Project and proceed with an individual CEQA environmental review.

STEP 3:

If any of the following exclusions apply to the Project, it is ineligible for Class B and must be designated as a Class C Project and proceed with an individual CEQA environmental review. 14 Cal. Code Regs. § 15300.2.

<u>YES</u>	<u>NO</u>	<u>EXCLUSION</u>
_____	_____	There is a reasonable possibility of a significant effect on the environment due to unusual circumstances.
_____	_____	Significant cumulative impacts from projects of the same type in the same place over time will result.
_____	_____	The project will have impacts on a uniquely sensitive environment or resource of hazardous or critical concern that is designated, precisely mapped, and officially adopted pursuant to federal, state or local agencies.
_____	_____	The project may result in damage to scenic resources, including but not limited to trees, historic buildings, rock outcroppings, or similar resources, within a highway officially designated as a state scenic highway.
_____	_____	The project is located on a site which is included on any list compiled pursuant to Section 65962.5 of the Government Code. ³
_____	_____	The project may cause a substantial adverse change in the significance of a historical resource.

If any of the above Step 3 responses are “Yes,” the Project must be designated as a Class C Project and proceed with an individual CEQA environmental review. If none of the above Step 2 responses are “Yes,” then the Project may be designated as a Class B Project and proceed with the application process with no further environmental review.

³ The Secretary for Environmental Protection prepares and distributes to each city and county in which the following types of sites are located: certain hazardous waste facilities or related sites listed by the Department of Toxic Substances Control, certain contaminated public drinking water wells listed by the State Department of Health Services, sites at which releases from underground storage tanks or solid waste disposal facilities have occurred listed by the State Water Resources Control Board, solid waste disposal facilities from which there is a known migration of hazardous waste listed by the California Integrated Waste Management Board.

ATTACHMENT A

Initial CaliforniaFIRST Authorized Improvements

CaliforniaFIRST Approved Measures			
	Category	Measures	CEQA Approval Class
Energy Efficiency	Air Sealing and Ventilation	Air Filtration	A
		Air Sealing	A
		Air Barriers	A
		Bathroom fan	A
		Ceiling fan	A
		Crawlspace Sealing	A
		Duct Sealing	A
		Whole House Fan	A
	Insulation	Roof	A
		Attic	A
		Duct	A
		Floor	A
		Hot Water System	A
		Wall	A
	Space Heating and Cooling	Cogeneration furnace	B/C
		Demand Recirculation Pump	B/C
		Duct Replacement	A
		Ducted Heat Pump	A
		Evaporative coolers	B/C
		Exhaust Fan	A
		Geothermal Heat Pump	B/C
		Heat Recovery Ventilation System	B/C
		High Efficiency Air Conditioner	A
		High Efficiency Furnace	A
		Radiant Barrier Installation	B/C
		Solar Space Heating	A
		Thermostat Installation	A
		Weatherization	A
	Water Heating	High Efficiency Hot Water Boiler	A
		High Efficiency Water Heater	A
		Tankless Water Heater	A
		On demand Recirculation Pump	A
	Lighting	High Efficiency Lighting Retrofit	A
		Lighting (hard wired)	A
		Lighting controls, including occupancy sensors	A
	Windows, Doors and Skylights	Skylight	A
		Window Replacement	A
		Window Film	A
	Reflective Roof	White Roofing	B/C
Renewable Energy	Solar	Solar Thermal Installation	A
		Solar Photovoltaics	A
	Wind	Wind Turbine Power System	B/C
	Fuel Cell	Fuel Cell Power System	B/C
Water Efficiency (after pilot)	Fixtures	Low Flow Showerheads	A
		Low flow showers	A
		Toilets: flush a 1.28 gpf or less	A
		Urinals: flushing at 0.5 gpf or less	A
		Showerheads: flow at 1.5 gpm or less	A
		Aerators: flow at 1.0 gpm or less	A
	Landscaping	Grey water systems	B/C
	Other	Other measures such as potable water offsets, efficiency improvements, irrigation measures, process improvements and storm water management improvements shall be considered on a case-by-case basis in consultation with the CaliforniaFIRST program.	B/C



RECORDING REQUESTED
WHEN RECORDED MAIL TO:

County of Sacramento
Department of Environmental
Review and Assessment
827 Seventh Street, Room 220
Sacramento, CA 95814

CONTACT PERSON: Joyce Horizumi
TELEPHONE: (916) 874-7914

SPACE ABOVE RESERVED FOR RECORDER'S USE

NOTICE OF EXEMPTION

Project Title:

CALIFORNIAFIRST

Control Number:

2009-PWE-70128

Project Location:

Sacramento County

APN:

N/A

Description of Project:

California Statewide Communities Development Authority (CSCDA), and their contractor Renewable Funding, is establishing a statewide municipal financing program called CaliforniaFIRST that will allow participating cities and counties access to low-cost financing for property owners within their jurisdictions to fund energy efficiency and renewable energy improvements on existing property. CSCDA will facilitate a statewide bond pool which will allow property owners to access competitive interest rates offered by public bond markets. The grant funding requested will fund the information and data collection needed to establish the program and will fund program activities such as interest rate buy-down on the initial round(s) of projects financed by the CaliforniaFIRST program, cover fixed costs associated with bond counsel, bond disclosure, and bond rating and fund set-up fees for counties and cities, cover legal and validation costs, program marketing and outreach costs, as well as the deployment of technology (web portal) to support local programs. The funding will not be used to directly fund any efficiency and renewable energy improvements.

Name of public agency approving project:

Sacramento County

Name of person or agency carrying out project:

Sacramento County, Municipal Services Agency, Attn: Cecilia Jensen

Exempt Status:

CEQA Guidelines 15378 (B)(4)

Reasons why project is exempt:

The project creates a funding mechanism for activities which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment.

[Original Signature on File]

Joyce Horizumi

ENVIRONMENTAL COORDINATOR OF
SACRAMENTO COUNTY, STATE OF CALIFORNIA

☒ **Copy To:**

County of Sacramento
County Clerk
600 Eighth Street, Room 101
Sacramento, CA 95814

☒ **OPR:** State Clearinghouse
1400 Tenth Street
Sacramento, CA 95814

Item X

Discuss and approve letter to the Department of Industrial Relations regarding the applicability of prevailing wage requirements to the CaliforniaFirst Program.

SUMMARY AND APPROVALS

PROGRAM: CALIFORNIAFIRST

PURPOSE: LETTER TO THE DEPARTMENT OF INDUSTRIAL RELATIONS REGARDING
APPLICABILITY OF PREVAILING WAGE TO THE CALIFORNIAFIRST PROGRAM

Background:

CSCDA staff has been advised by counsel that it would be in the best interest of the CaliforniaFirst program (the “Program”) to confirm with the California Department of Industrial Relations (DIR) that the Program does not trigger the state’s prevailing wage requirements.

Discussion:

Attached is a draft of the letter to be sent to DIR requesting a response to the outlined rationale. The key points of the letter include the following:

- All fees associated with the Program are paid by the private property owner. CSCDA does not oversee the work of the contractor that is hired by the private property owner to install the improvements.
- The property owner owns and operates the improvements and receives all of the benefits of ownership and operation.
- The financing would not involve the use of public funds because the private property owner will select, contract and supervise their own contractors for the installation of the improvements. In addition repayment of the financed amount is borne by the private property owner.

Sonoma County made a similar request to the DIR in its launch of their Property Assessed Clean Energy (PACE) program, and received a determination from the DIR the prevailing wage did not apply.

Approvals:

Staff requests approval of the form and content of the attached letter to be sent to the Department of Industrial Relations and executed by Staff.

_____, 2013

Chief Counsel
Division of Labor Standards Enforcement
P.O. Box 420603
San Francisco, CA 94942

Re: Applicability of Prevailing Wage Requirements to California Statewide Communities
 Development Authority's CaliforniaFIRST Program

Dear Chief Counsel:

California Statewide Communities Development Authority ("**California Communities**") is a statewide joint powers authority sponsored by the California State Association of Counties and the League of California Cities. It is authorized under California law to levy contractual assessments to finance the installation of authorized distributed generation renewable energy sources and energy efficiency and water efficiency improvements that are permanently fixed to privately-owned property ("**Improvements**"), but only with the free and willing consent of the private property owners.

For this purpose, California Communities established in 2010 its property assessed clean energy (or "**PACE**") program, CaliforniaFIRST (the "**Program**"). To date, California Communities has established the Program in 14 counties and __ cities, and another 6 counties have asked California Communities to offer the Program to property owners within their boundaries. California Communities expects to provide financing for the installation of Improvements on residential, commercial, industrial, agricultural and other real property.

We are writing to confirm our view that the financing of privately constructed, owned and operated Improvements through the Program does not trigger the state's prevailing wage requirements.

Similar to other PACE programs, the Program enables a private property owner to finance Improvements and secure the repayment obligation using California's property tax lien regime. The legal basis for the Program is Chapter 29 of Part 3 of Division 7 of the Streets & Highways Code of the State of California (beginning with Section 5898.10), which is commonly referred to as "**AB 811**." Under an AB 811 program, the obligation of a private property owner to repay Program financing and pay related administrative costs is represented by an assessment added to the private property owner's property tax bill. The assessment is memorialized by a contract between the property owner and California Communities (an "**Assessment Contract**"). The assessment amount generally equals that which is necessary to (i) finance the installation of Improvements over a 5- to 20-year period of time, depending on the expected useful life of the financed improvements and (ii) pay the costs of administering the Program. California Communities will only authorize Program funding requests in an amount equal to the final cost of installing the Improvements (including any energy audit fees, if applicable) less state, city and utility rebates.

A Program financing generally has the following framework:

1. California Communities and a private property owner enter into an Assessment Contract.

2. California Communities issues a bond, the proceeds of which are used to finance the installation of Improvements on the property owner's property. The bond is only payable from and secured by an assessment on that property, as agreed to in the Assessment Contract. The bond may either be privately placed or sold through an underwriter. In either instance, the interest rate on the bond will be determined by market forces.

3. Simultaneously with bond issuance, California Communities records a notice of assessment on the property owner's property. If the property owner fails to repay its assessment, California Communities will initiate foreclosure on the benefited property.

All fees associated with the application (title search, recording fees) and closing costs are paid by the private property owner. Although California Communities establishes contractor eligibility criteria, California Communities does not oversee the work of the contractor that is hired by the private property owner to install the Improvements. And finally, the property owner, not California Communities, owns and operates the Improvements and receives all the benefits of ownership and operation.

The linchpin of California's prevailing wage requirements is Labor Code Section 1770, which provides that:

[e]xcept for public works projects of one thousand dollars (\$1,000) or less, not less than the general prevailing rate of per diem wages for work of a similar character in the locality in which the public work is performed, and not less than the general prevailing rate of per diem wages for holiday and overtime work fixed as provided in this chapter, shall be paid to all workers employed on public works.

It is our view that the privately constructed, owned and operated Improvements financed through the Program would not trigger the requirements of Section 1770 because they would not constitute "**public works**," as defined in Labor Code Section 1720. Section 1720's definition of "public works" has several components, but the only one remotely applicable is its paragraph (a)(1), which defines the term to mean:

(1) Construction, alteration, demolition, installation, or repair work done under contract and paid for in whole or in part out of public funds, except work done directly by any public utility company pursuant to order of the Public Utilities Commission or other public authority. For purposes of this paragraph, "construction" includes work performed during the design and preconstruction phases of construction, including, but not limited to, inspection and land surveying work. For purposes of this paragraph, "installation" includes, but is not limited to, the assembly and disassembly of freestanding and affixed modular office systems.

As is evident from this language, a public work necessarily involves the use of "**public funds**." For this purpose, Section 16000 of Title 8 of the Code of California Regulations ("**Section 16000**") defines "public funds" to include "state, local and/or federal monies," but provides that public funds "do not include money loaned to a private entity where work is to be performed under private contract and where no portion of the work is supervised, owned, utilized or managed by an awarding body."

The financing of Improvements by the Program clearly would not involve the use of public funds because the private property owners that choose to participate in the Program will (i) select, contract with and supervise their own contractors for installations of Improvements, (ii) own and operate the

Improvements and (iii) repay the financed amount, with interest, and applicable Program administrative costs.

We have confirmed through review of the DLSE website, including research in the DLSE Enforcement Policies and Interpretations Manual, that there is no California decision or prior DLSE opinion on point. This opinion is not sought in connection with anticipated or pending private litigation concerning the issue addressed in the request, nor is the opinion sought in connection with an investigation or litigation between a client or firm and the Division of Labor Standards Enforcement.

To the extent possible, we would appreciate your expediting your response to this request. Thank you in advance for your efforts.

Very truly yours,

James F. Hamill
Program Manager

cc:

Item XI

Discuss and approve engagement of Orrick, Herrington & Sutcliffe LLP as Special Tax Counsel for the University Retirement Community at Davis Internal Revenue Service Audit.

SUMMARY AND APPROVALS

PURPOSE: DISCUSS AND APPROVE ENGAGEMENT OF ORRICK, HERRINGTON & SUTCLIFFE LLP AS SPECIAL TAX COUNSEL FOR THE UNIVERSITY RETIREMENT COMMUNITY AT DAVIS INTERNAL REVENUE SERVICE AUDIT

DATE: MAY 16, 2013

Background:

CSCDA Staff was notified by the Internal Revenue Service (IRS) that the \$15,000,000 in bonds issued for the University Retirement Community of Davis Series 2008 (URCAD) has been randomly selected for an audit. Orrick, Herrington & Sutcliffe LLP (Orrick) served as bond counsel to the transaction, and although the IRS audit is of URCAD the documentation requires that CSCDA engage special tax counsel in connection with the audit.

Pursuant to Section 4.03(c) of the Loan Agreement for the bonds, URCAD is responsible for reasonable fees and expenses of attorneys and other professionals as may be required to work on IRS audits. URCAD has agreed to the engagement of Orrick and the payment of their fees.

Discussion:

Attached to this report is a copy of the proposed agreement. (Attachment 1) Orrick shall act as the primary contact with the IRS and shall be responsible for handling all aspects of the audit working closely with URCAD. If any conflict arises in its representation of CSCDA in this matter Orrick will advise URCAD and CSCDA the need to obtain separate counsel and/or resignation as a course of action.

It is typical in IRS audits for bond counsel to represent CSCDA as special counsel being that they have all of the pertinent information, and it is more cost effective for the borrower than bringing a new counsel up to speed.

CSCDA General Counsel has reviewed and signed off on the form and content the agreement.

Approval

Per the review and sign off of CSCDA General Counsel, Staff recommends the execution of the engagement letter with Orrick, Herrington and Sutcliffe LLP to serve as special tax counsel for the University Retirement Community of Davis Series 2008 IRS audit.

Attachment 1

AGREEMENT FOR SPECIAL TAX COUNSEL SERVICES

THIS AGREEMENT is entered into as of May 16, 2013 between the CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY ("CSCDA") and ORRICK, HERRINGTON & SUTCLIFFE LLP ("Orrick"), as follows:

Recitals

A. CSCDA has been notified by the Internal Revenue Service (the "IRS") that its Variable Rate Demand Revenue Bonds (University Retirement Community at Davis Project), Series 2008 (the "Bonds") are the subject of an audit by the IRS (the "IRS Audit").

B. The Bonds financed and refinanced certain projects for University Retirement Community at Davis, Inc. (the "Borrower").

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

D. CSCDA has determined that Orrick possesses the necessary professional capabilities and resources to provide the legal services required by CSCDA 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) Orrick shall act as the primary contact with the IRS Agent in connection with the IRS Audit of the Bonds;

(b) Orrick shall be responsible for handling all aspects of the IRS Audit;

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

(a) Orrick will not provide any services to, and will have no attorney-client relationship with, the Borrower, but Orrick will coordinate with CSCDA to provide information to the Borrower as to the progress of the IRS Audit and will work with the Borrower to obtain information required from it in connection with the IRS Audit.

(b) Without appropriate conflict of interest waivers, Orrick will not provide any advice to CSCDA as to the liability or potential liability of any of the other parties involved in the Bonds.

(c) Orrick is not currently being engaged to provide disclosure services to CSCDA with respect to disclosure to the "market" as to the status of the IRS Audit or tentative or final determinations by the IRS with respect to the IRS Audit.

(d) Orrick's services are limited to those specifically set forth above. Orrick's services do not include representation of CSCDA 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 CSCDA financing. Orrick's services also do not include any financial advice or analysis.

3. Compensation and Payment. In connection with the foregoing, Orrick's services will be billed at its regular hourly rates as established from time to time, less a 15% professional discount. The following per hourly rates currently are in effect for the following people currently expected to work on the IRS Audit: \$675 for Scott Schickli; and \$675 for Winnie Tsien; with the professional discount, such hourly rates are reduced in each case to \$573.75. Such fees are subject to an adjustment annually, and others at Orrick may assist in the IRS Audit.

Disbursements for in-house services, such as postage, telephone charges, photocopying, word processing, delivery, etc. as well as certain third party payments will be tracked on your account as they are incurred. In some instances, disbursements for in-house services may include the indirect expenses associated in providing such service.

Fees and disbursements incurred will be billed in monthly statements which are payable upon receipt. CSCDA agrees to be responsible for all fees incurred in connection with the IRS Audit, without regard to whether or not CSCDA is able to have such fees paid by the Borrower or whether the Borrower actually pays, or reimburses CSCDA, for our fees. Notwithstanding the foregoing, the Bonds were issued for the benefit of the Borrower and, pursuant to Section 4.03(c) of the Loan Agreement entered into in connection with the Bonds, the Borrower is separately executing an agreement to be responsible for all fees incurred in connection with the IRS Audit, the form of which is attached hereto as Attachment A. As requested by CSCDA, Orrick will notify CSCDA of any delinquency in the Borrower's payments of Orrick's statements and, together with CSCDA, will determine what action should be taken regarding Orrick's services in connection with the IRS Audit in such event.

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 CSCDA maintained by Orrick, shall, at the option of CSCDA, 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. CSCDA 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, lenders, contractors, suppliers, financial and other consultant/advisors, accountants, investment providers/brokers, providers/brokers of derivative products and other who may have a role or interest in a financing involving CSCDA or that may be involved with or adverse to CSCDA in this or some other matter. Given the special, limited role of Orrick as special tax counsel to CSCDA as described above, CSCDA specifically consents to any and all such relationships.

