



CSCDA
CALIFORNIA STATEWIDE COMMUNITIES
DEVELOPMENT AUTHORITY



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

May 22, 2014

10:00 a.m.

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

709 Portwalk Place
Redwood City, CA 94065

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

County of Monterey
168 West Alisal Street
Salinas, CA 93901

- I. Call the Roll (alternates designate which member they are representing).
- II. Consideration of the Minutes of the May 8, 2014 Regular Meeting.
- III. Staff Updates.
- IV. Consideration of the Consent Calendar.
- V. Consideration of the financing; all necessary actions; the execution and delivery of all necessary documents and authorize any member to sign all necessary financing documents for the following:
 - a. Heritage II, LP (Heritage II Apartments), unincorporated County of Santa Barbara; up to \$10 million in multi-family housing revenue bonds. (Staff: Caitlin Lanctot)

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

- b. LIH Liberty Village, LP (Liberty Village Apartments), City of Richmond, County of Contra Costa; up to \$12,250,000 in multi-family housing revenue bonds. (Staff: Scott Carper)
 - c. Retirement Housing Foundation, City of Long Beach, County of Los Angeles, City of Placerville, County of El Dorado, City of Lancaster, County of Los Angeles, and Sun City, County of Riverside; up to \$45 million 501(c)3 nonprofit revenue bonds. (Staff: Scott Carper)
- VI. Consideration of Resolution approving modifications to the CaliforniaFIRST program policies and approving conforming modifications to the program report. (Staff: Caitlin Lanctot)
- VII. Consideration of Resolution authorizing issuance of limited obligation improvement bonds not to exceed \$50 million for the CaliforniaFIRST program. (Staff: Caitlin Lanctot)
- VIII. Consideration of a Deposit and Reimbursement Agreement for proposed Community Facilities District No. 2014-01 (Bakersfield Rio Bravo). (Staff: Scott Carper)
- IX. Public Comment
- X. Adjourn

◆ ◆ ◆ ◆ ◆ ◆ ◆

**CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY
CONSENT CALENDAR**

1. Consent Calendar:

- a. David Taussig & Associates Invoice #1403160 for \$285.83 for tax administration of the Orinda Wilder Project.
- b. David Taussig & Associates Invoice #1403023 for \$1,204.65 for tax administration of the Fancher Creek Project.
- c. Orrick Herrington & Sutcliffe Invoice #1473772 for \$11,767.50 for legal services.
- d. Inducement of Preservation Vista Park Chino II, LP (Vista Park Chino Apartments), City of Chino, County of San Bernardino; issue up to \$8 million in multi-family housing debt obligations.
- e. Inducement of New Zion Manor, LP (New Zion Apartments), City of San Bernardino, County of San Bernardino; issue up to \$12 million in multi-family housing debt obligations.
- f. Inducement of TPG/TSG Venture I Acquisition, LLC (Uptown Newport I), City of Newport Beach, County of Orange; issue up to \$92 million in multi-family housing debt obligations.
- g. Inducement of TPG/TSG Venture I Acquisition, LLC (Uptown Newport II), City of Newport Beach, County of Orange; issue up to \$110 million in multi-family housing debt obligations.
- h. Inducement of Park Kingsmore Senior Apartments, LP (Park Kingsmore Apartments), City of Los Angeles, County of Los Angeles; issue up to \$50 million in multi-family housing debt obligations.

Thursday, May 22, 2014

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

Item II

Consideration of the Minutes of the May 8, 2014 Regular Meeting.

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

League of California Cities
1400 K Street, Sacramento, California

May 8, 2014

MINUTES

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

I. Roll Call

Commission members present: Larry Combs, Kevin O'Rourke, Terry Schutten and Dan Harrison. Dan Mierzwa, Alternate Commissioner Brian Moura, representing Irwin Bornstein, and Alternate Commissioner Ron Holly (not able to vote) participated by conference telephone.

CSCDA Executive Director, Catherine Bando was also present.

Others present included: Perry Stottlemeyer and Norman Coppinger, League of California Cities; Mike LaPierre, HB Capital; Laura Labanieh Campbell and Nancy Parrish, CSAC Finance Committee; Roger Davis, Orrick Herrington; Cliff Staton, Renewable Funding; Jean Hurst and Jean Jordan, CSAC; and Mark Paxson, State Treasurer's Office. Chris McKenzie, League of California Cities; Caitlin Lanctot and Scott Carper, HB Capital; Patricia Eichar and Erin Pham, Orrick Herrington; Chris Lynch, Jones Hall; Bob Williams, RBC Capital Markets; and Tricia Ortiz, Richards Watson & Gershon participated by conference telephone.

II. Approval of minutes—April 17, 2014

The commission approved the minutes for the regular meeting held April 17, 2014.

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

III. Staff updates

Scott Carper noted item X is being pulled from the agenda, and asked that item XI be moved up to the beginning of the agenda. No objections were noted.

Executive Director Bando updated the commissioners with respect to the residential PACE program. CSCDA is proceeding with the CaliforniaFIRST program, as directed in previous meetings. It is expected that documents will be brought to the next meeting.

She also wanted the commissioners to know about a recent letter from FHFA to Governor Brown regarding the CAEATFA fund, which was established to protect mortgage holders in the event of foreclosure. The letter explained that it is their position that the fund is insufficient to protect the enterprise.

It was pointed out that California, Florida, Connecticut, New Jersey and Georgia are continuing to move forward with the residential PACE program.

Chris Lynch emphasized that while FHFA has continued to make such statements, as they did in their letter to Governor Brown, they have not suggested that this program should not be implemented or operative, as supported by letters from FHFA to other California local agencies.

IV. Approval of consent calendar

Commissioner O'Rourke joined the meeting at this point..

1. Approve the following bills for payment:

a. David Taussig & Associates, Invoice #1403018

2. Induce the following projects:

a. Palms Residential Care Facility, Inc. (Park Kingsmore Apartments), City of Los Angeles, County of Los Angeles; issue up to \$50 million in multi-family housing debt obligations.

b. Pilgrim Terrace Affordable, LP (Pilgrim Terrace Apartments), City of Santa Barbara, County of Santa Barbara; issue up to \$14 million in multi-family housing obligations.

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

V. Appoint Dan Harrison as a League of California Cities Commissioner.

Commission chair Larry Combs welcomed Dan Harrison as a new CSCDA commissioner.

VI. Election of Secretary for the CSCDA Commission.

Commission chair Larry Combs asked if any Commissioner wishes to serve as Secretary.

Motion to appoint Dan Harrison by Schutten; second by O'Rourke; unanimously approved by roll-call vote.

VII. Consideration of criteria for CSCDA P3 asset ownership program.

Executive Director Bando explained that the commission has considered P3 asset ownership in the past. An ad hoc committee (Ron Holly, Brian Moura, Tim Snellings, Greg Stepanicich and Catherine Bando) was formed to establish criteria for P3 transactions.

She explained there is one minor change suggested: under item 7, strike "BLX Group or other" from the first sentence. Other than that one modification, the committee recommends adoption of the criteria as presented.

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

VIII. Consideration of deposit and reimbursement agreement for the proposed Statewide Communities Infrastructure Program assessment district in Yucaipa.

The deposit and reimbursement agreement provides the means by which each individual developer seeking formation of the assessment district or community facilities district will provide a deposit to pay the initial costs of formation, including engineer's reports, appraisals and legal fees that will ultimately be reimbursed from the proceeds of a bond sale for the newly formed district. The adoption of the resolution and execution of the deposit and reimbursement agreement does not obligate the Authority to form the districts, but does obligate the Authority to take reasonable action toward formation.

Staff recommends approval of the deposit and reimbursement agreement.

Motion to accept staff recommendation by Schutten; second by Harrison; unanimously approved by roll-call vote.

IX. Consideration of deposit and reimbursement agreement for the proposed Community Facilities District No. 2014-01 (University Park).

The deposit and reimbursement agreement provides the means by which each individual developer seeking formation of the assessment district or community facilities district will provide a deposit to pay the initial costs of formation, including engineer's reports, appraisals and legal fees that will ultimately be reimbursed from the proceeds of a bond sale for the newly formed district. The adoption of the resolution and execution of the deposit and reimbursement agreement does not obligate the Authority to form the districts, but does obligate the Authority to take reasonable action toward formation.

Staff recommends approval of the deposit and reimbursement agreement.

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

X. Consideration of resolution ordering judicial foreclosure of delinquent assessment installments levied within Assessment District No. 07-02 (San Diego).

This item removed from agenda.

XI. Consideration of resolution ordering judicial foreclosure of delinquent assessment installments levied within Assessment District No. 11-01 (San Joaquin).

This resolution allows CSCDA's foreclosure counsel, Stradling Yocca Carlson & Rauth, to commence foreclosure proceedings on a parcel owned by SNB Tracy. SCIP issued approximately \$7.2 million in bonds for the project in 2011, but a major tenant pulled out and SNB Tracy's partner has filed for bankruptcy. SNB Tracy is in work-out discussions to acquire the property and bring the \$495,000 delinquency current. However, foreclosure proceedings will commence and progress while the work-out discussions continue.

Monitoring foreclosure proceedings are covered under the annual administration budget, which is included in the levy. Also, cost of legal action by foreclosure counsel is recovered as part of the judgment to bring the delinquency current.

Staff recommends approval of the resolution ordering judicial foreclosure.

Motion to approve staff recommendation by Schutten; second by Harrison; unanimously approved by roll-call vote.

XII. Consideration of CSCDA Program Manager Request for Proposal.

Commissioner Mierzwa joined the meeting at this point.

Commission chair Larry Combs noted a few amendments to the RFP, based on feedback from the State Treasurer:

- (1) Term of agreement (item V. 5.). The maximum term will be changed to three years, with an option to extend, depending on satisfactory performance.
- (2) Experience with each financing program (item V. 2.). Clarify that the experience requirement does not have to be with CSCDA programs, but with comparable programs.
- (3) Fee proposal (item V. 6.). The compensable fee structure describes the one currently in effect with HB Capital; however, alternative bases of compensation may be considered, such as hourly or a flat rate.

Executive Director Bando indicated another small change throughout the document relates to recognition of the role of CSAC Finance Corporation. Also, the redline version of the RFP has been uploaded to the website for Commissioners' reference.

Commissioner Harrison suggested a term longer than three years may be desirable so that it may be more attractive to potential firms due to the scope and complexity of services to be rendered, and indicated that maybe CSCDA could split the difference with the State Treasurer for perhaps a five-year term. However, Commission chair Larry Combs indicated CSCDA cannot modify the term because they negotiated in good faith and a three-year term was part of the agreement.

Staff recommends adoption of the amended RFP.

Motion to approve staff recommendation, as modified, by Schutten; second by O'Rourke; unanimously approved by roll-call vote.

XIII. Public Comment

None.

XI. Adjournment

Commission chair Larry Combs adjourned the meeting at 10:35 am.

Submitted by: Perry Stottlemeyer, League of California Cities staff

*The next regular meeting of the commission is scheduled for
Thursday, May 22, at 10:00 a.m.
in CSAC's office at 1100 K Street, Sacramento, California.*

Item IV

Consent Calendar:

- a. David Taussig & Associates Invoice #1403160 for \$285.83 for tax administration of the Orinda Wilder Project.
- b. David Taussig & Associates Invoice #1403023 for \$1,204.65 for tax administration of the Fancher Creek Project.
- c. Orrick Herrington & Sutcliffe Invoice #1473772 for \$11,767.50 for legal services.
- d. Inducement of Preservation Vista Park Chino II, LP (Vista Park Chino Apartments), City of Chino, County of San Bernardino; issue up to \$8 million in multi-family housing debt obligations.
- e. Inducement of New Zion Manor, LP (New Zion Apartments), City of San Bernardino, County of San Bernardino; issue up to \$12 million in multi-family housing debt obligations.
- f. Inducement of TPG/TSG Venture I Acquisition, LLC (Uptown Newport I), City of Newport Beach, County of Orange; issue up to \$92 million in multi-family housing debt obligations.
- g. Inducement of TPG/TSG Venture I Acquisition, LLC (Uptown Newport II), City of Newport Beach, County of Orange; issue up to \$110 million in multi-family housing debt obligations.
- h. Inducement of Park Kingsmore Senior Apartments, LP (Park Kingsmore Apartments), City of Los Angeles, County of Los Angeles; issue up to \$50 million in multi-family housing debt obligations.

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

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

March 31, 2014

Invoice No: 1403160

Project 13-11980.000 CSCDA/Orinda Wilder Project-Admin

Dear Mr. Carper,

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

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

Professional Services through March 31, 2014

Professional Services	Hours	Rate	Amount
Vice President			
Morgan, Shayne			
3/3/2014	1.50	185.00	277.50
Researched all current and prior year special taxes, prepared delinquency report, corres with L. Walters.			
Totals	1.50		277.50

Additional Fees

Out-of-pocket Expenses	8.33
Total Additional Fees	8.33

Total this Invoice \$285.83

Outstanding Invoices

Number	Date	Balance
1311069	11/30/2013	594.52
1312173	12/31/2013	333.46
1401111	1/31/2014	3,357.49
1402084	2/28/2014	285.83
Total		4,571.30



Public Finance and Urban Economics

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

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

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

March 31, 2014

Invoice No: 1403023

Project 14-0006.000 CSCDA/CFD 2012-01 Admin

Dear Mr. Carper:

This invoice is submitted for professional consulting services in association with the special tax administration of CFD No. 2012-01 (Fancher Creek) for Fiscal Year 14-15. Please remit invoice payment payable to David Taussig and Associates, Inc.

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

Professional Services through March 31, 2014

Professional Services		Hours	Rate	Amount
Vice President				
Perez, Nathan				
3/13/2014	Attention to review of admin status with Ms. Wright.	.25	215.00	53.75
3/19/2014	Attention to work on Annual Report with Ms. Wright.	.38	215.00	81.70
3/21/2014	Attention to continued work on Annual Report with Ms. Wright.	.50	215.00	107.50
3/26/2014	Attention to finalization and posting of Annual Report.	1.38	215.00	296.70
Senior Analyst				
Wright, Kelly				
3/3/2014	Reviewed information needs for Continuing Disclosure.	.50	140.00	70.00
3/18/2014	Worked on Annual Report	1.25	140.00	175.00
3/21/2014	Discussion with Mr. Perez regarding Annual Report. Made updates as directed.	2.00	140.00	280.00
3/26/2014	Finalized Annual Report. Put in PDF.	.50	140.00	70.00
3/28/2014	Posted Annual Report on Emma. Sent notification to parties.	.50	140.00	70.00
Totals		7.26		1,204.65
Total this Invoice				\$1,204.65

Outstanding Invoices

Number	Date	Balance
1402021	2/28/2014	1,228.85
Total		1,228.85



California Statewide Communities Development
Authority
1100 K Street, Suite 101
Sacramento, CA 95814

May 13, 2014
Client No. 40929
Invoice No. 1473772

Orrick Contact: Roger L. Davis

FOR SERVICES RENDERED through May 12, 2014 in connection with
the matters described on the attached pages:

\$ 11,767.50

DISBURSEMENTS:

0.00

TOTAL CURRENT FEES & DISBURSEMENTS (Pay this Amount):

\$ 11,767.50

Matter(s): 40929/198 – Non-Bond Counsel/Issues Counsel – Sweep Account Agreement

DUE UPON RECEIPT

In order to ensure proper credit to your account,
please reference your **INVOICE** and **CLIENT** numbers on your remittance.
For inquiries, call: (304) 231-2704. Fax (304) 231-2501.

REMITTANCE COPY - PLEASE RETURN WITH PAYMENT

REMITTANCE ADDRESS:

*Orrick, Herrington & Sutcliffe LLP
Dept 34461
P.O. Box 39000
San Francisco, CA 94139
Reference: 40929/ Invoice: 1473772*

**ELECTRONIC FUNDS
TRANSFERS:**

ACH & Wire Transfers:
ABA Number 121000248
SWIFT CODE: WFBUS6S
Account Number: 4123701088
Wells Fargo
420 Montgomery Street
San Francisco, CA 94104
Account of
Orrick, Herrington & Sutcliffe LLP
Reference: 40929/ Invoice: 1473772
E.I.N. 94-2952627

OVERNIGHT DELIVERY:

*Orrick, Herrington & Sutcliffe LLP
c/o Wells Fargo Lockbox
Attn: Dept 34461
3440 Walnut Avenue
Building A, Window H
Fremont, CA 94538
(213) 614-3248
Reference: 40929/ Invoice: 1473772*



California Statewide Communities Development
 Authority
 1100 K Street, Suite 101
 Sacramento, CA 95814

May 13, 2014
 Client No. 40929
 Invoice No. 1473772

Orrick Contact: Roger L. Davis

For Legal Services Rendered Through May 12, 2014 in Connection With:

Matter: 198 - Non-Bond Counsel/Issues Counsel – Sweep Account Agreement

02/12/14	M. Leong	Discuss with B. Victor and R. Davis re drafting of account "sweep" Y 21775683 agreement: research Orrick portal and email associates from Real Estate and General Corporate for suitable model.	1.75
02/12/14	B. Victor	Telephone call with M. LaPierre re agreement to pay executive director and general counsel; discuss same with M. Leong and assign task to draft same.	0.50
02/13/14	M. Leong	Research re model language to use for account agreement; begin drafting account agreement.	2.00
02/14/14	M. Leong	Draft, revise and edit account agreement to pay salaries of executive director and general counsel.	5.25
02/15/14	B. Victor	Begin review of sweep account agreement re payment of executive director and general counsel.	0.25
02/17/14	B. Victor	Review and revise secondary account agreement for payment of Executive Director and General Counsel; e-mails re same to R. Davis and M. Leong.	1.25
02/18/14	M. Leong	Review B. Victor's changes to account agreement.	1.00
02/18/14	B. Victor	Distribute secondary account agreement to M. La Pierre.	0.25
02/20/14	M. Leong	Revise and edit secondary account agreement per comments from client.	2.25
02/21/14	M. Leong	Revise and edit secondary account agreement to reflect comments from client.	1.75
02/21/14	B. Victor	Revisions to mechanics of Secondary Account Agreement and distribute same.	1.75
02/23/14	M. Leong	Review revisions by B. Victor to account agreement.	0.50
02/23/14	B. Victor	Revise Secondary Account Agreement and distribute to M. LaPierre and R. Watson.	1.00

Total Hours 19.50

Total For Services \$11,767.50



California Statewide Communities Development Authority - 40929
page 2

May 13, 2014
Invoice No. 1473772

<u>Timekeeper Summary</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
Mayling Leong	14.50	565.00	8,192.50
Bryan D. Victor	5.00	715.00	3,575.00
Total All Timekeepers	19.50	\$603.46	\$11,767.50

Total For This Matter

\$11,767.50

Applicant Information

Primary Contact E-mail: michael@treadstonecos.com

Name of Developer: **Preservation Western America Development, LLC**

TIN or EIN: **46-1199979**

Primary Contact

First Name: **James**

Last Name: **Perley**

Title: **Principal**

Address:

Street: **111 North Sepulveda Blvd**

Suite: **330**

City: **Manhattan Beach**

State: **California**

Zip: **90266**

Phone: **(310) 374-4381**

Ext:

Fax: **(310) 374-7298**

Email: **jimp@westamprop.com**

Borrower Description:

☐ Same as developer ?