6. Conflicts. It is possible that during the course of our representing CSCDA, we will determine that the CSCDA has defenses or positions which may be asserted and which may be adverse or not available to the Borrower. Should we become aware of such a defense or position, we will so advise CSCDA and, together with the CSCDA, will advise the Borrower to obtain separate counsel if it has not already done so.

We also wish to advise you that Orrick was bond counsel for the Bonds. While we do not believe that our services as Bond Counsel for the Bonds now create a conflict of interest with our services to CSCDA in connection with the IRS Audit, should we in the future determine that such a conflict exists, we will so advise CSCDA and consider with CSCDA a future course of action, which could include our resignation.

7. 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 CSCDA 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 CSCDA and Orrick.

Orrick may not assign its obligations under this Agreement without written consent of CSCDA except to a successor partnership or corporation to which all or substantially all of the assets and operations of Orrick are transferred. CSCDA shall assign its rights and obligations under this Agreement to (but only to) any other public entity that issues bonds or delivers certificates of participation (if not CSCDA), in which case CSCDA hereby acknowledges that any relationship or obligation of Orrick to CSCDA under or by virtue of this Agreement shall be deemed to be totally annulled *ab initio*. CSCDA shall not otherwise assign its rights and obligations under this Agreement without written consent of Orrick. All references to Orrick and CSCDA in this Agreement shall be deemed to refer to any such successor of Orrick and to any such assignee of CSCDA and shall bind and inure to the benefit of such successor and assignee whether so expressed or not.

8. 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.

9. Notices. Any and all notice pertaining to this Agreement shall be sent by U.S. Postal Service, first class, postage prepaid to Orrick at 1120 NW Couch Street, Suite 200, Portland, OR 97212, Attention: Mr. Scott Schickli, and to CSCDA at 299 Oak Road, Suite 710, Walnut Creek, California 94597, Attention: Chairman.

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

CALIFORNIA STATEWIDE COMMUNITIES
DEVELOPMENT AUTHORITY

By: _____
Title: _____

ORRICK, HERRINGTON & SUTCLIFFE LLP

By: _____
Title: _____

ATTACHMENT A
TO AGREEMENT FOR SPECIAL TAX COUNSEL SERVICES

California Statewide Communities
Development Authority
299 Oak Road
Suite 710
Walnut Creek, California 94597
Attention: Mr. James F. Hamill

Re: California Statewide Communities Development Authority Variable
Rate Demand Revenue Bonds (University Retirement Community at Davis Project),
Series 2008

Dear Mr. Hamill:

We have been notified by you and the Internal Revenue Service (the "IRS") that the above-referenced obligations (the "Bonds"), previously issued by the California Statewide Communities Development Authority (the "Authority"), have been selected for examination. Proceeds of the Bonds were loaned to University Retirement Community at Davis Project, Inc. ("URCAD") to finance and refinance certain senior living facilities.

Pursuant to Section 4.03(c) of the Loan Agreement, dated as of April 1, 2008, executed by and between the Authority and URCAD in connection with the Bonds, URCAD is responsible for reasonable fees and expenses of attorneys and other professionals as may be engaged by the Authority to, among other matters, work on and defend IRS audits. We understand the Authority has retained Orrick, Herrington & Sutcliffe LLP ("Orrick") to represent the Authority regarding the audit of the Bonds. With this letter, we acknowledge that URCAD will be responsible for the fees incurred by such engagement and, pursuant to the terms of the engagement letter between Orrick and the Authority, will directly pay Orrick all monthly bills rendered by Orrick for services incurred in defense of the audit of the Bonds.

We also agree to fully cooperate and assist Orrick and the Authority in the defense of the audit, including but not limited to, responding as promptly as possible to all reasonable requests for documents, information and site visits.

Dated:

Very Truly Yours,

University Retirement Community at Davis, Inc.

By: _____

Item XII

Discuss and approve changes amending the rate and method of apportionment of the special tax for Improvement Area No. 1 and No. 3 for Community Facilities District No. 2012-01 (Fancher Creek – City of Fresno)

- a. Conduct Public Hearing
- b. Adoption of Resolutions of Change Amending the Rate and Method of Apportionment of the Special Tax for Improvement Area No. 1 and No. 3.
- c. Conduct Election
- d. Consider Introduction of Ordinances Levying Special Tax

SUMMARY AND APPROVALS

PROJECT:	CSCDA – COMMUNITY FACILITIES DISTRICT NO. 2012-01 (FANCHER CREEK – CITY OF FRESNO)
PURPOSE:	1. CONDUCT PUBLIC HEARING; 2. CONDUCT ELECTION 3. ADOPTION OF RESOLUTIONS OF CHANGE AMENDING THE RATE AND METHOD OF APPORTIONMENT OF THE SPECIAL TAX FOR IMPROVEMENT AREA NO. 1 AND NO. 3. 4. CONSIDER INTRODUCTION OF ORDINANCES LEVYING SPECIAL TAX
PRIMARY ACTIVITY:	FINANCING PUBLIC IMPROVEMENTS AND FEES FOR THE FANCHER CREEK DEVELOPMENT IN THE CITY OF FRESNO
DATE:	MAY 16, 2013

Background:

On February 7, 2013 CSCDA issued bonds in the amount of \$4,200,000 for the Fancher Creek Community Facilities District (the “District”) in the City of Fresno.

On March 28, 2013 the developer requested an amendment to the Rates and Methods of Apportionment (RMAs) for Improvement Areas 1 and 3 and the public hearing was scheduled for today’s meeting. There is no change to the boundaries of the Community Facilities District.

Discussion:

The following amendments to the RMAs are being proposed:

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

Under these proposed amendments to the RMA, the maximum Special Tax will be determined by the acreage of the Taxable Property and the Special Tax can be fully or partially prepaid on all Taxable Property based solely on the amount of acreage-based Maximum Special Tax assigned to that Parcel for the current Fiscal Year. The amended RMAs were attached to Resolution 13R-5, adopted by the Authority on March 28, 2013.

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

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

Discussion:

The amendments require the preparation of an updated hearing report that would become part of the public record of the public hearing. The report has been prepared by David Taussig & Associates, the special tax consultant, and filed with the Commission. Staff recommends that the Commission note in its minutes the receipt and availability to the public of the hearing reports, which is hereby attached to this staff report.

Staff recommends that the Commission conduct the public hearing and consider any testimony that may be offered. Only the developer owns property within the Community Facilities District, and there are no registered voters residing within the Community Facilities District, thus only the developer has standing to file a protest that could require abandonment of the change amending the rate and method of apportionment. However, any interested member of the public may appear and testify and the Commission should consider such testimony for whatever persuasive force it may have.

If, after the conclusion of the public hearing, the Commission desires to proceed with amendments, staff recommends approval of the Resolutions Calling for Special Mailed-Ballot Election for Improvement Area No. 1 and Improvement Area No. 3 of the Community Facilities District and Conduct the Election and Consider Election Results; approval of the Resolutions of Change Amending the Rate and Method of Apportionment of the Special Tax for Improvement Area No. 1 and No. 3 of the Community Facilities District, and Consider Introduction of Ordinances Levying Special Tax.

Approvals:

1. Conduct a public hearing and consider any testimony that may be offered;
2. Adopt the Resolutions Calling Special Mailed-Ballot Election which direct that the election be conducted immediately pursuant to the waivers by ballots delivered personally to the one qualified elector.
3. Adopt the Resolution of Change Amending the Rate and Method of Apportionment of the Special Tax for Improvement Area No. 1 and No. 3.
4. Introduction and waiver of reading of Ordinances Levying Special Tax for Improvement Area No. 1, 2, and 3.

RESOLUTIONS CALL FOR SPECIAL MAILED ELECTION

RESOLUTION NO. 13R-__

**CALIFORNIA STATEWIDE COMMUNITIES
DEVELOPMENT AUTHORITY**

**RESOLUTION OF THE COMMISSION OF CALIFORNIA STATEWIDE
COMMUNITIES DEVELOPMENT AUTHORITY CALLING SPECIAL MAILED-
BALLOT ELECTION WITHIN IMPROVEMENT AREA NO. 1 OF CALIFORNIA
STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY COMMUNITY
FACILITIES DISTRICT NO. 2012-01 (FANCHER CREEK), CITY OF FRESNO,
COUNTY OF FRESNO, STATE OF CALIFORNIA**

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

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

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

WHEREAS, on Thursday, March 28, 2013, the Commission adopted its Resolution of Consideration to Amend the Rate and Method of Apportionment of Special Tax for each of the Improvement Areas (the “Resolution of Consideration”) by which it has scheduled a Public Hearing on this date to give consideration to amending the powers currently conferred upon the

Commission by the Authority's Community Facilities District and the Improvement Areas in connection with the Amendments; and

WHEREAS, attached as Exhibit A-1 to the Resolution of Consideration, and more fully described in the report of the Commission's special tax consultant for the Community Facilities District (the "Report"), is the First Amended Rate and Method of Apportionment for Improvement Area No. 1 of the California Statewide Communities Development Authority Community Facilities District No. 2012-01 (Fancher Creek), City of Fresno, County of Fresno, State of California, as submitted to the Commission for consideration at this meeting; and

WHEREAS, the question of whether to amend the Rate and Method of Apportionment of Special Taxes in and for each Improvement Area in the District must be submitted to the voters pursuant to Government Code Sections 53326 and 53338; and

WHEREAS, a proposed form of ballot has been prepared and is attached hereto as Exhibit A; and

WHEREAS, a "Certificate re Registered Voters and Landowners (Change Proceedings)" (the "Landowner Certificate") has been filed with the Secretary of the Commission (the "Secretary"); and

WHEREAS, at the close of the Public Hearing, the Commission determined that there was no majority protest in any of the Improvement Areas under Section 53337 of the Government Code; and

WHEREAS, in order to proceed with the levy of the special tax as provided in the Amendments, the Amendments must be submitted to an election of the qualified electors of each Improvement Area of the Community Facilities District; and

WHEREAS, the Developer has previously filed with the Commission a Waiver and Consent Shorting Time Periods and Waiving Various Requirements for Conducting a Mailed Ballot Election (the "Waiver and Consent"), stating (i) that the Owner is the legal owner of the fee interest of all of the land proposed to be included within the Community Facilities District and within each Improvement Area other than land currently owned by the City, (ii) that to the best of the Owner's knowledge, during each of the 90 days preceding the close of the Public Hearing, there were less than twelve registered voters residing within the boundaries of Improvement Area No. 1 of the Community Facilities District, and (iii) that the Owner, or an authorized representative of the Owner, by executing the Waiver and Consent, has petitioned for the election to be held by the Commission and has waived the various requirements for the conduct of the election; and

WHEREAS, the Commission is fully advised in this matter;

NOW, THEREFORE, IT IS RESOLVED, DETERMINED AND ORDERED BY THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY AS FOLLOWS:

Section 1. The above recitals are true and correct, and the Commission so finds and determines.

Section 2. The Commission accepts the Waiver and Consent filed in these proceedings and finds, in accordance therewith, that during at least one of the 90 days just past, there were fewer than twelve registered voters residing within the boundaries of Improvement Area No. 1 of the Community Facilities District. Accordingly, under Section 53326(b) of the Government Code, the qualified electors of Improvement Area No. 1 of the Community Facilities District for the proposed special election shall be the owners of land within Improvement Area No. 1 of the Community Facilities District and the number of votes to which each landowner is entitled pursuant to Section 53326(b), is equal to the number of acres owned rounded up to the next whole acre.

Section 3. The Commission further finds, based on the Waiver and Consent, that the time limits and related requirements respecting preparation and distribution of election materials are waived. The Commission hereby finds that the rights, procedures and time periods waived by the property owners are solely for the protection of the qualified electors and may be waived by the qualified electors under Section 53326(a) and 53327(b) of the Act and under other provisions of law dealing with waiver generally, and that the Waiver and Consent constitutes a full and knowing waiver, by the Owner, of those rights, procedures and time periods. The Commission therefore is establishing the procedures and time periods for this special mailed-ballot election without regard to statutory schedules.

Section 4. Pursuant to Sections 53326 and 53351 of the Government Code, the Commission hereby calls an election, to be held and conducted upon adoption of this Resolution, and sets May 16, 2013, as the election date and 8:00 a.m. on that date as the deadline for returning ballots. If prior to that time the Secretary shall have received all of the eligible ballots to be cast, pursuant to Section 53351(j) of the Act the Secretary will at that time declare the election closed. Pursuant to Section 53326 of the Government Code, the election shall be conducted by mailed ballot; provided that personal service of the respective ballots to authorized representatives of each landowner is permitted under the Waiver and Consent on file with the Secretary and shall therefore be permitted. The Secretary is directed to either mail or make personal service of the ballots, in the form of the attached Exhibit A, to each landowner within Improvement Area No. 1 or, if one has been appointed as evidenced in writing, to the landowner's authorized representative.

Section 5. The proposition to be submitted to the qualified electors of Improvement Area No. 1 of the Community Facilities District shall be as set forth in the form of special election ballot attached hereto as Exhibit A.

Section 6. The Secretary is hereby designated as the official to conduct the special mailed-ballot election pursuant to the Act and California Elections Code Sections 307 and 320 and the following provisions:

- (a) The special election shall be held and conducted, and the votes canvassed and the returns made, and the results determined, as provided herein; and in all particulars not prescribed by this Resolution the special election shall be held and

conducted and the votes received and canvassed in the manner provided by law for the holding of special elections consistent with the Act.

(b) All landowners within Improvement Area No. 1 of the Community Facilities District as of the close of the Public Hearing shall be qualified to vote upon the proposition to be submitted at the special election.

(c) The special election shall be conducted as a mailed-ballot election, in accordance with the provisions of the Act and the prior proceedings of the Commission taken thereunder, and there shall be no polling places for the special election. All ballots shall be delivered or mailed by the Secretary to the landowners, and all voted ballots are required to be received by the Secretary not later than 8:00 a.m., on the day of the election in order to be counted. However, if at any time the Secretary determines that all votes have been cast, the Secretary shall immediately declare the election closed pursuant to Section 53351(j) of the Act.

(d) Each voter desiring to vote in favor of the proposition to be submitted at the special election shall mark a cross (x) or similar mark in the blank space next to the word "YES" on the ballot to the right of the proposition; and each voter desiring to vote against the proposition shall mark a cross (x) or similar mark in the blank space next to the word "NO" on the ballot to the right of the proposition. The cross (x) or similar mark may be marked with either pen or pencil.

(e) The Secretary shall commence the canvass of the returns of the special election, and report the returns to the Commission as soon as possible.

(f) The Commission may thereupon declare the results of the special election, and shall cause to be spread upon its minutes a statement of the results of the special election as ascertained by the canvass.

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

I, the undersigned, a duly appointed and qualified Authorized Signatory of the Commission of the California Statewide Communities Development Authority, DO HEREBY CERTIFY that the foregoing resolution was duly adopted by the Commission of said Authority at a duly called meeting of the Commission of said Authority held in accordance with law on May 16, 2013.

By: _____

Authorized Signatory
California Statewide Communities
Development Authority

EXHIBIT A

CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY
COMMUNITY FACILITIES DISTRICT NO. 2012-01 (FANCHER CREEK),
CITY OF FRESNO, COUNTY OF FRESNO, STATE OF CALIFORNIA

SPECIAL ELECTION BALLOT

(Mailed-Ballot Election: Change Proceedings)

This ballot is for the use of the authorized representative of the following owner of land within Improvement Area No. 1 of Community Facilities District No. 2012-01 (Fancher Creek), City of Fresno, County of Fresno, State of California (“the Community Facilities District”):

<u>Name of Landowner</u>	<u>Number of Acres Owned</u>	<u>Total Votes</u>
Fancher Creek Properties, LLC	77.90 acres	78

According to the provisions of the Mello-Roos Community Facilities Act of 1982, and resolutions of the Commission (the “Commission”) of the California Statewide Communities Development Authority (the “Authority”), the above-named Landowner is entitled to cast the number of votes shown above under the heading “Total Votes,” representing the total votes for the property owned by the Landowner.

In order to be counted, this ballot must be executed and certified below and be returned to the Secretary of Commission (the “Secretary”), by mail or in person, to be received by the Secretary prior to 8:00 A.M. on May 16, 2013 at the offices of the League of California Cities, at 1400 K Street, Third Floor, Sacramento, California 95814

Mailing by that time will not be sufficient. This ballot must be received by the time stated in order to be counted.

AN "X" OR OTHER MARK WILL CAST ALL VOTES ASSIGNED TO THIS BALLOT. All distinguishing marks or erasures are forbidden and make the ballot void. If you wrongly mark, tear, or deface this ballot, return it to the Secretary and obtain another.

BALLOT MEASURE

MARK "YES" OR "NO"
WITH AN "X":

Shall the Commission of the California Statewide Communities Development Authority (the "Commission"), through Improvement Area No. 1 of its Community Facilities District No. 2012-01 (Fancher Creek), City of Fresno, County of Fresno, State of California, be authorized to amend the rate and method of apportionment of special tax levied in and for its Community Facilities District No. 2012-01 (Fancher Creek), City of Fresno, County of Fresno, State of California, all as specified in its "A Resolution of Consideration of the Commission of the California Statewide Communities Development Authority to Amend the Rate and Method of Apportionment of Special Tax For Improvement Areas Nos. 1 and 3 Established in and for in and for Community Facilities District No. 2012-01 (Fancher Creek), City of Fresno, County of Fresno, State of California" adopted by the Commission on March 28, 2013, and "Resolution Calling a Special Mailed-Ballot Election Within Improvement Area No. 1 of Community Facilities District No. 2012-01 (Fancher Creek), City of Fresno, County of Fresno, State of California" adopted by the Commission on May 16, 2013?

YES: ☐

NO: ☐

Certification for Special Election Ballot

The undersigned declare under penalty of perjury under the laws of the State of California that they are the authorized representatives of the above-named Landowner and are persons legally authorized and entitled to cast this ballot on behalf of the above-named Landowner and to bind the Landowner thereby, and that this ballot is signed by the undersigned as of the date set forth below.