Name of Borrowing Entity: **Preservation Vista Park Chino II, L.P.**

Type of Entity:

☐ For-profit Corporation

☐ Non-profit Corporation

☒ Partnership

☐ Other (specify)

☐ Will you be applying for State Volume Cap?

Date Organized: **To Be Formed**

No. of Multi-Family Housing Projects Completed in the Last 10 Years: **2**

No. of Low Income Multi-Family Housing Projects Completed in the Last 10 Years: **2**

Primary Billing Contact

Organization: **Preservation Western America Development, LLC**

First Name: **James**

Last Name: **Perley**

Title: **Principal**

Address

Street: **111 North Sepulveda Blvd**

Suite: **330**

City: **Manhattan Beach**

State: **California**

Zip: **90266**

Phone: **(310) 374-4381**

Ext:

Fax: **(310) 374-7298**

Email: **court@treadstonecos.com**

Project Information

Project Information

Project Name: **Vista Park Chino Apartments**

New Project Name(optional):

Facility Information

Facility #1

Facility Name: **Vista Park Chino Apartments**

Facility Bond Amount: \$6,577,200.00

Project Address:

Street: **5819-5829 Riverside Drive**

City: **Chino**

State: **California**

Zip: **91710**

County: **San Bernadino**

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

Total Number of Units:

Market:

Restricted: **40**

Total: **40**

Lot size: **2.62**

Amenities:

Unit amenities include central air conditioning/heating, patios/balconies, and ceiling fans. Kitchens have electric stoves/ovens and garbage disposals. Common area amenities include laundry facility, gated access, and garden landscaping

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

Six Two-story, Walk-up Residential Buildings. Wood Frame Construction And Stucco Exterior With Combination Of Flat And Pitched Roofs With Mixture Of Composition Shingle And Concrete Tiles.

Type of Housing:

☐ New Construction

☒ Acquisition/Rehab

Facility Use:

☒ Family

☐ Senior

Is this an Assisted Living Facility? ☐

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

Name of Agency: **City of Chino**

First Name: **Brent**

Last Name: **Arnold**

Title: **Interim Director of Community Development**

Phone: (909) 334-3314

Ext:

Fax: (909) 334-3729

Email: **barnold@cityofchino.org**

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: **1**

#	Bedrooms (Unit Size)	%AMI	No. of restricted units	Restricted rent	Market rent	Expected savings
1.	2 Bedrooms	50	4	1,355.00	1,490.00	135.00
2.	2 Bedrooms	60	16	1,355.00	1,490.00	135.00
3.	3 Bedrooms	50	4	1,694.00	1,864.00	170.00
4.	3 Bedrooms	60	15	1,694.00	1,864.00	170.00

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 #:

42

State Senate District #:

29

State Assembly District #:

61

Financing Information

Financing Information

Maturity 35 Years

Interest Rate Mode:

☒ Fixed

☐ Variable

Type of Offering:

☐ Public Offering

☒ Private Placement

☐ New Construction

☐ Acquisition of Existing Facility

☐ Refunding

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

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

Construction Financing:

☒ Credit Enhancement

☐ None

☐ Letter of Credit

☒ Other (specify) :FHA

Name of Credit Enhancement Provider or Private Placement Purchaser: Red Capital Markets, LLC

Permanent Financing:

☒ Credit Enhancement

☐ None

☐ Letter of Credit

☒ Other (specify) :FHA

Name of Credit Enhancement Provider or Private Placement Purchaser: Red Capital Markets, LLC

Expected Rating:

☐ Unrated

Moody's:

S&P:

Fitch:

SP-1+

Projected State Allocation Pool:

☒ General ☐ Mixed Income ☐ Rural

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

Sources and Uses

Sources and Uses

Sources of Proceeds

Tax-Exempt Bond Proceeds:	<u>\$6,577,200.00</u>
Taxable Bond Proceeds:	<u>\$</u>
Tax Credits:	<u>\$2,854,000.00</u>
Developer Equity:	<u>\$663,566.00</u>
Other Funds (Describe):	
Income During Rehab	<u>\$507,718.00</u>
	<u>\$</u>
	<u>\$</u>
	<u>\$</u>
	<u>\$</u>
Total Sources:	<u>\$10,602,484.00</u>

Uses:

Land Acquisition:	<u>\$600,000.00</u>
Building Acquisition:	<u>\$5,700,000.00</u>
Construction or Remodel:	<u>\$1,493,760.00</u>
Cost of Issuance:	<u>\$232,651.00</u>
Capitalized Interest:	<u>\$</u>
Reserves:	<u>\$278,000.00</u>
Other Uses (Describe):	
Soft Cost	<u>\$454,279.00</u>
Developer Fee	<u>\$1,152,096.00</u>
Finance Cost (not COI)	<u>\$691,698.00</u>
	<u>\$</u>
	<u>\$</u>
Total Uses:	<u>\$10,602,484.00</u>

Financing Team Information

Bond Counsel

Firm Name:

Primary Contact

First Name:

Last Name:

Title:

Address:

Street:

Suite:

City:

State:

Zip:

Phone:

Ext:

Fax:

Email:

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:

Applicant Information

Primary Contact E-mail: derek@acdmail.com

Name of Developer: **ACD Partners XVIII L.L.C.**

TIN or EIN: **46-4920248**

Primary Contact

First Name: **Derek**

Last Name: **Skrzynski**

Title: **Vice President**

Address:

Street: **20250 Harper Ave.**

City: **Detroit**

State: **Michigan**

Suite:

Phone: **424-293-0784**

Ext:

Zip: **48225**

Email: **derek@acdmail.com**

Fax:

Borrower Description:

☐ Same as developer ?

Name of Borrowing Entity: **New Zion Manor Limited Partnership**

Type of Entity:

☐ For-profit Corporation

☐ Non-profit Corporation

☒ Partnership

☐ Other (specify)

☐ Will you be applying for State Volume Cap?

Date Organized: **2-24-14**

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: **American Community Developers, Inc.**

First Name: **Derek**

Last Name: **Skrzynski**

Title: **Vice President**

Address

Street: **20250 Harper Ave.**

City: **Detroit**

State: **Michigan**

Suite:

Phone: **424-293-0784**

Ext:

Zip: **48225**

Email: **derek@acdmail.com**

Fax:

Project Information

Project Information

Project Name: **Little Zion Manor**

New Project Name(optional): **New Zion Manor**

Facility Information

Facility #1

Facility Name: **N/A**

Facility Bond Amount: **\$1.00**

Project Address:

Street: **2000 Jubilee Ct**

City: **San Bernardino**

State: **California**

Zip: **92411**

County: **San Bernardino**

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

Total Number of Units:

Market: **0**

Restricted: **125**

Total: **125**

Lot size: **12.24 acres**

Amenities:

Each unit will offer a range/oven, refrigerator, microwave, garbage disposal, carpet, tile, blinds, coat closet, patio and washer/dryer hook-ups in the three-bedroom townhouse units. The property will also provide the following project amenities: community room, three playgrounds, extra storage, laundry facility, on-site management, on-site maintenance, limited access gate, perimeter fencing, security/courtesy patrol, and video surveillance. On-site services will include: after school programs, adult education services, adult health and wellness services, and free high-speed internet for 10 years.

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

Originally constructed in 1982, the complex consists of 32 buildings: 31 residential buildings and one community building that includes two management offices, a community room with a computer lab, a community kitchen, and a laundry facility. The buildings are one-story and two-story townhouse structures with wood frame construction, stucco finish, and tiled mansard roofs.