Date: _____

Fancher Creek Properties, LLC,
a California limited liability company

By: Kashian Enterprises, a California Limited
Partnership, Member

By: _____
Edward M. Kashian, General Partner

By: Africal Development, L.P., a California
Limited Partnership, Member

By: _____
Thomas G. Richards, as Trustee of the
Thomas G. Richards Living Trust dated
September 7, 2005, General Partner

[ALL SIGNATURES ARE TO BE NOTARIZED]

RESOLUTION NO. 13R-__

**CALIFORNIA STATEWIDE COMMUNITIES
DEVELOPMENT AUTHORITY**

**RESOLUTION OF THE COMMISSION OF CALIFORNIA STATEWIDE
COMMUNITIES DEVELOPMENT AUTHORITY CALLING SPECIAL MAILED-
BALLOT ELECTION WITHIN IMPROVEMENT AREA NO. 3 OF CALIFORNIA
STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY COMMUNITY
FACILITIES DISTRICT NO. 2012-01 (FANCHER CREEK), CITY OF FRESNO,
COUNTY OF FRESNO, STATE OF CALIFORNIA**

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

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

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

WHEREAS, on Thursday, March 28, 2013, the Commission adopted its Resolution of Consideration to Amend the Rate and Method of Apportionment of Special Tax for each of the Improvement Areas (the “Resolution of Consideration”) by which it has scheduled a Public Hearing on this date to give consideration to amending the powers currently conferred upon the

Commission by the Authority's Community Facilities District and the Improvement Areas in connection with the Amendments; and

WHEREAS, attached as Exhibit A-2 to the Resolution of Consideration, and more fully described in the report of the Commission's special tax consultant for the Community Facilities District (the "Report"), is the First Amended Rate and Method of Apportionment for Improvement Area No. 3 of the California Statewide Communities Development Authority Community Facilities District No. 2012-01 (Fancher Creek), City of Fresno, County of Fresno, State of California, as submitted to the Commission for consideration at this meeting; and

WHEREAS, the question of whether to amend the Rate and Method of Apportionment of Special Taxes in and for each Improvement Area in the District must be submitted to the voters pursuant to Government Code Sections 53326 and 53338; and

WHEREAS, a proposed form of ballot has been prepared and is attached hereto as Exhibit A; and

WHEREAS, a "Certificate re Registered Voters and Landowners (Change Proceedings)" (the "Landowner Certificate") has been filed with the Secretary of the Commission (the "Secretary"); and

WHEREAS, at the close of the Public Hearing, the Commission determined that there was no majority protest in any of the Improvement Areas under Section 53337 of the Government Code; and

WHEREAS, in order to proceed with the levy of the special tax as provided in the Amendments, the Amendments must be submitted to an election of the qualified electors of each Improvement Area of the Community Facilities District; and

WHEREAS, the Developer has previously filed with the Commission a Waiver and Consent Shortening Time Periods and Waiving Various Requirements for Conducting a Mailed Ballot Election (the "Waiver and Consent"), stating (i) that the Owner is the legal owner of the fee interest of all of the land proposed to be included within the Community Facilities District and within each Improvement Area other than land currently owned by the City, (ii) that to the best of the Owner's knowledge, during each of the 90 days preceding the close of the Public Hearing, there were less than twelve registered voters residing within the boundaries of Improvement Area No. 3 of the Community Facilities District, and (iii) that the Owner, or an authorized representative of the Owner, by executing the Waiver and Consent, has petitioned for the election to be held by the Commission and has waived the various requirements for the conduct of the election; and

WHEREAS, the Commission is fully advised in this matter;

NOW, THEREFORE, IT IS RESOLVED, DETERMINED AND ORDERED BY THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY AS FOLLOWS:

Section 8. The above recitals are true and correct, and the Commission so finds and determines.

Section 9. The Commission accepts the Waiver and Consent filed in these proceedings and finds, in accordance therewith, that during at least one of the 90 days just past, there were fewer than twelve registered voters residing within the boundaries of Improvement Area No. 3 of the Community Facilities District. Accordingly, under Section 53326(b) of the Government Code, the qualified electors of Improvement Area No. 3 of the Community Facilities District for the proposed special election shall be the owners of land within Improvement Area No. 3 of the Community Facilities District and the number of votes to which each landowner is entitled pursuant to Section 53326(b), is equal to the number of acres owned rounded up to the next whole acre.

Section 10. The Commission further finds, based on the Waiver and Consent, that the time limits and related requirements respecting preparation and distribution of election materials are waived. The Commission hereby finds that the rights, procedures and time periods waived by the property owners are solely for the protection of the qualified electors and may be waived by the qualified electors under Section 53326(a) and 53327(b) of the Act and under other provisions of law dealing with waiver generally, and that the Waiver and Consent constitutes a full and knowing waiver, by the Owner, of those rights, procedures and time periods. The Commission therefore is establishing the procedures and time periods for this special mailed-ballot election without regard to statutory schedules.

Section 11. Pursuant to Sections 53326 and 53351 of the Government Code, the Commission hereby calls an election, to be held and conducted upon adoption of this Resolution, and sets May 16, 2013, as the election date and 8:00 a.m. on that date as the deadline for returning ballots. If prior to that time the Secretary shall have received all of the eligible ballots to be cast, pursuant to Section 53351(j) of the Act the Secretary will at that time declare the election closed. Pursuant to Section 53326 of the Government Code, the election shall be conducted by mailed ballot; provided that personal service of the respective ballots to authorized representatives of each landowner is permitted under the Waiver and Consent on file with the Secretary and shall therefore be permitted. The Secretary is directed to either mail or make personal service of the ballots, in the form of the attached Exhibit A, to each landowner within Improvement Area No. 3 or, if one has been appointed as evidenced in writing, to the landowner's authorized representative.

Section 12. The proposition to be submitted to the qualified electors of Improvement Area No. 3 of the Community Facilities District shall be as set forth in the form of special election ballot attached hereto as Exhibit A.

Section 13. The Secretary is hereby designated as the official to conduct the special mailed-ballot election pursuant to the Act and California Elections Code Sections 307 and 320 and the following provisions:

- (a) The special election shall be held and conducted, and the votes canvassed and the returns made, and the results determined, as provided herein; and in all particulars not prescribed by this Resolution the special election shall be held and

conducted and the votes received and canvassed in the manner provided by law for the holding of special elections consistent with the Act.

(b) All landowners within Improvement Area No. 3 of the Community Facilities District as of the close of the Public Hearing shall be qualified to vote upon the proposition to be submitted at the special election.

(c) The special election shall be conducted as a mailed-ballot election, in accordance with the provisions of the Act and the prior proceedings of the Commission taken thereunder, and there shall be no polling places for the special election. All ballots shall be delivered or mailed by the Secretary to the landowners, and all voted ballots are required to be received by the Secretary not later than 8:00 a.m., on the day of the election in order to be counted. However, if at any time the Secretary determines that all votes have been cast, the Secretary shall immediately declare the election closed pursuant to Section 53351(j) of the Act.

(d) Each voter desiring to vote in favor of the proposition to be submitted at the special election shall mark a cross (x) or similar mark in the blank space next to the word "YES" on the ballot to the right of the proposition; and each voter desiring to vote against the proposition shall mark a cross (x) or similar mark in the blank space next to the word "NO" on the ballot to the right of the proposition. The cross (x) or similar mark may be marked with either pen or pencil.

(e) The Secretary shall commence the canvass of the returns of the special election, and report the returns to the Commission as soon as possible.

(f) The Commission may thereupon declare the results of the special election, and shall cause to be spread upon its minutes a statement of the results of the special election as ascertained by the canvass.

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

I, the undersigned, a duly appointed and qualified Authorized Signatory of the Commission of the California Statewide Communities Development Authority, DO HEREBY CERTIFY that the foregoing resolution was duly adopted by the Commission of said Authority at a duly called meeting of the Commission of said Authority held in accordance with law on May 16, 2013.

By: _____

Authorized Signatory
California Statewide Communities
Development Authority

EXHIBIT A

CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY COMMUNITY FACILITIES DISTRICT NO. 2012-01 (FANCHER CREEK), CITY OF FRESNO, COUNTY OF FRESNO, STATE OF CALIFORNIA

SPECIAL ELECTION BALLOT

(Mailed-Ballot Election: Change Proceedings)

This ballot is for the use of the authorized representative of the following owner of land within Improvement Area No. 3 of Community Facilities District No. 2012-01 (Fancher Creek), City of Fresno, County of Fresno, State of California (“the Community Facilities District”):

<u>Name of Landowner</u>	<u>Number of Acres Owned</u>	<u>Total Votes</u>
Fancher Creek Properties, LLC	21.84 acres	22

According to the provisions of the Mello-Roos Community Facilities Act of 1982, and resolutions of the Commission (the “Commission”) of the California Statewide Communities Development Authority (the “Authority”), the above-named Landowner is entitled to cast the number of votes shown above under the heading “Total Votes,” representing the total votes for the property owned by the Landowner.

In order to be counted, this ballot must be executed and certified below and be returned to the Secretary of Commission (the “Secretary”), by mail or in person, to be received by the Secretary prior to 8:00 a.m. on May 16, 2013 at the offices of the League of California Cities, at 1400 K Street, Third Floor, Sacramento, California 95814

Mailing by that time will not be sufficient. This ballot must be received by the time stated in order to be counted.

AN "X" OR OTHER MARK WILL CAST ALL VOTES ASSIGNED TO THIS BALLOT. All distinguishing marks or erasures are forbidden and make the ballot void. If you wrongly mark, tear, or deface this ballot, return it to the Secretary and obtain another.

BALLOT MEASURE

MARK "YES" OR "NO"
WITH AN "X":

Shall the Commission of the California Statewide Communities Development Authority (the "Commission"), through Improvement Area No. 3 of its Community Facilities District No. 2012-01 (Fancher Creek), City of Fresno, County of Fresno, State of California, be authorized to amend the rate and method of apportionment of special tax levied in and for its Community Facilities District No. 2012-01 (Fancher Creek), City of Fresno, County of Fresno, State of California, all as specified in its "A Resolution of Consideration of the Commission of the California Statewide Communities Development Authority to Amend the Rate and Method of Apportionment of Special Tax For Improvement Areas Nos. 1 and 3 Established in and for in and for Community Facilities District No. 2012-01 (Fancher Creek), City of Fresno, County of Fresno, State of California" adopted by the Commission on March 28, 2013, and "Resolution Calling a Special Mailed-Ballot Election Within Improvement Area No. 3 of Community Facilities District No. 2012-01 (Fancher Creek), City of Fresno, County of Fresno, State of California" adopted by the Commission on May 16, 2013?

YES: ☐

NO: ☐

Certification for Special Election Ballot

The undersigned declare under penalty of perjury under the laws of the State of California that they are the authorized representatives of the above-named Landowner and are persons legally authorized and entitled to cast this ballot on behalf of the above-named Landowner and to bind the Landowner thereby, and that this ballot is signed by the undersigned as of the date set forth below.

Date: _____

Fancher Creek Properties, LLC,
a California limited liability company

By: Kashian Enterprises, a California Limited
Partnership, Member

By: _____
Edward M. Kashian, General Partner

By: Africal Development, L.P., a California
Limited Partnership, Member

By: _____
Thomas G. Richards, as Trustee of the
Thomas G. Richards Living Trust dated
September 7, 2005, General Partner

[ALL SIGNATURES ARE TO BE NOTARIZED]

**RESOLUTIONS OF CHANGE AMENDING THE RATE & METHOD OF
APPORTIONMENT OF THE SPECIAL TAX**

RESOLUTION NO. 13R-__

**CALIFORNIA STATEWIDE COMMUNITIES
DEVELOPMENT AUTHORITY**

**A RESOLUTION OF CHANGE AMENDING THE RATE AND METHOD
OF APPORTIONMENT OF THE SPECIAL TAX FOR IMPROVEMENT
AREA NO. 1 OF THE CALIFORNIA STATEWIDE COMMUNITIES
DEVELOPMENT AUTHORITY COMMUNITY FACILITIES DISTRICT
NO. 2012-01 (FANCHER CREEK), CITY OF FRESNO, COUNTY OF
FRESNO, STATE OF CALIFORNIA**

WHEREAS, the Commission (the “Commission”) of the California Statewide Communities Development Authority (the “Authority”) makes reference to its Resolution of Consideration to Amend the Rate and Method of Apportionment of Special Tax for Improvement Area Nos. 1 and 3 (the “Resolution of Consideration”), adopted on March 28, 2013, and its Resolution Calling Special Mailed-Ballot Election within Improvement Area No. 1 of Community Facilities District No. 2012-01 (Fancher Creek), City of Fresno, County of Fresno, State of California (the “Resolution Calling Election,” and together with the Resolution of Consideration, the “Resolutions”), adopted on May 16, 2013, calling a special, mailed-ballot elections in Improvement Area No. 1 within the Community Facilities District to determine if the Amendments, as those terms are defined in the Resolutions, should be adopted; and

WHEREAS, pursuant to the Resolutions the Commission has conducted the special mailed-ballot election; and

WHEREAS, the Secretary of the Commission (the “Secretary”) has filed with the Commission a Certificate re: Receipt of Executed Ballots, and Declaring Election Results for Improvement Area No. 1 (the “Certificate of Election Results”), dated this date and indicating that all votes cast in the special, mailed-ballot elections were cast in favor of approving the Amendments; and

WHEREAS, the Commission is fully advised in this matter;

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

Section 1. The above recitals are true and correct, and the Commission so finds and determines.

Section 2. The Commission hereby accepts the Certificate of Election Results.

Section 3. The Commission hereby finds and determines and declares that the ballot measure submitted to the qualified electors of Improvement Area No. 1 in the Community Facilities District on the question of approving the Amendments has been passed and approved by those qualified electors in accordance with Section 53338 of the Government Code.

Section 4. The Commission hereby finds and determines and declares that the Rate and Method of Apportionment of Special Tax for Improvement Area No. 1 (the “Rate and Method”) is now that authorized by the special elections called by the Resolutions, and that a copy of the Rate and Method is attached to the Resolution of Consideration as Exhibit A-1.

Section 5. The Commission hereby authorizes and directs Bond Counsel to cause an Amended Notice of Special Tax Lien for Improvement Area No. 1 to be prepared and to be recorded with the County Recorder of the County of Fresno in accordance with the provisions of Section 3117.5 of the Streets and Highways Code and Section 53338(c) of the Government Code. The Amended Notice of Special Tax Lien shall have the Rate and Method attached to it and shall be recorded in the County Recorder’s office within fifteen days of today’s date.

Section 6. This resolution shall take effect immediately upon its passage.

I, the undersigned, a duly appointed and qualified Authorized Signatory of the Commission of the California Statewide Communities Development Authority, DO HEREBY CERTIFY that the foregoing resolution was duly adopted by the Commission of said Authority at a duly called meeting of the Commission of said Authority held in accordance with law on May 16, 2013.

By: _____
Authorized Signatory
California Statewide Communities
Development Authority

RESOLUTION NO. 13R-__

**CALIFORNIA STATEWIDE COMMUNITIES
DEVELOPMENT AUTHORITY**

**A RESOLUTION OF CHANGE AMENDING THE RATE AND METHOD
OF APPORTIONMENT OF THE SPECIAL TAX FOR IMPROVEMENT
AREA NO. 3 OF THE CALIFORNIA STATEWIDE COMMUNITIES
DEVELOPMENT AUTHORITY COMMUNITY FACILITIES DISTRICT
NO. 2012-01 (FANCHER CREEK), CITY OF FRESNO, COUNTY OF
FRESNO, STATE OF CALIFORNIA**

WHEREAS, the Commission (the “Commission”) of the California Statewide Communities Development Authority (the “Authority”) makes reference to its Resolution of Consideration to Amend the Rate and Method of Apportionment of Special Tax for Improvement Area Nos. 1 and 3 (the “Resolution of Consideration”), adopted on March 28, 2013, and its Resolution Calling Special Mailed-Ballot Election within Improvement Area No. 3 of Community Facilities District No. 2012-01 (Fancher Creek), City of Fresno, County of Fresno, State of California (the “Resolution Calling Election,” and together with the Resolution of Consideration, the “Resolutions”), adopted on May 16, 2013, calling a special, mailed-ballot elections in Improvement Area No. 3 within the Community Facilities District to determine if the Amendments, as those terms are defined in the Resolutions, should be adopted; and

WHEREAS, pursuant to the Resolutions the Commission has conducted the special mailed-ballot election; and

WHEREAS, the Secretary of the Commission (the “Secretary”) has filed with the Commission a Certificate re: Receipt of Executed Ballots, and Declaring Election Results for Improvement Area No. 3 (the “Certificate of Election Results”), dated this date and indicating that all votes cast in the special, mailed-ballot elections were cast in favor of approving the Amendments; and

WHEREAS, the Commission is fully advised in this matter;

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

Section 1. The above recitals are true and correct, and the Commission so finds and determines.

Section 2. The Commission hereby accepts the Certificate of Election Results.

Section 3. The Commission hereby finds and determines and declares that the ballot measure submitted to the qualified electors of Improvement Area No. 3 in the Community Facilities District on the question of approving the Amendments has been passed and approved by those qualified electors in accordance with Section 53338 of the Government Code.

Section 4. The Commission hereby finds and determines and declares that the Rate and Method of Apportionment of Special Tax for Improvement Area No. 3 (the “Rate and Method”) is now that authorized by the special elections called by the Resolutions, and that a copy of the Rate and Method is attached to the Resolution of Consideration as Exhibit A-1.

Section 5. The Commission hereby authorizes and directs Bond Counsel to cause an Amended Notice of Special Tax Lien for Improvement Area No. 3 to be prepared and to be recorded with the County Recorder of the County of Fresno in accordance with the provisions of Section 3117.5 of the Streets and Highways Code and Section 53338(c) of the Government Code. The Amended Notice of Special Tax Lien shall have the Rate and Method attached to it and shall be recorded in the County Recorder’s office within fifteen days of today’s date.

Section 6. This resolution shall take effect immediately upon its passage.

I, the undersigned, a duly appointed and qualified Authorized Signatory of the Commission of the California Statewide Communities Development Authority, DO HEREBY CERTIFY that the foregoing resolution was duly adopted by the Commission of said Authority at a duly called meeting of the Commission of said Authority held in accordance with law on May 16, 2013.