Type of Housing:

☐ New Construction

☒ Acquisition/Rehab

Facility Use:

☒ Family

☐ Senior

Is this an Assisted Living Facility? ☐

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

Name of Agency: **City of San Bernardino, Community Development Dept.**

First Name: **Aron**

Last Name: **Liang**

Title: **Senior Planner**

Phone: **(909) 384-7272**

Ext: **3332**

Fax:

Email: **liang_ar@sbcity.org**

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: **1**

#	Bedrooms (Unit Size)	%AMI	No. of restricted units	Restricted rent	Market rent	Expected savings
1.	1 Bedroom	50	30	569.00	882.00	313.00

2.	2 Bedrooms	50	7	683.00	1,120.00	437.00
3.	2 Bedrooms	60	55	820.00	1,120.00	300.00
4.	3 Bedrooms	60	31	947.00	1,582.00	635.00

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 #:
31	32	47

Financing Information

Financing Information

Maturity **40** Years

Interest Rate Mode:

☒ Fixed

☐ Variable

Type of Offering:

☐ Public Offering

☒ Private Placement

☐ New Construction

☐ Acquisition of Existing Facility

☐ Refunding

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

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

Construction Financing:

☐ Credit Enhancement

☐ None

☐ Letter of Credit

☐ Other (specify)

Name of Credit Enhancement Provider or Private Placement Purchaser: PNC

Permanent Financing:

☐ Credit Enhancement

☐ None

☐ Letter of Credit

☐ Other (specify)

Name of Credit Enhancement Provider or Private Placement Purchaser: PNC

Expected Rating:

☒ Unrated

Moody's:

S&P:

Fitch:

Projected State Allocation Pool:

☒ General ☐ Mixed Income ☐ Rural

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

Sources and Uses

Sources and Uses

Sources of Proceeds

Tax-Exempt Bond Proceeds:	<u>\$10,800,000.00</u>
Taxable Bond Proceeds:	<u>\$</u>
Tax Credits:	<u>\$6,248,252.00</u>
Developer Equity:	<u>\$1,393,837.00</u>
Other Funds (Describe):	
HUD 221(d)(4) loan	<u>\$13,495,000.00</u>
Cash from Operations	<u>\$681,188.00</u>
45L Energy Credit Equity	<u>\$245,000.00</u>
	<u>\$</u>
	<u>\$</u>
Total Sources:	<u>\$32,863,277.00</u>

Uses:

Land Acquisition:	<u>\$1,875,000.00</u>
Building Acquisition:	<u>\$11,625,000.00</u>
Construction or Remodel:	<u>\$3,437,500.00</u>
Cost of Issuance:	<u>\$252,600.00</u>
Capitalized Interest:	<u>\$641,012.50</u>
Reserves:	<u>\$394,125.00</u>
Other Uses (Describe):	
HUD Loan fees	<u>\$354,439.00</u>
Builder - OH, BP, & GR	<u>\$437,312.50</u>
Developer fee	<u>\$2,338,053.00</u>
Soft Costs	<u>\$708,235.00</u>
	<u>\$</u>
Total Uses:	<u>\$22,063,277.00</u>

Financing Team Information

Bond Counsel

Firm Name: Orrick, Herrington & Sutcliffe LLP

Primary Contact

First Name: TBD

Last Name: TBD

Title: TBD

Address:

Street: 777 South Figueroa Street

Suite: Suite 3200

City: Los Angeles

State: California

Zip: 90017

Phone: (213) 629-2020

Ext:

Fax:

Email: rogerdavis@orrick.com

Bank/Underwriter/Bond Purchaser

Firm Name: Citibank

Primary Contact

First Name: Sonia

Last Name: Rahm

Title: Vice President

Address:

Street: 444 S. Flower St.

Suite: 29th Floor

City: Los Angeles

State: California

Zip: 90071

Phone: (213) 239-1726

Ext:

Fax:

Email: sonia.m.rahm@citi.com

Financial Advisor

Firm Name: Roberts Consulting, LLC

Primary Contact

First Name: Jon

Last Name: Roberts

Title: Principal

Address:

Street: 370 Blair Circle

Suite:

City: Aurora

State: Ohio

Zip: 44202

Phone: (330) 995-1083

Ext:

Fax:

Email: jonrcllc@aol.com

Rebate Analyst

Firm Name: TBD

Primary Contact

First Name: TBD

Last Name: TBD

Title: TBD

Address:

Street: TBD

Suite:

City: TBD

State: California

Zip: 90017

Phone: 1234567890

Ext:

Fax:

Email: tbd@gmail.com

Applicant Information

Primary Contact E-mail: fnewhall@picernegroup.com

Name of Developer: **TPG/TSG Venture I Acquisition, LLC**

TIN or EIN: **36-4778752**

Primary Contact

First Name: **Forrest**

Last Name: **Newhall**

Title: **Vice President**

Address:

Street: **30950 Rancho Viejo Rd**

Suite: **200**

City: **San Juan Capistrano**

State: **California**

Zip: **92675**

Phone: **(949) 267-1526**

Ext:

Fax: **949-267-1526**

Email: **fnewhall@picernegroup.com**

Borrower Description:

☒ Same as developer ?

Name of Borrowing Entity: **TPG/TSG Venture I Acquisition, LLC**

Type of Entity:

☐ For-profit Corporation

☐ Non-profit Corporation

☒ Partnership

☐ Other (specify)

☐ Will you be applying for State Volume Cap?

Date Organized: January 10, 2014

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: **TPG/TSG Venture I Acquisition, LLC**

First Name: **Forrest**

Last Name: **Newhall**

Title: **Vice President**

Address

Street: **30950 Rancho Viejo Rd**

Suite: **200**

City: **San Juan Capistrano**

State: **California**

Zip: **92675**

Phone: **(949) 267-1526**

Ext:

Fax: **949-267-1526**

Email: **fnewhall@picernegroup.com**

Project Information

Project Information

Project Name: **Uptown Newport 1**

New Project Name(optional):

Facility Information

Facility #1

Facility Name: **Uptown Newport 1**

Facility Bond Amount: \$92,000,000.00

Project Address:

Street: **Jamboree Rd & Fairchild Rd**

City: **Newport Beach**

State: **California**

Zip: **92660**

County: **Orange**

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

Total Number of Units:

Market: **186**

Restricted: **46**

Total: **232**

Lot size: **106,395 SF**

Amenities:

Pool and Jacuzzi, outdoor fireplaces, outdoor BBQ areas with bars and TV's, fitness facility including yoga, spin classes and fitness on demand; clubroom with social areas for gaming (pool, shuffleboard, card tables, etc.); cyber café area, demonstration kitchen.

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

4 stories of type V wood frame over type I concrete podium/garage that is two below ground level and one at ground level.

Type of Housing:

☒ New Construction

☐ Acquisition/Rehab

Facility Use:

☒ Family

☐ Senior

Is this an Assisted Living Facility? ☐

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

Name of Agency: **City of Newport Beach**

First Name: **Dan**

Last Name: **Matusiewicz**

Title: **Deputy Finance Director**

Phone: **(949) 644-3123**

Ext:

Fax:

Email: **dmatusie@newportbeachca.gov**

Public Benefit Info:

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**

#	Bedrooms (Unit Size)	%AMI	No. of restricted units	Restricted rent	Market rent	Expected savings
1.	Studio	50	6	773.00	1,910.00	1,137.00
2.	1 Bedroom	50	26	819.00	2,350.00	1,531.00
3.	2 Bedrooms	50	14	983.00	2,750.00	1,767.00

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 #:
48	37	74

Financing Information

Financing Information

Maturity **10** Years

Interest Rate Mode:

☐ Fixed

☒ Variable

Type of Offering:

☐ Public Offering

☒ Private Placement

☐ New Construction

☐ Acquisition of Existing Facility

☐ Refunding

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

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

Construction Financing:

☐ Credit Enhancement

☐ None

☒ Letter of Credit

☐ Other (specify)

Name of Credit Enhancement Provider or Private Placement Purchaser: Citibank

Permanent Financing:

☒ Credit Enhancement

☐ None

☒ Letter of Credit

☐ Other (specify)

Name of Credit Enhancement Provider or Private Placement Purchaser: Citibank

Expected Rating:

☒ Unrated

Moody's:

S&P:

Fitch:

Projected State Allocation Pool:

☐ General ☒ Mixed Income ☐ Rural

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

Sources and Uses

Sources and Uses

Sources of Proceeds

Tax-Exempt Bond Proceeds:	<u>\$77,000,000.00</u>
Taxable Bond Proceeds:	<u>\$</u>
Tax Credits:	<u>\$</u>
Developer Equity:	<u>\$</u>
Other Funds (Describe):	
Cash Flow	<u>\$1,139,156.00</u>
Tax-Exempt Bond Proceeds (Subordinate)	<u>\$15,000,000.00</u>
	<u>\$</u>
	<u>\$</u>
	<u>\$</u>
Total Sources:	<u>\$93,139,156.00</u>

Uses:

Land Acquisition:	<u>\$5,180,000.00</u>
Building Acquisition:	<u>\$</u>
Construction or Remodel:	<u>\$62,318,966.00</u>
Cost of Issuance:	<u>\$1,700,293.00</u>
Capitalized Interest:	<u>\$3,286,227.00</u>
Reserves:	<u>\$293,342.00</u>
Other Uses (Describe):	
Permits & Fees	<u>\$12,792,979.00</u>
Marketing, Advertising, Promotion	<u>\$1,000,000.00</u>
A&E	<u>\$1,500,425.00</u>
Contribution to Development Infrastructure	<u>\$1,672,503.00</u>
All Other	<u>\$3,394,421.00</u>
Total Uses:	<u>\$93,139,156.00</u>