By: _____
Authorized Signatory
California Statewide Communities
Development Authority

ORDINANCES

ORDINANCE NO. 13ORD-2

**CALIFORNIA STATEWIDE COMMUNITIES
DEVELOPMENT AUTHORITY**

**ORDINANCE LEVYING A SPECIAL TAX FOR FISCAL YEAR 2012-2013
AND FOLLOWING FISCAL YEARS SOLELY WITHIN AND RELATING TO
CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY
COMMUNITY FACILITIES DISTRICT NO. 2012-01, IMPROVEMENT AREA 1
(FANCHER CREEK), CITY OF FRESNO, COUNTY OF FRESNO, STATE OF
CALIFORNIA**

BE IT ENACTED BY THE COMMISSION OF THE CALIFORNIA STATEWIDE
COMMUNITIES DEVELOPMENT AUTHORITY:

SECTION 1 Pursuant to Government Code Sections 53316 and 53340, and Commission Resolution No. 13R-9 (the “Resolution of Change”), adopted May 16, 2013, and in accordance with the Rate and Method of Apportionment, as set forth in Resolution No. 13R-4 (the “Resolution of Consideration”) adopted March 28, 2013, with respect to the California Statewide Communities Development Authority Community Facilities District No. 2012-01 (Fancher Creek), City of Fresno, County of Fresno, State of California (the “Community Facilities District”) including Improvement Area 1 therein (the “Improvement Area”), a special tax is hereby levied on all taxable parcels within the Improvement Area for the 2013-2014 fiscal year and for all subsequent fiscal years in the amount of the maximum tax authorized under the Resolution of Consideration, until collection of the Special Tax by the Commission ceases and a Notice of Cessation of Special Tax is recorded in accordance with Section 53330.5 of the Act, provided that this amount may in any fiscal year be levied at a lesser amount by resolution of the Commission.

SECTION 2 The Authority’s special tax consultant, currently David Taussig & Associates, Inc., 5000 Birch Street, Suite 6000, Newport Beach, California 92660, telephone (949) 955-1500, is authorized and directed, with the aid of the appropriate officers and agents of the Authority, to determine each year, without further action of the Commission, the appropriate amount of the Special Tax (pursuant to, and as that term is defined in, the Resolution of Change) to be levied for the Improvement Area, to prepare the annual Special Tax roll in accordance with the Resolution of Change, and to present the roll to the Commission for consideration.

SECTION 3 Upon approval by the Commission, whether as submitted or as modified by the Commission, the special tax consultant is authorized and directed, without further action of the Commission, to provide all necessary and appropriate information to the Fresno County Auditor in proper form, and in proper time, necessary to effect the correct and timely billing and collection of the Special Tax on the secured property tax roll of the County; provided, that as stated in the Resolution of Change and in Section 53340 of the California Government Code, the Commission has reserved the right to utilize any method of collecting the Special Tax which it shall, from time to time, determine to be in the best interests of the Authority, including but not limited to, direct billing by the Authority to the property owners, supplemental billing and, under

the circumstances provided by law, judicial foreclosure, all or any of which the Commission may implement in its discretion by resolution.

SECTION 4 The appropriate officers and agents of the Authority are authorized to make adjustments to the Special Tax roll prior to the final posting of the Special Tax to the Fresno County tax roll each fiscal year, as may be necessary to achieve a correct match of the Special Tax levy with the assessor's parcel numbers finally utilized by the Fresno County Auditor in sending out property tax bills.

SECTION 5 The Authority agrees that, in the event the Special Tax is collected on the secured tax roll of Fresno County, the County may deduct its reasonable and agreed charges for collecting the Special Tax from the amounts collected, prior to remitting the Special Tax collections to the Authority.

SECTION 6 Taxpayers claiming that the amount of the Special Tax on their property is not correct are referred to Section F of the Rate and Method of Apportionment of the Special Tax contained in the Resolution of Change for the proper claims procedure.

SECTION 7 If for any cause any portion of this Ordinance is found to be invalid, or if the Special Tax is found inapplicable to any particular parcel by a court of competent jurisdiction, the balance of this Ordinance, and the application of the Special Tax to all other parcels, shall not be affected.

SECTION 8 This Ordinance shall take effect and be in force immediately as a tax measure; and before the expiration of fifteen (15) days after its passage the same shall be published, with the names of the members voting for and against the same, at least once in a newspaper of general circulation published and circulated in the area of the Community Facilities District.

* * *

I, the undersigned, the duly appointed and qualified representative of the Commission of the California Statewide Communities Development Authority, DO HEREBY CERTIFY that the foregoing ordinance was first read at a regular meeting of the Commission on May 16, 2013, and was duly passed and adopted by the Commission of the Authority at a duly called meeting of the Commission of the Authority held in accordance with law on May 30, 2013.

AYES:

NOES:

ABSENT:

By: _____
Authorized Signatory
California Statewide Communities
Development Authority

ORDINANCE NO. 13ORD-3

**CALIFORNIA STATEWIDE COMMUNITIES
DEVELOPMENT AUTHORITY**

**ORDINANCE LEVYING A SPECIAL TAX FOR FISCAL YEAR 2012-2013
AND FOLLOWING FISCAL YEARS SOLELY WITHIN AND RELATING TO
CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY
COMMUNITY FACILITIES DISTRICT NO. 2012-01, IMPROVEMENT AREA 2
(FANCHER CREEK), CITY OF FRESNO, COUNTY OF FRESNO, STATE OF
CALIFORNIA**

BE IT ENACTED BY THE COMMISSION OF THE CALIFORNIA STATEWIDE
COMMUNITIES DEVELOPMENT AUTHORITY:

SECTION 1 Pursuant to Government Code Sections 53316 and 53340, and Commission Resolution No. 12R-24 (the “Resolution Declaring Election Results”), adopted October 25, 2012, and in accordance with the Rate, Method of Apportionment, and Manner of Collection of Special Tax as set forth in Resolution No. 12R-16 (the “Resolution of Formation”), adopted October 25, 2012, establishing the California Statewide Communities Development Authority Community Facilities District No. 2012-01 (Fancher Creek), City of Fresno, County of Fresno, State of California (the “Community Facilities District”) including Improvement Area 2 therein (the “Improvement Area”), a special tax is hereby levied on all taxable parcels within the Improvement Area for the 2012-2013 fiscal year and for all subsequent fiscal years in the amount of the maximum tax authorized under the Resolution of Formation, until collection of the Special Tax by the Commission ceases and a Notice of Cessation of Special Tax is recorded in accordance with Section 53330.5 of the Act, provided that this amount may in any fiscal year be levied at a lesser amount by resolution of the Commission.

SECTION 2 The Authority’s special tax consultant, currently David Taussig & Associates, Inc., 5000 Birch Street, Suite 6000, Newport Beach, California 92660, telephone (949) 955-1500, is authorized and directed, with the aid of the appropriate officers and agents of the Authority, to determine each year, without further action of the Commission, the appropriate amount of the Special Tax (pursuant to, and as that term is defined in, the Resolution of Formation) to be levied for the Improvement Area, to prepare the annual Special Tax roll in accordance with the Resolution of Formation, and to present the roll to the Commission for consideration.

SECTION 3 Upon approval by the Commission, whether as submitted or as modified by the Commission, the special tax consultant is authorized and directed, without further action of the Commission, to provide all necessary and appropriate information to the Fresno County Auditor in proper form, and in proper time, necessary to effect the correct and timely billing and collection of the Special Tax on the secured property tax roll of the County; provided, that as stated in the Resolution of Formation and in Section 53340 of the California Government Code, the Commission has reserved the right to utilize any method of collecting the Special Tax which it shall, from time to time, determine to be in the best interests of the Authority, including but not limited to, direct billing by the Authority to the property owners, supplemental billing and, under

the circumstances provided by law, judicial foreclosure, all or any of which the Commission may implement in its discretion by resolution.

SECTION 4 The appropriate officers and agents of the Authority are authorized to make adjustments to the Special Tax roll prior to the final posting of the Special Tax to the Fresno County tax roll each fiscal year, as may be necessary to achieve a correct match of the Special Tax levy with the assessor's parcel numbers finally utilized by the Fresno County Auditor in sending out property tax bills.

SECTION 5 The Authority agrees that, in the event the Special Tax is collected on the secured tax roll of Fresno County, the County may deduct its reasonable and agreed charges for collecting the Special Tax from the amounts collected, prior to remitting the Special Tax collections to the Authority.

SECTION 6 Taxpayers claiming that the amount of the Special Tax on their property is not correct are referred to Section G of the Rate and Method of Apportionment of the Special Tax contained in the Resolution of Formation for the proper claims procedure.

SECTION 7 If for any cause any portion of this Ordinance is found to be invalid, or if the Special Tax is found inapplicable to any particular parcel by a court of competent jurisdiction, the balance of this Ordinance, and the application of the Special Tax to all other parcels, shall not be affected.

SECTION 8 This Ordinance shall take effect and be in force immediately as a tax measure; and before the expiration of fifteen (15) days after its passage the same shall be published, with the names of the members voting for and against the same, at least once in a newspaper of general circulation published and circulated in the area of the Community Facilities District.

* * *

I, the undersigned, the duly appointed and qualified Chair of the Commission of the California Statewide Communities Development Authority, DO HEREBY CERTIFY that the foregoing ordinance was first read at a regular meeting of the Commission on May 16, 2013, and was duly passed and adopted by the Commission of the Authority at a duly called meeting of the Commission of the Authority held in accordance with law on _____, 2013.

AYES:

NOES:

ABSENT:

By: _____

Chair
California Statewide Communities
Development Authority

Attest:

By: _____

Secretary
California Statewide Communities
Development Authority

ORDINANCE NO. 13ORD-4

**CALIFORNIA STATEWIDE COMMUNITIES
DEVELOPMENT AUTHORITY**

**ORDINANCE LEVYING A SPECIAL TAX FOR FISCAL YEAR 2012-2013
AND FOLLOWING FISCAL YEARS SOLELY WITHIN AND RELATING TO
CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY
COMMUNITY FACILITIES DISTRICT NO. 2012-01, IMPROVEMENT AREA 3
(FANCHER CREEK), CITY OF FRESNO, COUNTY OF FRESNO, STATE OF
CALIFORNIA**

BE IT ENACTED BY THE COMMISSION OF THE CALIFORNIA STATEWIDE
COMMUNITIES DEVELOPMENT AUTHORITY:

SECTION 1 Pursuant to Government Code Sections 53316 and 53340, and Commission Resolution No. 13R-10 (the “Resolution of Change”), adopted May 16, 2013, and in accordance with the Rate and Method of Apportionment, as set forth in Resolution No. 13R-4 (the “Resolution of Consideration”) adopted March 28, 2013, with respect to the California Statewide Communities Development Authority Community Facilities District No. 2012-01 (Fancher Creek), City of Fresno, County of Fresno, State of California (the “Community Facilities District”) including Improvement Area 3 therein (the “Improvement Area”), a special tax is hereby levied on all taxable parcels within the Improvement Area for the 2013-2014 fiscal year and for all subsequent fiscal years in the amount of the maximum tax authorized under the Resolution of Consideration, until collection of the Special Tax by the Commission ceases and a Notice of Cessation of Special Tax is recorded in accordance with Section 53330.5 of the Act, provided that this amount may in any fiscal year be levied at a lesser amount by resolution of the Commission.

SECTION 2 The Authority’s special tax consultant, currently David Taussig & Associates, Inc., 5000 Birch Street, Suite 6000, Newport Beach, California 92660, telephone (949) 955-1500, is authorized and directed, with the aid of the appropriate officers and agents of the Authority, to determine each year, without further action of the Commission, the appropriate amount of the Special Tax (pursuant to, and as that term is defined in, the Resolution of Change) to be levied for the Improvement Area, to prepare the annual Special Tax roll in accordance with the Resolution of Change, and to present the roll to the Commission for consideration.

SECTION 3 Upon approval by the Commission, whether as submitted or as modified by the Commission, the special tax consultant is authorized and directed, without further action of the Commission, to provide all necessary and appropriate information to the Fresno County Auditor in proper form, and in proper time, necessary to effect the correct and timely billing and collection of the Special Tax on the secured property tax roll of the County; provided, that as stated in the Resolution of Change and in Section 53340 of the California Government Code, the Commission has reserved the right to utilize any method of collecting the Special Tax which it shall, from time to time, determine to be in the best interests of the Authority, including but not limited to, direct billing by the Authority to the property owners, supplemental billing and, under

the circumstances provided by law, judicial foreclosure, all or any of which the Commission may implement in its discretion by resolution.

SECTION 4 The appropriate officers and agents of the Authority are authorized to make adjustments to the Special Tax roll prior to the final posting of the Special Tax to the Fresno County tax roll each fiscal year, as may be necessary to achieve a correct match of the Special Tax levy with the assessor's parcel numbers finally utilized by the Fresno County Auditor in sending out property tax bills.

SECTION 5 The Authority agrees that, in the event the Special Tax is collected on the secured tax roll of Fresno County, the County may deduct its reasonable and agreed charges for collecting the Special Tax from the amounts collected, prior to remitting the Special Tax collections to the Authority.

SECTION 6 Taxpayers claiming that the amount of the Special Tax on their property is not correct are referred to Section F of the Rate and Method of Apportionment of the Special Tax contained in the Resolution of Change for the proper claims procedure.

SECTION 7 If for any cause any portion of this Ordinance is found to be invalid, or if the Special Tax is found inapplicable to any particular parcel by a court of competent jurisdiction, the balance of this Ordinance, and the application of the Special Tax to all other parcels, shall not be affected.

SECTION 8 This Ordinance shall take effect and be in force immediately as a tax measure; and before the expiration of fifteen (15) days after its passage the same shall be published, with the names of the members voting for and against the same, at least once in a newspaper of general circulation published and circulated in the area of the Community Facilities District.

* * *

I, the undersigned, the duly appointed and qualified representative of the Commission of the California Statewide Communities Development Authority, DO HEREBY CERTIFY that the foregoing ordinance was first read at a regular meeting of the Commission on May 16, 2013, and was duly passed and adopted by the Commission of the Authority at a duly called meeting of the Commission of the Authority held in accordance with law on May 30, 2013.

AYES:

NOES:

ABSENT:

By: _____
Authorized Signatory
California Statewide Communities
Development Authority

HEARING REPORTS

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

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

A. DEFINITIONS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

"City" means the City of Fresno.

"Commission" means the governing board of CSCDA.

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

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

“County” means the County of Fresno.

“CSCDA” means the California Statewide Communities Development Authority.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

“State” means the State of California

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

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

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

B. ASSIGNMENT TO LAND USE CATEGORIES

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

C. MAXIMUM SPECIAL TAX RATE

1. Taxable Property

(a). Maximum Special Tax

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

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

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

(b). Increase in the Maximum Special Tax

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

D. METHOD OF APPORTIONMENT OF THE SPECIAL TAX

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

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

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

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

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

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

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

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

E. EXEMPTIONS

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

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

F. REVIEW/APPEAL PROCESS

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

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

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

G. MANNER OF COLLECTION

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

H. PREPAYMENT OF SPECIAL TAX

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

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

The following definition applies to this Section H:

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

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

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

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

1. Prepayment in Full – After Issuance of Bonds

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

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

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

Paragraph No.:

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

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

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

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

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

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

2. Prepayment in Part

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

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

These terms have the following meaning:

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

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

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

I. TERM OF SPECIAL TAX

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

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

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

A. DEFINITIONS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

"City" means the City of Fresno.

"Commission" means the governing board of CSCDA.

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

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

“County” means the County of Fresno.

“CSCDA” means the California Statewide Communities Development Authority.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

B. ASSIGNMENT TO LAND USE CATEGORIES

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

C. MAXIMUM SPECIAL TAX RATE

1. Taxable Property

(a). Maximum Special Tax

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

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

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

(b). Increase in the Maximum Special Tax

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

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

2. Undeveloped Property

(a). Maximum Special Tax

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

D. METHOD OF APPORTIONMENT OF THE SPECIAL TAX

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

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

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

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

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

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

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

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

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

E. EXEMPTIONS

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

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

F. REVIEW/APPEAL PROCESS

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

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

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

G. MANNER OF COLLECTION

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

H. PREPAYMENT OF SPECIAL TAX

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

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

The following definition applies to this Section H:

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

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

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

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

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

1. Prepayment in Full – After Issuance of Bonds

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

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

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

Paragraph No.:

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

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

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

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

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

2. Prepayment in Part

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

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

These terms have the following meaning:

PP = the partial prepayment

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

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

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

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

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

I. TERM OF SPECIAL TAX

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

**COMMUNITY FACILITIES
DISTRICT REPORT**

**California Statewide Communities
Development Authority**

**Community Facilities District No.
2012-01 (Fancher Creek)**

March 15, 2013

Public Finance
Urban Economics

Newport Beach
Fresno
Riverside
San Francisco
Chicago
Dallas

**COMMUNITY FACILITIES DISTRICT REPORT
MELLO-ROOS COMMUNITY FACILITIES ACT OF 1982**

**COMMUNITY FACILITIES DISTRICT No. 2012-01
OF THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT
AUTHORITY (FANCHER CREEK)**

Prepared for

CSCDA
1400 K Street, 3rd Floor
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Prepared by

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ATTACHMENTS

Attachment A-1	Amended Rate and Method of Apportionment for Improvement Area No. 1
Attachment A-2	Existing Rate and Method of Apportionment for Improvement Area No. 2
Attachment A-3	Amended Rate and Method of Apportionment for Improvement Area No. 3
Attachment B	Maximum Special Tax For Developed Property
Attachment C	CFD No. 2012-01 (Fancher Creek) Boundary Map

I. INTRODUCTION

WHEREAS, the Commission (the “Commission”) of the California Statewide Communities Development Authority (the “Authority” or “CSCDA”) has duly considered the advisability and necessity of establishing a community facilities district within the jurisdictional boundaries of the City of Fresno, in Fresno County, California (the “City”), to be designated and known as “California Statewide Communities Development Authority Community Facilities District No. 2012-01 (Fancher Creek), City of Fresno, County of Fresno, State of California” (the “Community Facilities District”), and levying a special tax therein to finance the acquisition and construction of certain public capital facilities to be owned by the City, and to finance certain development impact fees to pay for other public capital facilities to be owned by the City and by the Fresno Metropolitan Flood Control District, under and pursuant to the terms and provisions of the “Mello-Roos Community Facilities Act of 1982,” being Chapter 2.5, Part 1, Division 2, Title 5 (beginning with Section 53311) of the Government Code of the State of California (the “Act”); and

WHEREAS, the Commission has considered an application for the formation of the Community Facilities District submitted jointly by the City and the developer of the Fancher Creek project, Fancher Creek Properties, LLC, a California limited liability company (the “Developer”), and has determined that the establishment of the Community Facilities District is consistent with and follows the local goals and policies concerning the use of the Act that have been adopted by the Commission and are now in effect; and

WHEREAS, The Commission has reviewed City of Fresno Resolution No. 2010-58 adopted by the Fresno City Council on March 25, 2010 and entitled “Resolution of the Council of the City of Fresno (1) Authorizing the California Statewide Communities Development Authority (the “Authority”) to Form a Community Facilities District Within the Territorial Limits of The City of Fresno to Finance Public Improvements and Development Impact Fees to Partially Mitigate the Impacts of the Development Project Commonly Known As Fancher Creek; (2) Embodying a Joint Community Facilities Agreement Setting Forth the Terms and Conditions of the Community Facilities District Financing; (3) Approving an Acquisition Agreement Between the City And the Developer; and (4) Authorizing Staff to Cooperate With the Authority and its Consultants in Connection Therewith” (the “City Resolution”); and

WHEREAS, the Commission adopted its Resolution No. 12R-12 (2012) (the “Resolution of Intention”) on August 23, 2012 in which it declared its intention to establish a community facilities district to be designated and known as California Statewide Communities Development Authority Community Facilities District No. 2012-01 (Fancher Creek), City of Fresno, County of Fresno, State of California, for the purposes described herein; and

WHEREAS, the Commission conducted proceedings under and pursuant to the terms and provisions of the Act: (i) to form the Community Facilities District, including “Improvement Area No. 1” and “Improvement Area No. 3” (collectively, the “Improvement Areas”), (ii) to authorize levying a special tax therein to finance the acquisition and construction of certain public capital facilities to be owned by the City and to finance certain development impact fees to pay for other public capital facilities (collectively, the “Improvements”) to be owned by the City, (iii) to authorize the issuance of debt to finance the facilities, and (iv) to establish the

appropriations limit for the Community Facilities District, all as set forth in the Commission's Resolution No. 12R-16 (the "Resolution of Formation"), adopted on October 25, 2012; and

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

WHEREAS, following which, documentation was prepared, executed, and delivered by the Authority in connection with the issuance of \$4,200,000 in aggregate principal amount of Community Facilities District No. 2012-01 (Fancher Creek) Special Tax Bonds, Series 2013A (the "Bonds"). The Bonds were issued pursuant to the provisions of an Indenture dated as of February 1, 2013, by and between the Authority and The Bank of New York Mellon Trust Company, NA., as trustee (the "Trustee"); and

WHEREAS, the Developer, the owner and developer of the land subject to the special tax within the Community Facilities District, has requested that the authority to levy the special tax be amended (i) to adjust both the maximum special tax authorized to be levied in each Improvement Area and the aggregate property taxes imposed on property within the Community Facilities District, and (ii) to make various non-substantial and non-material refinements to each Existing Rate and Method of Apportionment (the "Amendments"). Each Rate and Method of Apportionment with Amendments shall herein be referred to as the

"Amended Rate and Method of Apportionment;" and

WHEREAS, on Thursday, March 28, 2013, the Commission adopted its Resolution of Consideration to Amend the Existing Rate and Method of Apportionment of Special Tax for each of the Improvement Areas (the "Resolution of Consideration") by which it also scheduled a Public Hearing to give consideration to amending the powers currently conferred upon the Commission by the Authority's Community Facilities District and the Improvement Areas in connection with the Amendments; and

WHEREAS, the Resolution of Intention, in its Section 19, as well as Exhibit B to the Resolution of Consideration (in substantially similar language), direct:

The Authority's special tax consultant, David Taussig & Associates, in consultation with and on behalf of the City, is hereby requested to study the Community Facilities District and, at or before the time of the public hearing, to cause to be prepared and filed with the Commission a report which shall contain a brief description of the facilities by type which in its opinion will be required to adequately meet the needs of the new development expected to occur within the Community Facilities District, together with estimates of the cost of financing the Improvements and the incidental expenses related thereto. The report shall, upon its presentation, be submitted to the Commission for review, shall be available for inspection by the public, and shall be made a part of the record of the public hearing; and

NOW, THEREFORE, David Taussig & Associates, Inc. does hereby submit the amended Report.

II. PROJECT DESCRIPTION

CFD No. 2012-01 (Fancher Creek) encompasses approximately 225 gross acres of land in the City of Fresno located near the natural course of Fancher Creek that runs generally from Clovis Avenue at Tulare Street to the North Armstrong Avenue Alignment at East Belmont Avenue in southeast Fresno. Of this acreage, approximately 148.79 acres is expected to be developed into uses subject to a Mello-Roos Special Tax¹.

CFD No. 2012-01 (Fancher Creek) consists of three Improvement Areas. In Improvement Area 1, approximately 77.90 acres are expected to be developed into uses subject to a Mello-Roos Special Tax levy. In Improvement Area 2, approximately 49.05 acres are expected to be developed into uses subject to a Mello-Roos Special Tax levy and in Improvement Area 3, approximately 21.84 acres are expected to be developed into uses subject to a Mello-Roos Special Tax levy. At buildout, with a projected Floor Area Ratio (“FAR”) of approximately 0.32, it is currently expected that CFD No. 2012-01 (Fancher Creek) will consist of approximately 2,052,750 square feet of non-residential development.

It is intended that once the process of development, informed by the emerging demands of the real estate market, reaches greater specificity, and the land within CFD No. 2012-01 (Fancher Creek) has been developed to the extent planned, adjacent parcels (“Future Annexation Area”) may be annexed into one or more of the Improvement Areas. The determination whether to employ the Act to annex additional property will be made in accordance with the policy directives contained in the applicable Rates and Methods of Apportionment for each such Improvement Area(s).

¹ Please note that all capitalized terms used herein, unless otherwise indicated, shall have the meanings defined in the Amended Rate and Method of Apportionment for CFD No. 2012-01 (Fancher Creek).

III. DESCRIPTION AND ESTIMATED COST OF PUBLIC FACILITIES

A community facilities district may provide for the purchase, construction, expansion or rehabilitation of any real or tangible property, including public facilities and infrastructure improvements, with an estimated useful life of five (5) years or longer, which is necessary to meet increased demands placed upon local agencies as a result of development or rehabilitation occurring within the community facilities district. In addition, a community facilities district may pay in full all amounts necessary to eliminate any fixed special assessment liens or to pay, repay, or defease any obligation to pay for any indebtedness secured by any tax, fee, charge, or assessment levied within the area of the community facilities district. A community facilities district may also provide for financing of certain public services to meet these demands.

A. Description of Public Facilities

The type of public facilities proposed to be eligible for funding by CFD No. 2012-01 (Fancher Creek), as identified in the Resolution of Intention, shall consist of those items listed below. It is intended that CFD No. 2012-01 (Fancher Creek) will be authorized to finance all or a portion of the costs of any of the following improvements to be owned by CFD No. 2012-01 (Fancher Creek):

1. Fees:

- a. All development impact fees set forth in Exhibit 2 to the City Resolution and entitled “Authorized Improvements and Fees,” including, but not limited to, potable water fees; wastewater and sewer fees; water capacity fees; traffic and street impact fees, the Fresno County Council of Governments’ Regional Transportation Mitigation Fees, fire facility fees, public facility fees, park facility fees, and public works review and inspection fees related to the public facilities.

2. Public Facilities:

- a. The types of facilities proposed to be financed by CFD No. 2012-01 are street improvements, including grading, paving, curbs and gutters, sidewalks, bridges, street signalization and signage, street lights and parkway and landscaping related thereto, sewers and water/sewer mains, storm drain, utilities, public parks, trails, and recreation facilities, landscaping, development impact fees, soft costs, rights-of-way, and easements necessary for any of such facilities.

3. Other

CFD No. 2012-01 (Fancher Creek) may also finance any of the following:

- a. Special Tax Consultant services
- b. Authority, City staff review, oversight, and administrative services
- c. Bond Counsel and Disclosure Counsel services
- d. Financial Advisor services

- e. Special Tax administrator services
- f. Appraiser/Market absorption consultant services
- g. Initial bond transfer agent, fiscal agent, registrar and paying agent services, and rebate calculation service set up charge
- h. Bond printing and Preliminary Official Statement and Official Statement printing and mailing
- i. Publishing, mailing, and posting of notices
- j. Recording fees
- k. Underwriter's discount
- l. Bond reserve fund
- m. Capitalized interest
- n. Governmental notification and filing fees
- o. Credit enhancement costs
- p. Rating agency fees
- q. Continuing disclosure services
- r. Arbitrage rebate services
- s. Other post-issuance tax compliance services

CFD No. 2012-01 (Fancher Creek) may also finance reimbursement of costs related to the formation of CFD No. 2012-01 (Fancher Creek) advanced by the City, the landowner in CFD No. 2012-01 (Fancher Creek), or any party related to any of the foregoing, as well as reimbursement of any costs advanced by the City, the landowner in CFD No. 2012-01 (Fancher Creek) or any party related to any of the foregoing, for facilities, capital related fees, or other purposes or costs of CFD No. 2012-01 (Fancher Creek).

The preceding facilities are all facilities which the legislative body creating CFD No. 2012-01 is authorized to own, construct, operate, provide or finance, and which are required to adequately meet the needs of development expected to occur within CFD No. 2012-01. The Special Taxes required to pay for the construction, acquisition, or financing of said facilities, or for the provision of services, will be apportioned as described in the Rates and Methods of Apportionment for CFD No. 2012-01.

B. Estimated Costs of Public Facilities

CFD No. 2012-01 (Fancher Creek) is expected to issue at least two (2) series of bonds to finance the construction, acquisition, expansion, improvement, or rehabilitation of the proposed public facilities. The total amount of construction proceeds generated from the first series of bonds was approximately \$3.0 million and the total amount of construction proceeds from the second series of bonds is projected to be approximately \$2.7 million. These amounts are estimates and subject to change, depending on the interest rates of the bonds, the costs of issuance of the bonds, and other factors to be determined at the time the bonds are issued.

IV. BONDED INDEBTEDNESS AND INCIDENTAL EXPENSES

A. Projected Bond Sales

The maximum authorized bonded indebtedness for CFD No. 2012-01 (Fancher Creek) is \$17,000,000. It is anticipated that the Commission will sell at least two (2) series of bonds authorized by CFD No. 2012-01 (Fancher Creek) over a period of years as development progresses within the CFD.

CFD No. 2012-01 (Fancher Creek) is comprised of three (3) improvement areas: CFD No. 2012-01 (IA No. 1), CFD No. 2012-01 (IA No. 2), and CFD No. 2012-01 (IA No. 3). The bond documents will specify the improvement area(s) that will be specifically designated as collateral for bonds authorized by any of the three (3) improvement areas and issued by the Commission.

B. Incidental Bond Issuance Expenses to be Included in the Proposed Bonded Indebtedness

Pursuant to Section 53345.3 of the Act, bonded indebtedness may include all costs and estimated costs incidental to, or connected with, the accomplishment of the purpose for which the proposed debt is to be incurred, including, but not limited to, the estimated costs of construction or acquisition of buildings, or both; acquisition of land, rights-of-way, water, sewer, or other capacity or connection fees; lease payments for school facilities, satisfaction of contractual obligations relating to expenses or the advancement of funds for expenses existing at the time the bonds are issued, architectural, engineering, inspection, legal, fiscal, and financial consultant fees; bond and other reserve funds; discount fees; interest on any bonds of the district estimated to be due and payable within two years of issuance of the bonds; election costs; and all costs of issuance of the bonds, including, but not limited to, fees for Bond Counsel and Special Tax Consultant, costs of obtaining credit ratings, bond insurance premiums, fees for letters of credit, and other credit enhancement costs, and printing costs. For the future bonds proposed to be issued by CFD No. 2012-01 (Fancher Creek), the reserve fund is estimated at approximately ten percent (10.00%) of the principal amount of the bonds, capitalized interest is estimated at approximately ten percent (10.00%) of the principal amount of the bonds, and all other incidental bond issuance expenses are estimated at approximately five percent (5.00%) of the principal amount of the bonds. Actual bond issue assumptions will vary from the above estimates.

C. Incidental Expenses to be Included in the Annual Levy of Special Taxes

Pursuant to Section 53340 of the Act, the proceeds of any special tax may only be used to pay, in whole or part, the cost of providing public facilities, services and incidental expenses. As defined by the Act, incidental expenses include, but are not limited to, the cost of planning and designing public facilities to be financed, including the cost of environmental evaluations of those public facilities; the costs associated with the creation of the district, issuance of bonds, determination of the amount of taxes, collection of taxes, payment of taxes, or costs otherwise incurred in order to carry out the authorized purposes of the district; any other expenses incidental to the construction, completion,

and inspection of the authorized work; and the costs associated with the retirement of existing bonded indebtedness. While the actual cost of administering CFD No. 2012-01 (Fancher Creek) may vary, it is anticipated that the amount of Special Taxes which can be collected will be sufficient to fund at least \$65,000 (\$20,000 for each of Improvement Areas 1 and 3, and \$25,000 for Improvement Area 2) in annual administrative expenses, which shall also be subject to an annual increase not to exceed two percent (2%) annually.

V. RATES AND METHODS OF APPORTIONMENT

All of the property located within CFD No. 2012-01 (Fancher Creek), unless exempted by law or by the Amended Rates and Methods of Apportionment, shall be taxed for the purpose of providing necessary public facilities to serve CFD No. 2012-01 (Fancher Creek). Pursuant to Section 53325.3 of the Act, the tax imposed “is a special tax and not a special assessment, and there is no requirement that the tax be apportioned on the basis of benefit to any property.” The special tax “may be based on benefit received by parcels of real property, the costs of making authorized facilities available to each parcel, or other reasonable basis as determined by the legislative body,” although the special tax may not be apportioned on an ad valorem basis pursuant to Article XIII A of the California Constitution.

As shown in Attachment A, the adopted Amended Rates and Methods of Apportionment provide information sufficient to allow each property owner within CFD No. 2012-01 (Fancher Creek) to estimate the maximum annual Special Tax he or she will be required to pay. Sections A and B, below, provide additional information on the Amended Rates and Methods of Apportionment for CFD No. 2012-01 (Fancher Creek).

A. Explanation for Special Tax Apportionment

When a community facilities district is formed, a special tax may be levied on each parcel of taxable property within the community facilities district to pay for the construction, acquisition and rehabilitation of public facilities, to pay for authorized services or to repay bonded indebtedness, or other related expenses incurred by a community facilities district. This special tax must be apportioned in a reasonable manner; however, the tax may not be apportioned on an ad valorem basis.

The Act does not require that special taxes be apportioned to individual parcels based on benefit received. However, in order to insure fairness and equity, benefit principles have been incorporated in establishing the Special Tax rates for CFD No. 2012-01 (Fancher Creek).

The major assumption inherent in the Special Tax rates set forth in the Rates and Methods of Apportionment is that the level of benefit received from the proposed public facilities is a function of land use and/or product type.

For example, in measuring average weekday vehicle trip-ends, the Institute of Transportation Engineer’s Trip Generation manual identifies land use as the primary determinant of trip-end magnitude. Larger residential dwelling units typically generate a greater number of trip-ends than do smaller residential dwelling units, and therefore will tend to receive more benefit from road grading, road landscaping and road improvements.

Sewer treatment costs are typically based on plant capacity to treat biochemical oxygen demand (“BOD”), suspended solids (“SS”), and the flow rate. Other variables for water and sewer requirements include storage and fire flow requirements, as well as the number of bathrooms and fixture units in the home and the population of the household, which tends to vary directly with the size of a dwelling unit.

Drainage and flood control requirements generally vary with the amount of impervious ground cover per parcel. It follows that larger lots have more impervious ground cover which will thus create more drainage flows than that of smaller lots, and commercial lots will have more impervious ground cover (e.g., parking areas) than residential lots.

In addition, larger buildings typically generate a greater number of “person hours,” or the number of hours per week that residents associated with a specific type of land use could potentially use park, trail or recreational facilities.

Based on the types of public facilities that are proposed for CFD No. 2012-01 (Fancher Creek) and the factors described above, the Special Taxes assigned to Developed Properties are generally proportionate to the relative benefits received by them, and, accordingly, the Special Taxes in CFD No. 2012-01 (Fancher Creek) can be considered fair and reasonable.

B. Maximum Special Tax

Attachment B lists the Fiscal Year 2012-2013 Maximum Special Tax that may be levied against Developed Property within CFD No. 2012-01 (Fancher Creek) to fund the Special Tax Requirement. On each July 1, commencing July 1, 2013, the Maximum Special Tax for Developed Property and the Maximum Special Tax for Undeveloped Property shall increase by an amount equal to two percent (2%) of the amount in effect for the previous Fiscal Year.

C. Accuracy of Information

In order to establish the Maximum Special Tax rates for CFD No. 2012-01 (Fancher Creek) as set forth in the Rates and Methods of Apportionment, David Taussig & Associates, Inc. has relied on information regarding land-use types, geographic location, and Taxable Property provided to it by others. David Taussig & Associates, Inc. has not independently verified such data and disclaims responsibility for the impact of inaccurate data, if any, on the Rates and Methods of Apportionment for CFD No. 2012-01 (Fancher Creek), including the inability to meet the financial obligations within CFD No. 2012-01 (Fancher Creek).

VI. BOUNDARIES OF COMMUNITY FACILITIES DISTRICT

The boundaries of CFD No. 2012-01 (Fancher Creek) include all land on which the Special Taxes may be levied. A reduced scale map showing the boundaries of CFD No. 2012-01 (Fancher Creek) is provided as Attachment C. A full scale map is on file with the Secretary of the California Statewide Communities Development Authority and was recorded on September 19, 2012 at 8:42 a.m. in the Fresno County Recorder's Office at Book 43 of Maps of Assessment and Community Facilities Districts at Pages 75 and 76 (Instrument No. 2012-0133485), and there has been no change in the boundaries of the Community Facilities District since its formation, nor is any contemplated here.