Financing Team Information

Bond Counsel

Firm Name: Orrick, Harrington

Primary Contact

First Name: Justin

Last Name: **Cooper**

Title: **Partner**

Address:

Street: **405 Howard Street**

Suite:

City: **San Francisco**

State: **California**

Zip: **94105**

Phone: **415-773-5700**

Ext:

Fax: **415-773-5759**

Email: **jcooper@orrick.com**

Bank/Underwriter/Bond Purchaser

Firm Name: Citi Community Capital

Primary Contact

First Name: **Bryan**

Last Name: **Barker**

Title: **Director**

Address:

Street: **One Sansome Street, 27th Floor**

Suite:

City: **San Francisco**

State: **California**

Zip: **94104**

Phone: **415-627-6484**

Ext:

Fax: **415-948-2083**

Email: **bryan.barker@citigroup.com**

Financial Advisor

Firm Name: KDF Communities

Primary Contact

First Name: **Chris**

Last Name: **Burns**

Title: **Director of Development**

Address:

Street: **230 Newport Center Drive**

Suite: **210**

City: **Newport Beach**

State: **California**

Zip: **92660**

Phone: **949-719-1888**

Ext: **214**

Fax: **949-719-1897**

Email: **cburns@kdfcommunities.com**

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: fnewhall@picernegroup.com

Name of Developer: **TPG/TSG Venture I Acquisition, LLC**

TIN or EIN: **36-4778752**

Primary Contact

First Name: **Forrest**

Last Name: **Newhall**

Title: **Vice President**

Address:

Street: **30950 Rancho Viejo Rd**

Suite: **200**

City: **San Juan Capistrano**

State: **California**

Zip: **92675**

Phone: **949-267-1526**

Ext:

Fax: **949-487-6263**

Email: **fnewhall@picernegroup.com**

Borrower Description:

☒ Same as developer ?

Name of Borrowing Entity: **TPG/TSG Venture I Acquisition, LLC**

Type of Entity:

☐ For-profit Corporation

☐ Non-profit Corporation

☒ Partnership

☐ Other (specify)

☐ Will you be applying for State Volume Cap?

Date Organized: January 10, 2014

No. of Multi-Family Housing Projects Completed in the Last 10 Years: **0**

No. of Low Income Multi-Family Housing Projects Completed in the Last 10 Years: **0**

Primary Billing Contact

Organization: **TPG/TSG Venture I Acquisition, LLC**

First Name: **Forrest**

Last Name: **Newhall**

Title: **Vice President**

Address

Street: **30950 Rancho Viejo Rd**

Suite: **200**

City: **San Juan Capistrano**

State: **California**

Zip: **92675**

Phone: **949-267-1526**

Ext:

Fax: **949-487-6263**

Email: **fnewhall@picernegroup.com**

Project Information

Project Information

Project Name: **Uptown Newport 2**

New Project Name(optional):

Facility Information

Facility #1

Facility Name: **Uptown Newport 2**

Facility Bond Amount: \$100,000,000.00

Project Address:

Street: **Jamboree Rd & Fairchild Rd**

City: **Newport Beach**

State: **California**

Zip: **92660**

County: **Orange**

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

Total Number of Units:

Market: **201**

Restricted: **50**

Total: **251**

Lot size: **105,185 sf**

Amenities:

Pool and Jacuzzi, outdoor fireplaces, outdoor BBQ areas with bars and TV's, fitness facility including yoga, spin classes and fitness on demand; clubroom with social areas for gaming (pool, shuffleboard, card tables, etc.); cyber café area, demonstration kitchen.

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

4 stories of type V wood frame over type I concrete podium/garage that is two storied below ground level and one at ground level.

Type of Housing:

☒ New Construction

☐ Acquisition/Rehab

Facility Use:

☒ Family

☐ Senior

Is this an Assisted Living Facility? ☐

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

Name of Agency: **City of Newport Beach**

First Name: **Dan**

Last Name: **Matusiewicz**

Title: **Deputy Finance Director**

Phone: **(949) 644-3123**

Ext:

Fax:

Email: **dmatusie@newportbeachca.gov**

Public Benefit Info:

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**

#	Bedrooms (Unit Size)	%AMI	No. of restricted units	Restricted rent	Market rent	Expected savings
1.	Studio	50	5	773.00	1,910.00	1,137.00
2.	1 Bedroom	50	25	819.00	2,350.00	1,531.00
3.	2 Bedrooms	50	20	983.00	2,750.00	1,767.00

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 #:
48	37	74

Financing Information

Financing Information

Maturity **10** Years

Interest Rate Mode:

☐ Fixed

☒ Variable

Type of Offering:

☐ Public Offering

☒ Private Placement

☐ New Construction

☐ Acquisition of Existing Facility

☐ Refunding

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

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

Construction Financing:

☐ Credit Enhancement

☐ None

☒ Letter of Credit

☐ Other (specify)

Name of Credit Enhancement Provider or Private Placement Purchaser:

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

Sources and Uses

Sources of Proceeds

Tax-Exempt Bond Proceeds:	<u>\$84,000,000.00</u>
Taxable Bond Proceeds:	<u>\$</u>
Tax Credits:	<u>\$</u>
Developer Equity:	<u>\$</u>
Other Funds (Describe):	
Tax-Exempt Bond Proceeds (Suborindate)	<u>\$16,000,000.00</u>
Cash Flow	<u>\$1,536,014.00</u>
	<u>\$</u>
	<u>\$</u>
	<u>\$</u>
Total Sources:	<u>\$101,536,014.00</u>

Uses:

Land Acquisition:	<u>\$5,820,000.00</u>
Building Acquisition:	<u>\$</u>
Construction or Remodel:	<u>\$67,427,370.00</u>
Cost of Issuance:	<u>\$1,814,479.00</u>
Capitalized Interest:	<u>\$3,782,582.00</u>
Reserves:	<u>\$318,323.00</u>
Other Uses (Describe):	
Permits & Fees	<u>\$13,808,537.00</u>
FF&E, Advertising, Promotion	<u>\$1,000,000.00</u>
A&E	<u>\$1,500,880.00</u>
Contribution to Development Infrastructure	<u>\$1,052,946.00</u>
All Other	<u>\$5,010,897.00</u>
Total Uses:	<u>\$101,536,014.00</u>

Financing Team Information

Bond Counsel

Firm Name: Orrick, Harrington

Primary Contact

First Name: Justin

Last Name: **Cooper**

Title: **Partner**

Address:

Street: **405 Howard Street**

Suite:

City: **San Francisco**

State: **California**

Zip: **94105**

Phone: **415-773-5700**

Ext:

Fax: **415-773-5759**

Email: **jcooper@orrick.com**

Bank/Underwriter/Bond Purchaser

Firm Name: Citi Community Capital

Primary Contact

First Name: **Bryan**

Last Name: **Barker**

Title: **Director**

Address:

Street: **One Sansome Street, 27th Floor**

Suite:

City: **San Francisco**

State: **California**

Zip: **94104**

Phone: **415-627-6484**

Ext:

Fax: **415-948-2083**

Email: **bryan.barker@citigroup.com**

Financial Advisor

Firm Name: KDF Communities

Primary Contact

First Name: **Chris**

Last Name: **Burns**

Title: **Director of Development**

Address:

Street: **230 Newport Center Drive**

Suite: **210**

City: **Newport Beach**

State: **California**

Zip: **92660**

Phone: **949-719-1888**

Ext: **214**

Fax: **949-719-1897**

Email: **cburns@kdfcommunities.com**

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: david@jdevelopmentllc.com

Name of Developer: **J Development LLC**

TIN or EIN: **26-4236691**

Primary Contact

First Name: **David**

Last Name: **Park**

Title: **CEO**

Address:

Street: **3530 Wilshire Blvd**

Suite: **1850**

City: **Los Angeles**

State: **California**

Zip: **90010**

Phone: **310-295-8764**

Ext:

Fax: **310-954-9421**

Email: **david@jdevelopmentllc.com**

Borrower Description:

☐ Same as developer ?

Name of Borrowing Entity: **Palms Residential Care Facility, Inc.**

Type of Entity:

☐ For-profit Corporation

☒ Non-profit Corporation

☐ Partnership

☐ Other (specify)

☐ Will you be applying for State Volume Cap?

Date Organized: **10-5-2006**

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

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

Primary Billing Contact

Organization: **J Development LLC**

First Name: **David**

Last Name: **Park**

Title: **CEO**

Address

Street: **3530 Wilshire Blvd**

Suite: **1850**

City: **Los Angeles**

State: **California**

Zip: **90010**

Phone: **310-295-8764**

Ext:

Fax: **310-954-9421**

Email: **david@jdevelopmentllc.com**

Project Information

Project Information

Project Name: **Park Kingsmore Residences**

New Project Name(optional):

Facility Information

Facility #1

Facility Name: **Park Kingsmore Residences**

Facility Bond Amount: \$50,000,000.00

Project Address:

Street: **3060-3076 West Olympic Blvd**

City: **Los Angeles**

State: **California**

Zip: **90006**

County: **Los Angeles**

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

Total Number of Units:

Market: **135**

Restricted: **88**

Total: **223**

Lot size: **66,000**

Amenities:

Day care, language classes, computer classes, entrepreneur classes, roof deck, commercial access, wifi, exercise program, huge community room, computer access, on-site social

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

2-story basement, and one-story concrete podium ground floor, with four stories of wood frame construction, above the podium.

Type of Housing:

☒ New Construction

☐ Acquisition/Rehab

Facility Use:

☐ Family

☒ Senior

Is this an Assisted Living Facility? ☐

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

Name of Agency:

First Name: **Deron**

Last Name: **Williams**

Title: **Chief Deputy, City Councilman Herb Wesson**

Phone: **213-473-7010**

Ext:

Fax:

Email: **deron.williams@lacity.org**

Public Benefit Info:

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

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

Total Number of Management Units: **2**

#	Bedrooms (Unit Size)	%AMI	No. of restricted units	Restricted rent	Market rent	Expected savings
1.	Studio	50	5	725.00	1,100.00	375.00
2.	Studio	60	43	870.00	1,100.00	230.00
3.	1 Bedroom	50	2	776.00	1,800.00	1,024.00
4.	1 Bedroom	60	18	932.00	1,800.00	868.00
5.	2 Bedrooms	60	18	1,119.00	2,695.00	1,576.00

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 #:

33

State Senate District #:

26

State Assembly District #:

43

Financing Information

Financing Information

Maturity 35 Years

Interest Rate Mode:

☒ Fixed

☐ Variable

Type of Offering:

☒ Public Offering

☐ Private Placement

☐ New Construction

☐ Acquisition of Existing Facility

☐ Refunding

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

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

Construction Financing:

☒ Credit Enhancement

☐ None

☐ Letter of Credit

☐ Other (specify) :EB5

Name of Credit Enhancement Provider or Private Placement Purchaser: Northmarq Capital

Permanent Financing:

☒ Credit Enhancement

☐ None

☒ Letter of Credit

☐ Other (specify)

Name of Credit Enhancement Provider or Private Placement Purchaser: Northmarq Capital

Expected Rating:

☐ Unrated

Moody's:

AA

S&P:

AA

Fitch:

AA

Projected State Allocation Pool:

☒ General ☐ Mixed Income ☐ Rural

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

Sources and Uses

Sources and Uses

Sources of Proceeds

Tax-Exempt Bond Proceeds:	<u>\$41,370,602.00</u>
Taxable Bond Proceeds:	<u>\$</u>
Tax Credits:	<u>\$4,147,646.00</u>
Developer Equity:	<u>\$</u>
Other Funds (Describe):	
Gap Investment	<u>\$2,013,405.00</u>
EB5 Equity/Loan	<u>\$18,000,000.00</u>
Deferred Developer Fee	<u>\$2,500,000.00</u>
	<u>\$</u>
	<u>\$</u>
Total Sources:	<u>\$68,031,653.00</u>

Uses:

Land Acquisition:	<u>\$3,930,000.00</u>
Building Acquisition:	<u>\$</u>
Construction or Remodel:	<u>\$49,438,306.00</u>
Cost of Issuance:	<u>\$1,103,849.00</u>
Capitalized Interest:	<u>\$3,636,966.00</u>
Reserves:	<u>\$1,000,000.00</u>
Other Uses (Describe):	
Demolition	<u>\$350,000.00</u>
Architect	<u>\$843,544.00</u>
GC Overhead	<u>\$2,168,347.00</u>
Developer Fee	<u>\$1,500,000.00</u>
Other Soft Costs	<u>\$4,060,641.00</u>
Total Uses:	<u>\$68,031,653.00</u>

Financing Team Information

Bond Counsel

Firm Name: Orrick, Harrington,

Primary Contact

First Name: Justin

Last Name: **Cooper**

Title: **partner**

Address:

Street: **405 Howard Street**

Suite:

City: **San Francisco**

State: **California**

Zip: **94105**

Phone: **415-773-5908**

Ext:

Fax: **415-733-5759**

Email: **jcooper@orrick.com**

Bank/Underwriter/Bond Purchaser

Firm Name: Hutchinson Shockey Erley

Primary Contact

First Name: **Lauro**

Last Name: **Garcia**

Title: **partner**

Address:

Street: **515 South Flower Street**

Suite: **36th floor**

City: **Los Angeles**

State: **California**

Zip: **90071**

Phone: **858-509-0556**

Ext:

Fax: **213-236-3501**

Email: **lgarcia@hsemuni.com**

Financial Advisor

Firm Name: Northmarq Capital

Primary Contact

First Name: **Rob**

Last Name: **Hervey**

Title: **EVP, Managing Director**

Address:

Street: **500 Newport Center Drive**

Suite: **650**

City: **Newport Beach**

State: **California**

Zip: **92660**

Phone: **949-717-5210**

Ext:

Fax: **949-729-4620**

Email: **rhervey@northmarq.com**

Rebate Analyst

Firm Name:

Primary Contact

First Name:

Last Name:

Title:

Address:

Street:

Suite:

City:

State:

Zip:

Phone:

Ext:

Fax:

Email:

Item V

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

- a. Heritage II, LP (Heritage II Apartments), unincorporated County of Santa Barbara; up to \$10 million in multi-family housing revenue bonds. (Staff: Caitlin Lanctot)

SUMMARY AND APPROVALS

DATE: MAY 22, 2014

APPLICANT: HERITAGE II, L.P./INVESTMENT CONCEPTS, INC.

AMOUNT: UP TO \$10,000,000 OF TAX-EXEMPT MULTI-FAMILY HOUSING REVENUE BONDS

PURPOSE: FINANCE THE ACQUISITION AND CONSTRUCTION OF HERITAGE II APARTMENTS LOCATED AT 300 BURTON MESA BLVD IN SANTA BARBARA COUNTY, CA

CSCDA PROGRAM: HOUSING

Background:

The proposed project, Heritage II Apartments (the “Project”), will be an 80-unit senior property located in Santa Barbara County, California. The Project application was filed on March 11, 2013 and induced on March 28, 2013.

Summary:

Heritage II, L.P. (the “Borrower”) has requested CSCDA to issue and deliver multifamily housing revenue obligations in the anticipated principal amount of \$10,000,000 (the “Bonds”) for the purpose of financing the acquisition and construction of the Project. The Project will provide 44 one-bedroom and 36 two-bedroom units to low-income seniors in the community of Lompoc in Santa Barbara County.

The Project will contain 20 one-story four-plex buildings spread out over 7.21 acres. The Project will be phase II of Heritage Villas at Vandenberg Village, a 101 units senior market rate development. Tenants will have access to Heritage Villas’ clubhouses, exercise facility, computer lab and library. Project amenities include lawn games, walking trails, a community garden, dog park and health and wellness classes.

Construction is expected to begin in June 2014 and take approximately 12 months to complete.

The Borrower has previously constructed or rehabilitated 8 multifamily and senior housing properties. This is their first financing with CSCDA.

Public Benefit:

- Project Affordability
 - 100% of the Project’s units will be income restricted:
 - 8 units reserved for tenants whose income is at or below 50% AMI
 - 71 units reserved for tenants whose income is at or below 60% AMI
 - 1 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 a Public Transit Corridor
 - The Project will provide free internet to residents
 - The Project will offer instructor-led health and wellness classes to residents
- Economic Benefits
 - Based upon \$10,000,000.00 Project costs using a 1.8 multiplier the Project produces approximately \$18,000,000 total economic activity, and at 2.1 jobs per unit produces approximately 168 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: April 15, 2014, Santa Barbara County, unanimous approval
CDLAC Approval: May 21, 2014

Estimated Sources and Uses:

Sources:

Bond Proceeds	\$7,100,000	71.00%
LIHTC Equity	<u>\$2,900,000</u>	<u>29.00%</u>
Total Sources	\$10,000,000	100.00%

Uses:

Acquisition Cost	\$500,000	5.00%
Hard Construction Costs	\$8,323,950	83.24%
Costs of Issuance	\$586,550	5.87%
Capitalized Interest	\$389,500	3.90%
Reserves	<u>\$200,000</u>	<u>2.00%</u>
Total Uses	\$10,000,000	100.00%

Finance Team:

- Bond Counsel: Orrick, Herrington & Sutcliffe, LLP, San Francisco
- Authority Counsel: Orrick, Herrington & Sutcliffe, LLP, Sacramento
- Underwriter: Hutchinson, Shockey, Erley & Co.

Financing Structure:

The bonds will be publically offered by Hutchinson, Shockey, Erley & Co. and Stern Brother & Co. and credit enhanced by a letter of credit from East West Bank.