VII. GENERAL TERMS AND CONDITIONS

A. Substitution of Facilities

The descriptions of the public facilities, as set forth herein, are general in their nature. The City will determine the final nature, location, and costs of improvements and facilities upon the preparation of final plans and specifications. The final plans may show substitutes, in lieu of modifications to the proposed work in order to accomplish the work of improvement, and any such substitution shall not be a change or modification in the proceedings as long as the public facilities provide a service substantially similar to that as set forth in this Report.

B. Appeals and Interpretations

Pursuant to Section F of the Rates and Methods of Apportionment for CFD No. 2012-01 (Fancher Creek), any landowner or resident who feels that the amount of the Special Tax levied on his Assessor's Parcel is in error may submit a written appeal to the CSCDA Program Manager. The CSCDA Program Manager shall review the appeal and if the CSCDA Program Manager concurs, the amount of the Special Tax levied shall be appropriately modified through an adjustment to the Special Tax levy in the following Fiscal Year. No refunds shall be given. Interpretations may be made by the Commission by ordinance or resolution for purposes of clarifying any vagueness or ambiguity in the Rates and Methods of Apportionment for CFD No. 2012-01 (Fancher Creek).

C. Prepayment of Special Tax

The Special Tax applicable to an Assessor's Parcel in CFD No. 2012-01 (Fancher Creek) may be prepaid according to the prepayment provisions identified in Section H of the Rates and Methods of Apportionment for CFD No. 2012-01 (Fancher Creek).

[http://localhost/resources/Clients/CSCDA/Fancher Creek CFD/CFD Report/CSCDA CFD No. 2012-1 \(Fancher Creek\) - CFD Report 03.15.2013.docx](http://localhost/resources/Clients/CSCDA/Fancher Creek CFD/CFD Report/CSCDA CFD No. 2012-1 (Fancher Creek) - CFD Report 03.15.2013.docx)

ATTACHMENT A-1

**COMMUNITY FACILITIES DISTRICT NO. 2012-01
OF THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT
AUTHORITY (FANCHER CREEK)
IMPROVEMENT AREA No. 1
FANCHER CREEK BUSINESS PARK**

AMENDED RATE AND METHOD OF APPORTIONMENT

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

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

A. DEFINITIONS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

"City" means the City of Fresno.

"Commission" means the governing board of CSCDA.

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

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

“County” means the County of Fresno.

“CSCDA” means the California Statewide Communities Development Authority.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

B. ASSIGNMENT TO LAND USE CATEGORIES

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

C. MAXIMUM SPECIAL TAX RATE

1. Taxable Property

(a). Maximum Special Tax

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

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

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

(b). Increase in the Maximum Special Tax

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

D. METHOD OF APPORTIONMENT OF THE SPECIAL TAX

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

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

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

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

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

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

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

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

E. EXEMPTIONS

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

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

F. REVIEW/APPEAL PROCESS

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

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

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

G. MANNER OF COLLECTION

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

H. PREPAYMENT OF SPECIAL TAX

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

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

The following definition applies to this Section H:

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

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

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

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

1. Prepayment in Full – After Issuance of Bonds

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

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

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

Paragraph No.:

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

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

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

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

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

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

2. Prepayment in Part

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

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

These terms have the following meaning:

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

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

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

I. TERM OF SPECIAL TAX

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

ATTACHMENT A-2

**COMMUNITY FACILITIES DISTRICT NO. 2012-01
OF THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT
AUTHORITY (FANCHER CREEK)
IMPROVEMENT AREA No. 2
FANCHER CREEK TOWN CENTER**

EXISTING RATE AND METHOD OF APPORTIONMENT

**RATE AND METHOD OF APPORTIONMENT FOR
CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY
COMMUNITY FACILITIES DISTRICT NO. 2012-01
IMPROVEMENT AREA No. 2
FANCHER CREEK TOWN CENTER**

A Special Tax as hereinafter defined shall be levied on all Assessor's Parcels in Improvement Area No. 2 of CSCDA Community Facilities District No. 2012-01 (Fancher Creek Town Center) ("CFD No. 2012-01 (IA No. 2)") and collected each Fiscal Year commencing in Fiscal Year 2012-13, in an amount determined by the Commission, through the application of the Rate and Method of Apportionment as described below. All of the real property in CFD No. 2012-01 (IA No. 2) shall be taxed for the purposes, to the extent and in the manner herein provided.

A. DEFINITIONS

The terms hereinafter set forth have the following meanings:

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

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

"Administrative Expenses" means the following actual or reasonably estimated costs directly related to the administration of CFD No. 2012-01 (IA No. 2): the costs of computing the Special Taxes and preparing the annual Special Tax collection schedules (whether by the CSCDA Program Manager or designee thereof or both); the costs of collecting the Special Taxes (whether by the County or otherwise); the costs of remitting the Special Taxes to the Trustee; the costs of the Trustee (including its legal counsel) in the discharge of the duties required of it under the Indenture; the costs to CSCDA, CFD No. 2012-01 (IA No. 2), or any designee thereof of complying with arbitrage rebate requirements; the costs to CSCDA, CFD No. 2012-01 (IA No. 2), or any designee thereof of complying with CSCDA, CFD No. 2012-01 (IA No. 2), or obligated persons disclosure requirements associated with applicable federal and state securities laws and of the Act; the costs associated with preparing Special Tax disclosure statements and responding to public inquiries regarding the Special Taxes; the costs of CSCDA, CFD No. 2012-01 (IA No. 2), or any designee thereof related to an appeal of the Special Tax; the costs associated with the release of funds from an escrow account; and CSCDA's annual administration fees and third party expenses. Administrative Expenses shall also include amounts estimated or advanced by CSCDA or CFD No. 2012-01 (IA No. 2) for any other administrative purposes of CFD No. 2012-01 (IA No. 2), including attorney's fees and other costs related to commencing and pursuing to completion any foreclosure of delinquent Special Taxes.

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

“Assessor’s Parcel Map” means an official map of the County Assessor of the County designating parcels by Assessor’s parcel number.

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

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

“CFD No. 2012-01 (IA No. 2)” means CSCDA Community Facilities District No. 2012-01 (Improvement Area No. 2) which covers the Fancher Creek Town Center project.

“CFD No. 2012-01 (IA No. 2) Bonds” means any bonds or other debt (as defined in Section 53317(d) of the Act), whether in one or more series, authorized by CFD No. 2012-01 (IA No. 2) under the Act and issued by CSCDA.

“City” means the City of Fresno.

“Commission” means the governing board of CSCDA.

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

“County” means the County of Fresno.

“CSCDA” means the California Statewide Communities Development Authority.

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

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

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

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

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

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

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

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

“Non-Residential Building Square Footage” means the total gross building square footage of non-residential property lying within an Assessor’s Parcel for which one or more non-residential building permits have been issued. Such square footage shall be measured from outside wall to outside wall, exclusive of overhangs, porches, patios, carports, or similar spaces attached to the building but generally open on at least two sides, as determined by reference to the building permit(s) issued for that Assessor’s Parcel, or if these are not available, as otherwise determined by the CSCDA Program Manager.

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

“Other Improvement Area” means an improvement area located within CFD No. 2012-01, other than CFD No. 2012-01 (IA No. 2).

“Other Improvement Area Bonds” means all bonds authorized by and secured by the special taxes on the property within Other Improvement Areas in the manner and for the duration set forth in one or more indentures, fiscal agent agreements, or other agreements governing the terms of such bonds.

“Outstanding Bonds” means all CFD No. 2012-01 (IA No. 2) Bonds which remain outstanding under the Indenture.

“Property Owner Association Property” means, for each Fiscal Year, (i) any property within the boundaries of CFD No. 2012-01 (IA No. 2) that was owned by a property owner association, including any master or sub-association, as of January 1 of the prior Fiscal Year, (ii) any property located in a Final Subdivision that was recorded as of the May 1 preceding the Fiscal Year in which the Special Tax is being levied and which, as determined from such Final Subdivision, is or will be open space, a common area recreation facility, or a private street, or (iii) any property which, as of the May 1 preceding the Fiscal Year for which the Special Tax is being levied, has been conveyed, irrevocably dedicated, or irrevocably offered to a property owner’s association, including any master or sub-association, provided such conveyance, dedication, or offer is submitted to the CFD Administrator by May 1 preceding the Fiscal Year for which the Special Tax is being levied. The total number of acres to be classified as Property Owner

Association Property or Public Property cannot exceed 51.61 acres, as described in Section F of this RMA.

“Proportionately” means, for Developed Property, that the ratio of the actual Special Tax levy to the Maximum Special Tax is equal for all Assessor’s Parcels of Developed Property. For Undeveloped Property, “Proportionately” means that the ratio of the actual Special Tax levy per acre to the Maximum Special Tax per acre is equal for all Assessor’s Parcels of Undeveloped Property.

“Public Property” means, for each Fiscal Year, any property within the boundaries of CFD No. 2012-01 (IA No. 2) that is (i) owned by, irrevocably offered or dedicated to the federal government, the State, the County, the City, or any local government or other public agency, provided that any property leased by a public agency to a private entity and subject to taxation under Section 53340.1 of the Act shall be taxed and classified according to its use; or (ii) encumbered by a public utility easement making impractical its use for any purpose other than that set forth in the easement. The total number of acres to be classified as Property Owner Association Property or Public Property cannot exceed 51.61 acres, as described in Section F of this RMA.

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

“Special Tax” means the special tax to be levied in each Fiscal Year on each Assessor’s Parcel of Taxable Property to fund the Special Tax Requirement.

“Special Tax Requirement” means that amount required in any Fiscal Year for CFD No. 2012-01 (IA No. 2) to: (i) pay debt service on all Outstanding Bonds; (ii) pay periodic costs on the CFD No. 2012-01 (IA No. 2) Bonds, including but not limited to, credit enhancement and rebate payments on the CFD No. 2012-01 (IA No. 2) Bonds; (iii) pay Administrative Expenses; (iv) pay any amounts required to establish or replenish any reserve funds for all Outstanding Bonds; (v) pay directly for construction of CFD No. 2012-01 (IA No. 2) facilities eligible under the Act to the extent that inclusion of this amount does not increase the levy of the Special Tax beyond the first step in Section E; (vi) pay Bond Costs for Other Improvement Area Bonds to the extent that Special Taxes secure an issue of Other Improvement Area Bonds; and (vi) pay for reasonably anticipated delinquent Special Taxes based on the delinquency rate for Special Taxes levied in the previous Fiscal Year; less (vii) a credit for funds available to reduce the annual Special Tax levy, as determined by the CSCDA Program Manager pursuant to the Indenture.

“State” means the State of California.

“Supplemental Improvement Area” means any Other Improvement Area that has been specifically designated as additional collateral for CFD No. 2012-01 (IA No. 2) Bonds as authorized in the Indenture. The Supplemental Improvement Area shall be retained as additional collateral and security for CFD No. 2012-01 (IA No. 2) Bonds until conditions for the release of the special taxes in the Supplemental Improvement Area, as set forth in the Indenture, are satisfied.

“Taxable Property” means all of the Assessor’s Parcels within the boundaries of CFD No. 2012-01 (IA No. 2) that is not Public Property or Property Owner Association Property.

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

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

B. ASSIGNMENT TO LAND USE CATEGORIES

Each Fiscal Year, all Taxable Property within CFD No. 2012-01 (IA No. 2) shall be classified as Developed Property or Undeveloped Property, and shall be subject to Special Taxes in accordance with the rate and method of apportionment determined pursuant to Sections C and E below.

C. MAXIMUM SPECIAL TAX RATE

Prior to sixty (60) days before the issuance of a first series of CFD No. 2012-01 (IA No. 2) Bonds, the Maximum Special Tax on Developed Property and Undeveloped Property (set forth in Sections C.1 and C.2 below) may be reduced in accordance with, and subject to the conditions set forth in this section C without the need for any proceedings to make changes as permitted under the Act. At that time, if it is reasonably determined by the CSCDA Program Manager that the overlapping debt burden calculated pursuant to the Goals and Policies based upon the Maximum Special Tax on Developed Property exceeds the CSCDA’s maximum overlapping debt burden objective set forth in the Goals and Policies, the Maximum Special Tax on Developed Property may be reduced to the amount necessary to equal such maximum overlapping debt burden level by the CSCDA Program Manager without need for any additional Commission proceedings. Similarly, at that time, if it is reasonably determined by the CSCDA Program Manager that the current Maximum Special Tax on Developed Property is greater than required to provide 110% debt service coverage on expected future CFD No. 2012-01 (IA No. 2) Bonds plus Administrative Expenses, the Maximum Special Tax on Developed Property may be reduced the amount necessary to provide 110% debt service coverage on expected future CFD No. 2012-01 (IA No. 2) Bonds plus Administrative Expenses without need for any additional proceedings. Furthermore, if appropriate, the CSCDA Program Manager may reduce the Maximum Special Tax for Undeveloped Property to the minimum amount necessary to allow CFD No. 2012-01 (IA No. 2) to collect the Maximum Special Tax equal to 110% debt service coverage on expected future CFD No. 2012-01(IA No. 2) Bonds plus Administrative Expenses. There is no requirement that the CSCDA Program Manager reduce the Special Taxes for each of the Land Use Classes under this Section C in a proportionate manner if the CSCDA Program Manager determines that a disproportionate reduction of Maximum Special Tax levels among Land Use Classes would be appropriate for purposes of reducing the maximum overlapping debt burden, or would improve the viability of future development within CFD No. 2012-01 (IA No. 2).

The reductions permitted pursuant to the preceding paragraph shall be reflected in an amended notice of Special Tax lien which the CSCDA Program Manager shall cause to be recorded after executing a certificate in substantially the form attached herein as Exhibit A. Additional reductions in the Maximum Special Tax for Developed Property

and the Maximum Special Tax for Undeveloped Property may also be implemented as allowed under Section D below. Notwithstanding the foregoing, under no circumstances may the special taxes be reduced under this Section C during the time that the Special Taxes have been pledged to the payment of Bond Costs for Other Improvement Area Bonds.

1. Developed Property

(a). Maximum Special Tax

The Maximum Special Tax that may be levied and escalated as explained further in Section C.1.(b) below in any Fiscal Year for each Assessor's Parcel classified as Developed Property is shown below in Table 1.

TABLE 1
Maximum Special Tax for Developed Property
Improvement Area No. 2 of CFD No. 2012-01
Fiscal Year 2012-13

Land Use Class	Maximum Special Tax
Residential Property	\$5,000 per Acre
Non-Residential Property	\$ 0.36 per square foot of Non-Residential Building Square Footage, or \$5,000 per Acre, when applied, whichever is greater

(b). Increase in the Maximum Special Tax

The Fiscal Year 2012-13 Maximum Special Tax, identified in Table 1 above, as such Table may be amended and restated in full pursuant to this Rate and Method of Apportionment, shall increase on July 1 of each Fiscal Year thereafter, commencing on July 1, 2013, by an amount equal to two percent (2%) of the amount in effect for the previous Fiscal Year.

2. Undeveloped Property

(a). Maximum Special Tax

The Fiscal Year 2012-13 Maximum Special Tax for each Assessor's Parcel of Undeveloped Property shall be \$5,760 per acre, and shall increase on July 1 of each Fiscal Year thereafter, commencing on July 1, 2013, by an amount equal to two percent (2%) of the Maximum Special Tax for the previous Fiscal Year.

D. MAXIMUM SPECIAL TAX REDUCTION – AFTER ISSUANCE OF BONDS

The following definitions apply to this Section D:

“Annual Debt Service” means, for each Bond Year, the sum of (a) the interest due on the Outstanding Bonds in such Bond Year, assuming that the Outstanding Bonds are retired as scheduled (including by reason of mandatory sinking fund redemptions), and (b) the principal amount of the Outstanding Bonds due in such Bond Year (including any mandatory sinking fund redemptions due in such Bond Year).

“Bond Year” the period starting September 2 and ending on the following September 1.

“Corresponding Bond Year” means, for any Fiscal Year, the Bond Year that commences in such Fiscal Year.

“Debt Service Coverage” means, as of the Determination Date, for any Fiscal Year, the quotient, expressed as a percentage, of (a) the Net Projected Special Tax Revenues for such Fiscal Year, divided by (b) the Annual Debt Service for the Corresponding Bond Year.

“Determination Date” means the first May 1 on which items (a), (b), (c), (d) and (e) in Section D.1 below are determined to be true.

“Net Projected Special Tax Revenues” means, as of the Determination Date, for any Fiscal Year, the remainder of (a) the Projected Special Tax Revenues for such Fiscal Year, minus (b) the Projected Administrative Expenses for such Fiscal Year.

“Projected Administrative Expenses” means, as of the Determination Date, (a) for the Fiscal Year in which such Determination Date occurs, 110% of the average actual Administrative Expenses for the preceding five Fiscal Years, and (b) for any subsequent Fiscal Year, the amount resulting from increasing the Projected Administrative Expenses on each July 1, from and including the July 1 next succeeding such Determination Date to and including the July 1 in such Fiscal Year by 2% of the amount in effect for the previous Fiscal Year.

“Projected Special Tax Revenues” means, as of the Determination Date, for any Fiscal Year, based on the tax classifications for the Fiscal Year commencing on the July 1 next succeeding such Determination Date, the amount of Maximum Special Taxes that may be levied on all Developed Property pursuant to the Act and this Rate and Method of Apportionment in such Fiscal Year taking into account the loss of any Special Taxes from Developed Property that will no longer be taxed pursuant to Section J (Term of Special Tax).

“Reduction Percentage” means, as of the Determination Date, the greatest percentage amount by which the Maximum Special Tax for Developed Property could be reduced that would not cause the Debt Service Coverage in any Fiscal Year from the Fiscal Year commencing on the July 1 next succeeding such Determination Date to and including the Fiscal Year ending on the June 30 next preceding the final maturity date of the Outstanding Bonds to be less than 110%. If the Debt Service Coverage is less than 110% the Reduction Percentage shall equal 0%.