By using \$7,100,000 in CSCDA Bonds the Project is able to leverage an additional \$2,900,000 in other resources, for a ratio of 2.45 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 County of Santa Barbara, 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. County of Santa Barbara TEFRA Resolution



Building Communities, Investing in Local Government Since 1988

Housing Bond Application

APPLICANT INFORMATION

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

BORROWER DESCRIPTION

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

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

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

Date Established: **March 15, 2011**

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

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

PRINCIPAL FINANCE TEAM INFORMATION

UNDERWRITER/PLACEMENT AGENT

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

Contact: **Lauro Garcia**

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

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

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

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

BOND COUNSEL

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

Contact: **Justin Cooper**

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

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

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

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

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

PROJECT DESCRIPTION

Current Project Name: **Heritage II**

New Project Name:

Project Street Address: **Burton Mesa Boulevard**

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

County: **Santa Barbara**

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

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

Lot Size: **7.21 Acres**

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

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

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

City or county contact information:

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

PUBLIC BENEFIT

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

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

Total Number of Management Units: **1**

Unit Size	% AMI	# of Restricted Units	Restricted Rent	Market Rent	Expected Savings
1 Bedroom	50	4	\$654	\$1,061	\$407
1 Bedroom	60	39	\$796	\$1,061	\$265
2 Bedrooms	50	4	\$788	\$1,272	\$484
2 Bedrooms	60	32	\$959	\$1,272	\$313

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? **0%**

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: **Climate Controlled Irrigation Controllers**

Transportation

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

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

Waste

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

WORKFORCE

Employment Creation

Job Type/Description	During Construction	Post Construction
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

GOVERNMENTAL INFORMATION

Congressional District #	State Senate District #	State Assembly District #
<u>24</u>	<u>16</u>	<u>35</u>

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

FINANCING STRUCTURE

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

CONSTRUCTION FINANCING:

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

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

PERMANENT FINANCING:

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

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

Expected Rating: ☐ Unrated ☒ S & P **A+1**
☐ Moody's _____ ☐ Fitch _____

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

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

SOURCES & USES

CONSTRUCTION SOURCES

Tax-Exempt Bond Proceeds:	\$7,100,000
Taxable Bond Proceeds:	
Tax Credits:	
Developer Equity:	\$2,900,000
Other Funds(Describe):	
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
TOTAL:	\$10,000,000

USES

Land Acquisition:	\$500,000
Building Acquisition:	
Construction or Remodel:	\$8,323,950
Cost of Issuance:	\$586,550
Capitalized Interest:	\$389,500
Reserves:	\$200,000
Other Funds(Describe):	
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
TOTAL:	\$10,000,000

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

PRINCIPAL FINANCE TEAM INFORMATION (continued)

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

ADDITIONAL REQUIREMENT

Please provide the following as an additional attachment:

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

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

A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF SANTA BARBARA APPROVING THE ISSUANCE BY THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY OF MULTIFAMILY HOUSING REVENUE BONDS FOR THE HERITAGE II APARTMENTS

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

WHEREAS, Heritage II, LP, a limited partnership or related entities, has requested that the Authority adopt a plan of financing providing for the issuance of multifamily housing revenue bonds (the "Bonds") in one or more series issued from time to time, including bonds issued to refund such revenue bonds in one or more series from time to time, and at no time to exceed \$8,000,000 in outstanding aggregate principal amount, to finance the acquisition, construction and development of a 80-unit senior multifamily rental housing project located at Burton Mesa Boulevard (APN, 097-371-69), which is adjacent to 300 Burton Mesa Boulevard, Lompoc, California, generally known as Heritage II Apartments (the "Project") and operated by Investment Concepts, Inc.; and

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

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

WHEREAS, the members of this Board of Supervisors (this "Board of Supervisors") are the applicable elected representatives of the County; and

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

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

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

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

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE COUNTY OF SANTA BARBARA AS FOLLOWS:

Section 1. The above recitals are true and correct.

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

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

Section 4. The Clerk of the Board of Supervisors shall forward a certified copy of this Resolution to:

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

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

PASSED AND ADOPTED by the Board of Supervisors of the County of Santa Barbara, State of California, this 15 day of Apr., 2014, by the following vote:

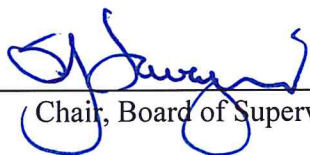
AYES: Supervisor Carbajal, Wolf, Farr, Adam & Lavagnino

NOES: None

ABSENT: None

ABSTAIN: None

COUNTY OF SANTA BARBARA

By _____
Chair, Board of Supervisors

ATTEST:
MONA MIYASATO
CLERK OF THE BOARD

By _____
Deputy Clerk

APPROVED AS TO FORM
MICHAEL C. GHIZZONI
COUNTY COUNSEL

APPROVED AS TO ACCOUNTING FORM
ROBERT W. GEIS, CPA
AUDITOR-CONTROLLER

By _____
Deputy County Counsel

By _____
Deputy

RESOLUTION NO. 014H-__

A RESOLUTION OF THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY AUTHORIZING THE ISSUANCE AND DELIVERY OF VARIABLE RATE DEMAND MULTIFAMILY HOUSING REVENUE BONDS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$10,000,000 FOR THE FINANCING OF THE A MULTIFAMILY RENTAL HOUSING PROJECT GENERALLY KNOWN AS HERITAGE 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 IN CONNECTION WITH THE BONDS

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 for the purpose of financing, among other things, the acquisition, construction 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, Heritage II, L.P., a California limited partnership, and entities related thereto (collectively, the “Borrower”), has requested that the Authority issue and sell revenue bonds to assist in the financing of the construction and development of a 80-unit multifamily rental housing development located in the City of Lompoc, County of Santa Barbara, California and known as Heritage II Apartments (the “Project”);

WHEREAS, on May 21, 2014, the Authority received an allocation in the amount of \$7,100,000 (the “Allocation Amount”) from the California Debt Limit Allocation Committee (“CDLAC”) in connection with the Project;

WHEREAS, the County of Santa Barbara is a Program Participant (as defined in the Agreement) of the Authority and has authorized the issuance of the Bonds;

WHEREAS, the Authority is willing to issue not to exceed \$10,000,000 aggregate principal amount of its Variable Rate Demand Multifamily Housing Revenue Bonds (Heritage II Apartments Project), 2014 Series G (the “Bonds”), provided that the aggregate portion of such Bonds issued as federally tax-exempt obligations shall not exceed the Allocation Amount, and 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 Bonds are expected to be secured by a direct-pay letter of credit provided by East West Bank (“East West Bank”); and

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 issuance of the Bonds, and such documents are now in substantial form and appropriate instruments to be executed and delivered for the purposes intended:

(1) Indenture of Trust (the “Indenture”), to be entered into between the Authority and Wells Fargo Bank, National Association, as trustee (the “Trustee”);

(2) Loan Agreement (the “Loan Agreement”), to be entered into among the Authority, the Trustee and the Borrower;

(3) Bond Purchase Agreement (the “Purchase Agreement”), to be entered into among the Authority, the Borrower, and Hutchinson, Shockey & Erley, Inc. and Stern Brothers & Co., as underwriters of the Bonds (collectively, the “Underwriter”);

(4) Official Statement (the “Official Statement”), to be used in connection with the offer and sale of the Bonds;

(5) Regulatory Agreement and Declaration of Restrictive Covenants (the “Regulatory Agreement”), to be entered into among the Borrower, the Authority and the Trustee; and

(6) Intercreditor Agreement (the “Intercreditor Agreement”), to be entered among the Authority, the Trustee and East West Bank.

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 Indenture, and in accordance with the Housing Law, the Authority is hereby authorized to issue one or more series of Bonds. The Bonds shall be designated as “California Statewide Communities Development Authority Variable Rate Demand Multifamily Housing Revenue Bonds (Heritage II Apartments Project), 2014 Series G” with appropriate modifications and series and sub-series designations as necessary, in an aggregate principal amount not to exceed \$10,000,000; provided that the combined aggregate principal amount of any tax-exempt Bonds issued shall not exceed the Allocation Amount. The Bonds shall be issued in the form set forth in and otherwise in accordance with the Indenture, and shall be executed on behalf of the Authority by the facsimile signature of the Chair of the Authority or the manual signature of any Authorized Signatory (as defined below), and attested by the facsimile signature of the Secretary of the Authority, or the manual signature of any Authorized Signatory. The Bonds shall be issued and secured in accordance with the terms of the Indenture, presented to this meeting, as hereinafter approved. Payment of the principal and purchase price of, and redemption premium, if any, and interest on, the Bonds shall be made solely from amounts pledged thereto under the Indenture, and the Bonds shall not be deemed to constitute a debt or liability of the Authority or any Program Participant or any Member of the Commission of the Authority (each, a “Member”).

Section 3. The Indenture in the form presented at this meeting is hereby approved. Any Member, or any other person as may be designated and authorized to sign for the Authority pursuant to a resolution adopted thereby (including, without limitation, the administrative delegates duly authorized pursuant to Resolution No. 14R-4 of the Authority, adopted on February 6, 2014) (together with the Members, each such person is referred to herein individually as an “Authorized Signatory”), acting alone, is authorized to execute by manual signature and deliver the 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. The date, maturity date or dates (which shall not extend beyond May 1, 2059), interest rate or rates (which shall not exceed 12%), interest payment dates, denominations, form, registration privileges, manner of execution, place of payment, terms of redemption and other terms of the Bonds shall be as provided in the Indenture as finally executed.