1. Determination of Reduction

On the first May 1 following the date that (i) all authorized Bonds have been issued or the Commission has adopted a resolution determining that CFD No. 2012-01 (IA No. 2) will not issue any additional Bonds (except refunding Bonds in accordance with the Act) and (ii) the Commission has adopted a resolution determining that the Special Tax will no longer be levied to pay directly for the acquisition or construction of eligible improvements, the CSCDA Program Manager shall determine if all of the following are true:

- (a) The balance in the reserve fund established under the Indenture is at or above the reserve requirement;
- (b) CFD No. 2012-01 (IA No. 2) is not in default in the payment of interest on and principal of all Outstanding Bonds;
- (c) Debt Service Coverage for each Fiscal Year from the Fiscal Year commencing on the July 1 next succeeding such Determination Date to and including the Fiscal Year ending on the June 30 next preceding the final maturity date of the Outstanding Bonds is at least equal to 110%; and
- (d) The delinquency rate as of June 30 of the prior Fiscal Year for Special Taxes levied for each prior Fiscal Year did not exceed ten percent (10%) of the amount levied for such Fiscal Year.
- (e) Project Special Tax Revenues are not pledged to the payment of Bond Costs for Other Improvement Areas.

If all five of the above items are true, then the Maximum Tax for all parcels of Developed Property shall be reduced by the amount, if any, determined in Section D.2.

If any one of the five items is not true as of the first May 1 following the date that all authorized Bonds have been issued or the Commission has adopted a resolution determining that CFD No. 2012-01 (IA No. 2) will not issue any additional Bonds (except refunding Bonds in accordance with the Act), then the CSCDA Program Manager shall continue to make such determination each following May 1, until all of the tests are met.

The first May 1 on which all five items are true shall be considered the Determination Date.

2. Calculation of Reduction

The Special Tax reduction shall be calculated by the CSCDA Program Manager as follows:

- (a) Determine the Projected Special Tax Revenues for each Fiscal Year from the Fiscal Year commencing on the July 1 next succeeding such Determination Date to and including the Fiscal Year ending on the June 30 next preceding the final maturity date of the Outstanding Bonds;
- (b) Determine the Projected Administrative Expenses for each Fiscal

- Year from the Fiscal Year commencing on the July 1 next succeeding such Determination Date to and including the Fiscal Year ending on the June 30 next preceding the final maturity date of the Outstanding Bonds;
- (c) Determine the Debt Service Coverage for each Fiscal Year from the Fiscal Year commencing on the July 1 next succeeding such Determination Date to and including the Fiscal Year ending on the June 30 next preceding the final maturity date of the Outstanding Bonds;
 - (d) Determine the Reduction Percentage.

The Maximum Special Tax for Developed Property for the Fiscal Year commencing on the July 1 following the Determination Date shall be reduced from the amount that otherwise would have been in effect pursuant to this Rate and Method of Apportionment by a percentage amount equal to the Reduction Percentage.

3. Certificate of CSCDA Program Manager

Upon completion of the tests identified in Section D.1 and the calculations in Section D.2, the CSCDA Program Manager shall prepare a Certificate of CSCDA Program Manager in substantially the form attached herein as Exhibit A, that sets forth the results of such tests and the resulting reduced Special Tax rates.

4. Recordation of Revised Notice

Upon receipt of a Certificate of CSCDA Program Manager, an addendum to the Notice of Special Tax Lien shall be recorded. Such addendum shall clearly set forth the revised Special Tax rates.

E. METHOD OF APPORTIONMENT OF THE SPECIAL TAX

Commencing with Fiscal Year 2012-13 and for each following Fiscal Year, the CSCDA Program Manager shall determine the Special Tax Requirement and shall levy the Special Tax until the amount of Special Taxes equal the Special Tax Requirement. The Special Tax shall be levied each Fiscal Year as follows:

First: The Special Tax shall be levied Proportionately on each Assessor's Parcel of Developed Property at up to 100% of the applicable Maximum Special Tax;

Second: If additional monies are needed to satisfy the Special Tax Requirement after the first step has been completed, the Special Tax shall be levied Proportionately on each Assessor's Parcel of Undeveloped Property until the amount levied on Undeveloped Property is equal to the lesser of (i) the Special Tax Requirement less the amount levied pursuant to the first step above, or (ii) 100% of the Maximum Special Tax for Undeveloped Property.

Third: If additional monies are needed to satisfy the Special Tax Requirement after the first two steps have been completed, then if required to satisfy the Indenture, a special tax shall be levied on each Assessor's Parcel of taxable property located within the

Supplemental Improvement Areas pledged to CFD No. 2012-01 (IA No. 2) Bonds, based on the rate and method of apportionment of special taxes for these Supplemental Improvement Areas.

Notwithstanding the above, the CSCDA Program Manager or its designee may, in any Fiscal Year, levy Proportionately less than 100% of the Maximum Special Tax in the first step (above), when (i) the Commission or its designee is no longer required to levy the Special Tax pursuant to the second and third steps (above) in order to meet the Special Tax Requirement; and (ii) all authorized CFD No. 2012-01 (IA No. 2) Bonds have already been issued or the Commission has covenanted that it will not issue any additional CFD No. 2012-01 (IA No. 2) Bonds (except refunding bonds) to be supported by the Special Tax.

F. EXEMPTIONS

No Special Tax shall be levied on up to 51.61 acres of Public Property or Property Owner Association Property in CFD No. 2012-01 (IA No. 2). In addition to these 51.61 acres, all of Assessor's Parcel Numbers 313-060-07 and 313-060-08 shall be exempted from the Special Tax. Tax-exempt status will be assigned by the CSCDA Program Manager in the chronological order in which property in CFD No. 2012-01 (IA No. 2) becomes Public Property or Property Owner Association Property. However, should an Assessor's Parcel no longer be classified as Public Property or Property Owner Association Property, it will, from that point forward, be subject to the Special Tax.

Prior to sixty (60) days before the issuance of a first series of CFD No. 2012-01 (IA No. 2) Bonds, the CSCDA Program Manager may increase the final number of tax-exempt acres of Public Property or Property Owner Association Property in CFD No. 2012-01 (IA No. 2) to better reflect the actual tax-exempt acreage within CFD No. 2012-01 (IA No. 2).

G. REVIEW/APPEAL PROCESS

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

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

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

H. MANNER OF COLLECTION

The Special Tax will be collected in the same manner and at the same time as ordinary *ad valorem* property taxes; provided, however, that CFD No. 2012-01 (IA No. 2) may directly bill the Special Tax, may collect Special Taxes at a different time or in a different manner if necessary to meet its financial obligations, and may covenant to foreclose and may actually foreclose on delinquent Assessor's Parcels as permitted by the Act.

I. PREPAYMENT OF SPECIAL TAX

Under this Rate and Method of Apportionment, an Assessor's Parcel within CFD No. 2012-01 (IA No. 2) is permitted to prepay the Special Tax. The obligation of the Assessor's Parcel to pay the Special Tax may be fully or partially prepaid and permanently satisfied as described herein, provided that a prepayment may be made only for Assessor's Parcels of Developed Property, or Assessor's Parcels of Undeveloped Property for which a building permit has been issued, and only if there are no delinquent Special Taxes with respect to such Assessor's Parcel at the time of prepayment.

An owner of an Assessor's Parcel intending to prepay the Special Tax obligation shall provide the CSCDA Program Manager with written notice of intent to prepay. Within thirty (30) days of receipt of such written notice, the CSCDA Program Manager shall notify such owner of the prepayment amount of such Assessor's Parcel. The CSCDA Program Manager may charge a reasonable fee for providing this service. If there are Outstanding Bonds, Prepayment must be made not less than forty-five (45) days prior to the next occurring date that notice of redemption of CFD No. 2012-01 (IA No. 2) Bonds from the proceeds of such prepayment may be given to the Trustee pursuant to the Indenture.

The following definition applies to this Section I:

"Buildout" means, for CFD No. 2012-01 (IA No. 2), that all expected building permits for non-residential development to be constructed in CFD No. 2012-01 (IA No. 2) have been issued, as reasonably determined by the CSCDA Program Manager.

"CFD Public Facilities" means either \$2,680,000 in 2012 dollars, or (ii) shall be determined by the Commission concurrently with a covenant that it will not issue any more CFD No. 2012-01 (IA No. 2) Bonds (other than refunding CFD No. 2012-01 (IA No. 2) Bonds) to be supported by Special Taxes levied under this Rate and Method of Apportionment as described in Section E.

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

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

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

1. Prepayment in Full – After Issuance of Bonds

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

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

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

Paragraph No.:

1. Confirm that no Special Tax delinquencies apply to such Assessor’s Parcel.
2. For Assessor’s Parcels of Developed Property, compute the Maximum Special Tax for the Assessor’s Parcel to be prepaid. For Assessor’s Parcels of Undeveloped Property for which a building permit has been issued, compute the Maximum Special Tax for that Assessor’s Parcel as though it was already designated as Developed Property, based upon the building permit which has already been issued for such Assessor’s Parcel.
3. Divide the Maximum Special Tax computed pursuant to paragraph 2 by the total estimated Maximum Special Taxes for the entire CFD No. 2012-01 (IA No. 2) based on the Developed Property Maximum Special Taxes which could be charged in the current Fiscal Year on all expected development through Buildout of CFD No. 2012-01 (IA No. 2), excluding any Assessor’s Parcels which have been prepaid, and
4. Multiply the quotient computed pursuant to paragraph 3 by the Outstanding Bonds to compute the amount of Outstanding Bonds to be retired and prepaid (the “Bond Redemption Amount”).

5. Multiply the Bond Redemption Amount computed pursuant to paragraph 4 by the applicable redemption premium, if any, on the Outstanding Bonds to be redeemed (the “Redemption Premium”).
6. Compute the current Future Facilities Costs.
7. Multiply the quotient computed pursuant to paragraph 3 by the amount determined pursuant to paragraph 6 to compute the amount of Future Facilities Costs to be prepaid (the “Future Facilities Amount”).
8. Compute the amount needed to pay interest on the Bond Redemption Amount from the first bond interest and/or principal payment date following the current Fiscal Year until the earliest redemption date for the Outstanding Bonds.
9. Determine the Special Taxes levied on the Assessor’s Parcel in the current Fiscal Year which have not yet been paid.
10. Compute the amount the CSCDA Program Manager reasonably expects to derive from the reinvestment of the Prepayment Amount less the Future Facilities Amount and the Administrative Fees and Expenses from the date of prepayment until the redemption date for the Outstanding Bonds to be redeemed with the prepayment.
11. Add the amounts computed pursuant to paragraphs 8 and 9 and subtract the amount computed pursuant to paragraph 10 (the “Defeasance Amount”).
12. Verify the administrative fees and expenses of CFD No. 2012-01 (IA No. 2), including the costs of computation of the prepayment, the costs to invest the prepayment proceeds, the costs of redeeming CFD No. 2012-01 (IA No. 2) Bonds, and the costs of recording any notices to evidence the prepayment and the redemption (the “Administrative Fees and Expenses”).
13. If reserve funds for the Outstanding Bonds, if any, are at or above 100% of the reserve requirement (as defined in the Indenture) on the prepayment date, a reserve fund credit shall be calculated as a reduction in the applicable reserve fund for the Outstanding Bonds to be redeemed pursuant to the prepayment (the “Reserve Fund Credit”). No Reserve Fund Credit shall be granted if reserve funds are below 100% of the reserve requirement.
14. If any capitalized interest for the Outstanding Bonds will not have been expended at the time of the first interest and/or principal payment following the current Fiscal Year, a capitalized interest credit shall be calculated by multiplying the quotient computed pursuant to paragraph 3 by the expected balance in the capitalized interest fund after such first interest and/or principal payment (the “Capitalized Interest Credit”).
15. The Special Tax prepayment is equal to the sum of the amounts computed pursuant to paragraphs 4, 5, 7, 11 and 12, less the amounts computed pursuant to paragraphs 13 and 14 (the “Prepayment Amount”).

16. The Prepayment Amount (less the amount computed pursuant to paragraph 12) shall be deposited into the appropriate fund and applied as set forth in the Indenture. The amount computed pursuant to paragraph 12 shall be retained by CFD No. 2012-01 (IA No. 2).

The Prepayment Amount may be sufficient to redeem other than a \$5,000 increment of CFD No. 2012-01 (IA No. 2) Bonds. In such cases, the increment above \$5,000 or integral multiple thereof will be retained in the appropriate fund established under the Indenture to be used with the next prepayment of bonds or to make debt service payments.

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

Notwithstanding the foregoing, no Special Tax prepayment shall be allowed unless the amount of Maximum Special Taxes that may be levied on expected Taxable Property at buildout of CFD No. 2012-01 (IA No. 2) both prior to and after the proposed prepayment is at least 1.1 times the maximum annual debt service on all Outstanding Bonds.

2. Prepayment in Part

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

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

These terms have the following meaning:

PP = the partial prepayment

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

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

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

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

With respect to any Assessor's Parcel that is partially prepaid, the Commission shall (i) distribute the funds remitted to it according to Section I.1, and (ii) indicate in the records of CFD No. 2012-01 (IA No. 2) that there has been a partial prepayment of the Special Tax and that a portion of the Special Tax with respect to such Assessor's Parcel, equal to the outstanding percentage $(1.00 - F)$ of the remaining Maximum

Special Tax, shall continue to be levied on such Assessor's Parcel pursuant to Section E.

J. TERM OF SPECIAL TAX

The Special Tax shall be levied upon an Assessor's Parcel of Developed Property for a maximum of 40 years, provided however that Special Taxes will cease to be levied in an earlier Fiscal Year if the CSCDA Program Manager has determined that all required interest and principal payments on the CFD No. 2012-01 (IA No. 2) Bonds have been paid and the Commission has covenanted that it will not issue any more Bonds (other than refunding Bonds) to be supported by Special Taxes levied under this Rate and Method of Apportionment as described in Section E.

[http://localhost/resources/Clients/CSCDA/Fancher Creek CFD/Rate and Method/RMA for Final ROI/CSCDA CFD No. 2012-01 RMA\(IA2\) - Final.doc](http://localhost/resources/Clients/CSCDA/Fancher Creek CFD/Rate and Method/RMA for Final ROI/CSCDA CFD No. 2012-01 RMA(IA2) - Final.doc)

EXHIBIT A

CERTIFICATE TO AMEND SPECIAL TAX

CSCDA CFD No. 2012-01 (IA No. 2) TAX REDUCTION CERTIFICATE

1. Pursuant to Sections C and D of the Rate and Method of Apportionment, the California Statewide Communities Development Authority ("CSCDA") hereby reduces the Maximum Special Tax for Developed Property and Undeveloped Property within CFD No. 2012-01 (IA No. 2).
 - (a) The information in Table 1 relating to the Fiscal Year 2012-13 Maximum Special Tax for Developed Property within CFD No. 2012-01 (IA No. 2) shall be modified to be the following:

Land Use Class	Maximum Special Tax
Residential Property	\$ [.....] per dwelling unit
Non-Residential Property	\$[.....] per square foot of Non-Residential Building Square Footage, or \$[.....] per Acre, when applied, whichever is greater

- (b) The Fiscal Year 2012-13 Maximum Special Tax for each Assessor's Parcel of Undeveloped Property shall be \$[_____] per acre.
2. The CSCDA Program Manager shall cause an amended notice of Special Tax lien for CFD No. 2012-01 (IA No. 2) to be recorded reflecting the modifications set forth herein.

CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY

By:_____

Date:_____

ATTACHMENT A-3

**COMMUNITY FACILITIES DISTRICT NO. 2012-01
OF THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT
AUTHORITY (FANCHER CREEK)
IMPROVEMENT AREA No. 3
FANCHER CREEK VILLAGE CENTER**

AMENDED RATE AND METHOD OF APPORTIONMENT

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

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

A. DEFINITIONS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

"City" means the City of Fresno.

"Commission" means the governing board of CSCDA.

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

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

“County” means the County of Fresno.

“CSCDA” means the California Statewide Communities Development Authority.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

B. ASSIGNMENT TO LAND USE CATEGORIES

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

C. MAXIMUM SPECIAL TAX RATE

1. Taxable Property

(a). Maximum Special Tax

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

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

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

(b). Increase in the Maximum Special Tax

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

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

2. Undeveloped Property

(a). Maximum Special Tax

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

D. METHOD OF APPORTIONMENT OF THE SPECIAL TAX

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

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

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

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

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

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

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

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

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

E. EXEMPTIONS

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

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

F. REVIEW/APPEAL PROCESS

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

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

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

G. MANNER OF COLLECTION

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

H. PREPAYMENT OF SPECIAL TAX

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

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

The following definition applies to this Section H:

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

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

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

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

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

1. Prepayment in Full – After Issuance of Bonds

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

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

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

Paragraph No.:

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

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

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

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

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

2. Prepayment in Part

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

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

These terms have the following meaning:

PP = the partial prepayment

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

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

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

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

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

I. TERM OF SPECIAL TAX

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

ATTACHMENT B

**COMMUNITY FACILITIES DISTRICT NO. 2012-01
OF THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT
AUTHORITY (FANCHER CREEK)**

MAXIMUM SPECIAL TAXES FOR DEVELOPED PROPERTY

**COMMUNITY FACILITIES DISTRICT NO. 2012-01
OF THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT
AUTHORITY (FANCHER CREEK)**

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

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

**TABLE 2
Maximum Special Tax for Developed Property
Improvement Area No. 2 of CFD No. 2012-01
Fiscal Year 2012-13**

Land Use Class	Maximum Special Tax
Residential Property	\$5,000 per Acre
Non-Residential Property	\$0.36 per square foot of Non-Residential Building Square Footage, or \$5,000 per Acre, when applied, whichever is greater

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

Land Use Class	Maximum Special Tax
Residential or Non-Residential Property	\$ 4,530 per Acre

ATTACHMENT C

**COMMUNITY FACILITIES DISTRICT NO. 2012-01
OF THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT
AUTHORITY (FANCHER CREEK)**

BOUNDARY MAP

**PROPOSED BOUNDARIES OF
CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY
COMMUNITY FACILITIES DISTRICT NO. 2012-11
(Fancher Creek)
CITY OF FRESNO
COUNTY OF FRESNO
STATE OF CALIFORNIA**

(1) Filed in the office of the Secretary of California Statewide Communities Development Authority this 23rd day of August, 2012.

RM Harrison
Secretary, California Statewide
Communities Development Authority

**Assessor Parcels within
Improvement Area 1:**

310-132-01 through 310-132-09
310-133-01 through 310-133-06
313-270-57 through 313-270-85

**Assessor Parcels within
Improvement Area 2:**

313-021-01
313-060-07 through 313-060-08
313-101-22
313-101-24

**Assessor Parcels within
Future Annexation Area:**

313-021-02T through 313-021-03T

**Assessor Parcels within
Improvement Area 3:**

313-021-29 through 313-021-31
313-280-72

(2) I hereby certify that the within map showing the proposed boundaries of California Statewide Communities Development Authority Community Facilities District No. 2012-11 (Fancher Creek), City of Fresno, County of Fresno, State of California, was approved by the Commission of the California Statewide Communities Development Authority at a regular meeting thereof, held on this 23rd day of August, 2012, by its Resolution No. 12R-12.

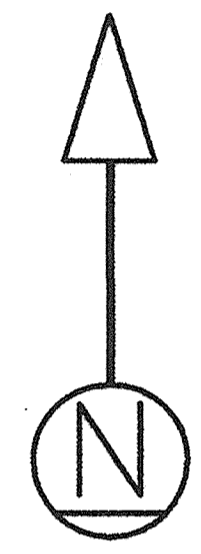
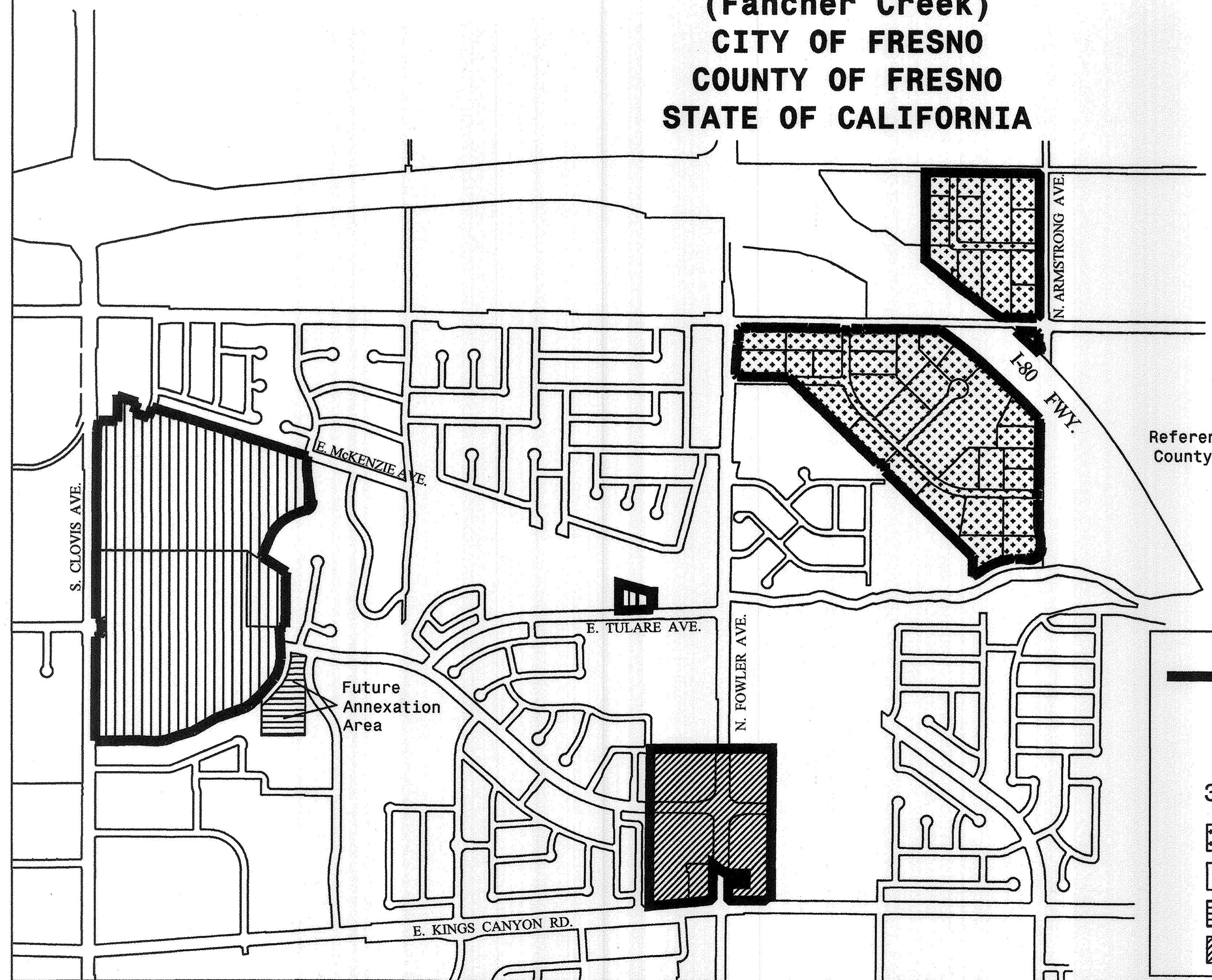
RM Harrison
Secretary, California Statewide
Communities Development Authority

(3) Filed this 19th day of September, 2012, at the hour of 8:42 o'clock A.m., in Book 43 of Maps of Assessment and Community Facilities Districts at Page 75 & 76 and as Instrument No. 2012-0133485 in the office of the County Recorder in the County of Fresno, State of California.

Paul Dictos, CPA
Assessor-Recorder, County of Fresno
By Amal B. Bhandari
Deputy
Fee \$10.00





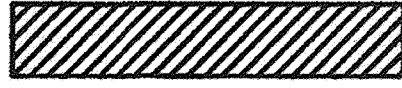
Exempt recording requested,
per CA Government Code §6103

**PROPOSED BOUNDARIES OF
CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY
COMMUNITY FACILITIES DISTRICT NO. 2012-01
(Fancher Creek)
CITY OF FRESNO
COUNTY OF FRESNO
STATE OF CALIFORNIA**

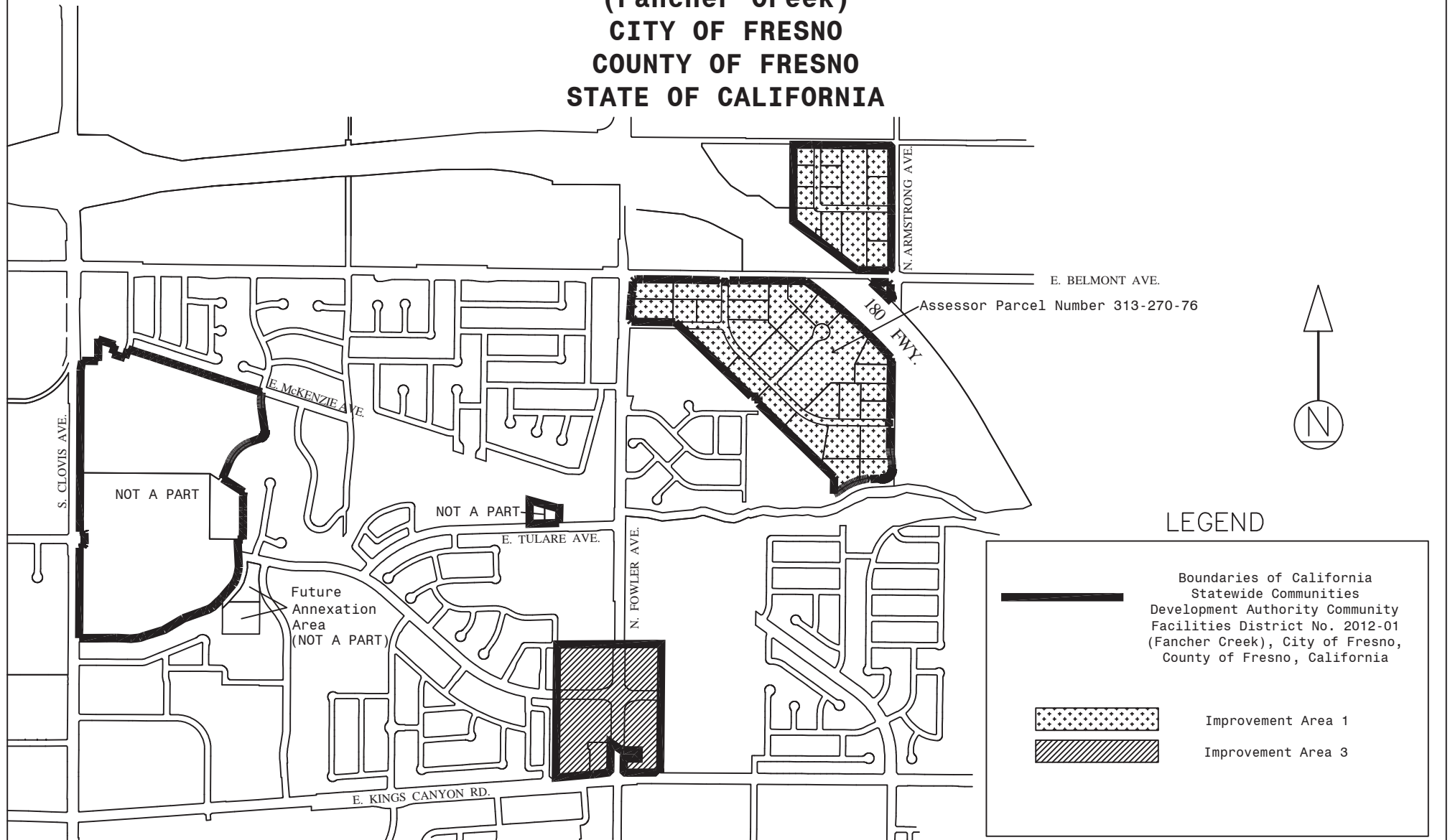


Reference is hereby made to the Assessor maps of the County of Fresno for a description of the lines and dimensions of these parcels.

LEGEND

		Proposed Boundaries of California Statewide Communities Development Authority Community Facilities District No. 2012-01 (Fancher Creek), City of Fresno, County of Fresno, California	
31n-nnn-nn		Assessor Parcel Number	
		Improvement Area 1	
		Improvement Area 2	
		Future Annexation Area	
		Improvement Area 3	

**BOUNDARIES OF
CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY
COMMUNITY FACILITIES DISTRICT NO. 2012-01
(Fancher Creek)
CITY OF FRESNO
COUNTY OF FRESNO
STATE OF CALIFORNIA**



**AGENDA OF THE
SPECIAL MEETING OF THE
CALEASE PUBLIC FUNDING CORPORATION**

May 16, 2013

**10:15 a.m. or upon adjournment of the Regularly scheduled CSCDA Board Meeting
League of California Cities
1400 K Street, 3rd Floor
Sacramento, California**

County of Monterey
168 West Alisal Street
Salinas, CA 93901

City of Stanton
7800 Katella Avenue
Stanton, CA 90680

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

- I. Call the roll (alternates designate which member they are representing).
- II. Approve the minutes of the January 24, 2013 Special meeting.
- III. Approve up to \$3,000,000 to pay the costs of the acquisition of a building, including the land on which the building is located, and a condominium unit to be used to house Nevada County administrative offices.
- IV. Public Comment.
- V. Adjourn as the Board of Directors of the CaLease Public Funding Corporation.

**SPECIAL MEETING OF THE BOARD OF DIRECTORS OF
CALEASE PUBLIC FUNDING CORPORATION**

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

January 24, 2013

MINUTES

Board Vice Chair Kevin O'Rourke called the meeting to order at 10:50 a.m.

I. Roll Call.

Board members present: Kevin O'Rourke, Terry Schutten, Tim Snellings and Dwight Stenbakken. Alternate board member Ron Holly represented Larry Combs. Dan Mierzwa participated by conference telephone.

Others present included: James Hamill, Bryan Shumey, Caitlin Lanctot, and Scott Carper, CSCDA staff; Dan Harrison and Perry Stottlemeyer, the League of California Cities; Laura Campbell and Nancy Parrish, CSAC Finance Corporation; Greg Stepanicich, Richards Watson & Gershon; and Mark Paxson, State Treasurer's Office.

II. Approval of Minutes—November 24, 2009

The board approved the minutes for the special meeting held November 24, 2009.

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

III. CaLease Fee Schedule

The board reviewed and approved new fee schedules for CaLease equipment transactions and for CaLease real estate transactions. Total fees will remain about the same for participating local agencies, but bond counsel Gilmore & Bell will draw fees that a little larger and the program manager will draw fees that are a little lower.

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

IV. Public Comments. There were none.

V. Adjournment. Kevin O'Rourke adjourned the meeting at 11:00 a.m.

Submitted by Daniel B. Harrison, Assistant to the Secretary

SUMMARY AND APPROVALS

APPLICANT:	NEVADA COUNTY
AMOUNT:	NOT TO EXCEED \$3 MILLION
PURPOSE:	ACQUISITION OF BUILDING, INCLUDING THE LAND ON WHICH THE BUILDING IS LOCATED, AND A CONDOMINIUM UNIT TO BE USED TO HOUSE NEVADA COUNTY OFFICES
PROGRAM:	CALEASE
LEGAL STRUCTURE:	MUNICIPALITY

Background:

Nevada County will use the funds from this financing to acquire a building, including the land on which the building is located, and a condominium unit to be used to house Nevada County administrative offices. A portion of the proceeds will also be used to make tenant improvements to the building and condominium unit.

Recommendations:

Based on the overall Project public benefit and finance related considerations detailed on Attachment 1, it is recommended that this Commission approve the Resolution as submitted to the Commission, which:

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

Attachment 1

Public Benefit:

- The project will allow for the expansion and improvement of the Nevada County administrative offices.
- Provide financing at tax-exempt rates.

TEFRA Information:

TEFRA is not required for CaLease transactions. However, the County has reviewed and approved the associated documents.

Finance Team:

- Special Counsel: Gilmore & Bell P.C., Kansas City, MO
- Private Placement Purchaser : Capital One Public Funding, LLC, Melville, NY

Financing Structure:

The lease will mature after no more than 20 years and bear interest at a fixed 4% rate. Capital One Public Funding, LLC will be the purchaser of the lease. The proposed private placement is in accordance with the Corporation's Issuance Policy.

Estimated Sources and Uses:

Sources:

Lease Proceeds:.....	<u>\$ 2,930,000.00</u>
Total Sources:.....	<u>\$ 2,930,000.00</u>

Uses:

Acquisition of Condominium Unit	\$1,425,000.00
Condominium Unit Tenant Improvements.....	60,000.00
Acquisition of Building 2	655,000.00
Building 2 Tenant Improvements.....	750,000.00
Title Company Fees and Expenses.....	7,000.00
Issuance expenses.....	<u>33,000.00</u>
Total Uses:.....	<u>\$2,930,000.00</u>

RESOLUTION

A RESOLUTION OF THE CALEASE PUBLIC FUNDING CORPORATION APPROVING A LEASE TRANSACTION WITH THE COUNTY OF NEVADA, AND APPROVING CERTAIN ACTIONS IN CONNECTION THEREWITH

WHEREAS, the County of Nevada, California (the “County”), has deemed it essential for its own governmental purpose and in the best interest of the County to obtain funds in an amount not to exceed \$3,000,000 to pay the costs of the acquisition of a building, including the land on which the building is located, and a condominium unit to be used to house County administrative offices, together with all improvements and fixtures now or hereafter located thereon (collectively, the “Project”), by leasing to CaLease Public Funding Corporation (the “Corporation”) the Project and leasing back from the Corporation the Project pursuant to a Lease and Leaseback Agreement (the “Lease Agreement”); and

WHEREAS, the County has requested that the Corporation enter into the Lease Agreement and assign without recourse its right, title and interest in and to the Lease Agreement, including its right to receive Rental Payments thereunder, and the Project to Capital One Public Funding, LLC (the “Assignee”) pursuant to an Assignment Agreement (the “Assignment Agreement”); and

WHEREAS, upon execution and delivery of the Lease Agreement, the proceeds thereof may be deposited in an escrow fund established under an Escrow Agreement (the “Escrow Agreement”), among the County, the Corporation and Deutsche Bank National Trust Company, as escrow agent (the “Escrow Agent”); and

WHEREAS, upon execution and delivery of the Lease Agreement, the County will enter into a Tax Compliance Agreement (the “Tax Compliance Agreement”), with the Corporation;

NOW, THEREFORE, be it resolved by the Board of Directors of the Corporation as follows:

Section 1. Authorization and Approval of Corporation Documents. The Lease Agreement, the Escrow Agreement, the Tax Compliance Agreement and the Assignment Agreement (together, the “Corporation Documents”), in substantially the forms submitted to this meeting, be and they hereby are approved, with such changes therein as are approved by the officer of the Corporation signing those documents on behalf of the Corporation, the execution of those documents by that officer to be conclusive evidence of that officer’s approval and the Corporation’s approval thereof.

Section 2. Execution of Corporation Documents. The CaLease Program Manager or any officer or director of the Corporation is hereby authorized, empowered and directed to execute and deliver the Corporation Documents for and in the name and on behalf of the Corporation.

Section 3. Further Authority. The CaLease Program Manager or any officer or director of the Corporation is hereby authorized, empowered and directed to do all other acts and things and to execute, acknowledge and deliver all other documents that may in that officer’s discretion be necessary or desirable to carry out and comply with this resolution and the Corporation Documents.

Section 4. Effective Date. This resolution shall take effect and be in full force and effect immediately upon its adoption by the Board of Directors of the Corporation.

* * *

The undersigned, being the duly elected, qualified and acting officer of the Corporation indicated below, does hereby certify that the foregoing resolution was duly adopted at a meeting of the Board of Directors of the Corporation duly called, convened and held on May 16, 2013, after appropriate notice as required by the bylaws of the Corporation and the laws of the State of California, at which meeting a quorum was present and acting throughout and the foregoing resolution has not been amended, modified or rescinded and is in full force and effect.

Dated: May 16, 2013.

By: _____
Name: _____
Title: _____
CaLease Public Funding Corporation