Section 4. The 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 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 Authority is hereby authorized to sell the Bonds to the Underwriter pursuant to the terms and conditions of the Purchase Agreement. The form, terms and provisions of the Purchase Agreement in the form presented at this meeting are hereby approved. Any Authorized Signatory, acting alone, is authorized to execute by manual signature and deliver the Purchase 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 hereby approved by counsel to the Authority, such approval to be conclusively evidenced by the delivery thereof.

Section 6. The form, terms and provisions of the Official Statement in the form presented at this meeting are hereby approved and the Commission hereby approves the distribution of the Official Statement to prospective purchasers of the Bonds. Any Authorized Signatory, acting alone, is authorized to certify on behalf of the Authority that the Official Statement as to the sections therein related directly to the Authority is deemed final as of its date, within the meaning of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934. Any Authorized Signatory, acting alone, is authorized to execute, at the time of the sale of the Bonds, said Official Statement in final form, 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 hereby approved by counsel to the Authority, such approval to be conclusively evidenced by the delivery thereof.

Section 7. The Intercreditor 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 Intercreditor 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 8. 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 9. The Bonds, when executed, shall be delivered to the Trustee for authentication. The Trustee is hereby requested and directed to authenticate the Bonds by executing the certificate of authentication of the Trustee appearing thereon, and to deliver the Bonds, when duly executed and authenticated, to or at the direction of the Underwriter, in accordance with written instructions executed and delivered on behalf of the Authority by an Authorized Signatory, which any Authorized Signatory, acting alone, is hereby authorized and directed to execute and deliver such instructions to the Trustee. Such instructions shall provide for the delivery of the Bonds to or at the direction of the Underwriter in accordance with the Purchase Agreement upon payment of the purchase price thereof.

Section 10. All actions heretofore taken by the officers and agents of the Authority with respect to the financing of the Project and the sale and issuance of the Bonds 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, a subordination or intercreditor agreement, any endorsement and/or assignment of the deed of trust and such other documents as described in the Indenture, the Purchase Agreement, and the other documents herein approved, which they, or any of them, may deem necessary or advisable in order to consummate the lawful issuance and delivery of the Bonds 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 11. 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 issuance of the Bonds, 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 Bonds or any redemption of the Bonds, 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 Indenture, and other documents approved herein.

Section 12. This Resolution shall take effect upon its adoption.

PASSED AND ADOPTED by the California Statewide Communities Development Authority this May 22, 2014.

The undersigned, an Authorized Signatory of the California Statewide Communities Development Authority, DOES HEREBY CERTIFY that the foregoing resolution was duly adopted by the Commission of the Authority at a duly called meeting of the Commission of the Authority held in accordance with law on May 22, 2014.

By _____
Authorized Signatory

Item V

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

- c. Retirement Housing Foundation, City of Long Beach, County of Los Angeles, City of Placerville, County of El Dorado, City of Lancaster, County of Los Angeles, and Sun City, County of Riverside; up to \$45 million 501(c)3 nonprofit revenue bonds. (Staff: Scott Carper)

SUMMARY AND APPROVALS

APPLICANT:	RETIREMENT HOUSING FOUNDATION
AMOUNT:	UP TO \$45 MILLION OF REVENUE BONDS
PURPOSE:	REFUNDING PRIOR BONDS
PRIMARY ACTIVITY:	CONTINUING CARE RETIREMENT COMMUNITY'S
LEGAL STRUCTURE:	501(c)(3) Corporation
REVIEW DATE:	May 22, 2014

Background:

Retirement Housing Foundation ("RHF") is a California not-for-profit public benefit corporation incorporated in 1961. A member of the Council for Health and Human Service Ministries of the United Church of Christ, RHF engages in developing, operating, and maintaining housing and related services for senior adults, persons with disabilities, and low-income families. They also provide certain services in connection with the community such as nursing and rehabilitation. Since the opening of its first community in 1965, RHF and its affiliated corporations have become one of the nation's largest not-for-profit providers and managers of affordable housing, skilled nursing, and assisted living services for persons with disabilities and senior adults. RHF and its affiliates have expanded to 170 properties controlled and/or managed in 27 states, the District of Columbia, Puerto Rico, and the Virgin Islands. In total they serve approximately 18,500 residents with approximately 16,500 units and beds.

RHF is the sole corporate member of: (i) Bixby Knolls Towers, Inc., (ii) Gold Country Health Center, Inc., (iii) Mayflower Gardens Health Facility, Inc., (iv) Mayflower RHF Housing, Inc., and (v) Sun City RHF Housing, Inc. (the entities listed in (i) through (v) are collectively referred to as the "Borrowers"). Each of the Borrowers is a nonprofit public benefit corporation and an organization as described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended.

The Borrowers have requested that the California Statewide Communities Development Authority (the "Authority") issue revenue bonds in one or more series (the "Bonds") for the purposes described below.

Project Description:

The proceeds of the Bonds will be used to (1) refinance the \$40,860,000 original principal amount of California Statewide Communities Development Authority Variable Rate Demand Revenue Refunding Bonds, Series 2008 (Retirement Housing Foundation Obligated Group) (the "2008 Bonds"), the proceeds of which were used to refinance certain prior obligations, and (2) pay certain expenses incurred in connection with the issuance of the Bonds.

The proceeds of the 2008 Bonds were used to (i) refund the Certificates of Participation Evidencing Proportionate Interest of the Holders Thereof in Installment Payments to be Paid by the California Statewide Communities Development Authority to Bixby Knolls Towers, Inc., Gold Country Health Center, Inc., Mayflower REF Housing, Inc., Mayflower Gardens Health Facilities, Inc. and Sun City RHF Housing, Inc. (the "1998 Bonds"), and (ii) pay a portion of the costs of issuance of the 2008 Bonds.

Financing Approval:

Based on the overall public benefit derived from the Proposed Financing and the finance related considerations detailed on Attachment 1, the Authority shall consider approval of the Resolution as submitted to the Authority, which:

1. Approves the issuance of the Bonds;
2. Approves all necessary actions and documents for the financing; and
3. Authorizes any member of the Authority's Board of Directors or Authorized Signatory to sign all necessary documents.

Attachment I

Economic Development and Public Benefits:

- The Borrowers own and operate continuing care retirement communities that serve senior adults, persons with disabilities and low-income families. They provide nursing and rehabilitation services and employ members of the communities in which they are located.
- Refunding the Prior Bonds is designed to lower the Borrower's cost of borrowing for the period during which the Bonds are outstanding.

Agency Approvals:

Bond Counsel has determined that a Tax Equity and Fiscal Responsibility Act (TEFRA) hearing is not required for this refunding. The Prior Bonds being refunded were compliant with Section 147(f) of the Internal Revenue Code of 1986 when issued. The current Bonds are being issued through the same issuer (the Authority) and bond maturities are not being extended.

Finance Team:

- Bond Counsel: Hawkins Delafield & Wood LP
- Authority Counsel: Orrick, Herrington & Sutcliffe LLP
- Placement Agent: Ziegler
- Direct Purchaser: California Bank and Trust
- Direct Purchaser's Counsel: Bryan Cave LLP
- Borrower's Counsel: Chapman and Cutler LLP
- Trustee: The Bank of New York Mellon Trust Company, N.A.

Financing Structure:

The rated multi-modal Bonds will initially be issued in bank index mode, will mature in no more than 20 years and are being privately placed with California Bank and Trust. The total issuance of Bonds will not exceed \$45,000,000 and the Bonds will be sold in compliance with the Authority's issuance policies.

Estimated Sources and Uses:

Sources:

Series 2014A (CB&T)	\$ 38,795,000.00
Series 2008 Principal Fund	<u>3,083,333.33</u>
Total Sources	\$41,878,333.33

Uses:

2008 Refunding Escrow Deposits	\$41,050,306.85
Costs of Issuance	825,052.04
Additional Proceeds	<u>2,974.44</u>
Total Uses	\$41,878,333.33

Applicant Information

Primary Contact E-mail: brian.magnone@rhf.org

Organization

Name of Organization: **Retirement Housing Foundation**

TIN or EIN:

Primary Contact

First Name: **Brian**

Last Name: **Magnone**

Title: **Vice President/Treasury**

Street: **911 N. Studebaker Rd.**

Suite:

City: **Long Beach**

State: **California**

Zip: **90815**

Phone: **(562) 257-5108**

Ext:

Fax:

Email: **brian.magnone@rhf.org**

Primary Billing Contact

Organization: **Retirement Housing Foundation**

First Name: **Brian**

Last Name: **Magnone**

Title: **Vice President/Treasury**

Address:

Street: **911 N. Studebaker Rd.**

Suite:

City: **Long Beach**

State: **California**

Zip: **90815**

Phone: **(562) 257-5108**

Ext:

Fax:

Email: **brian.magnone@rhf.org**

Project Information

Project type: **Healthcare: Continuing care**

Other:

Project Name: **Retirement Housing Foundation Obligated Group (California)**

☐ Small Issue Public Benefit Project?

Facility #1

Facility Name: **Bixby Knolls Towers, Inc. dba Bixby Knolls Towers**

Facility Bond Amount: **\$10,750,000.00**

Project Address:

Street: **900 LPGA Blvd**

City: **Long Beach**

State: **California**

Zip: **90807**

County: **Los Angeles**

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

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

Name of Agency:

First Name:

Last Name:

Title:

Phone:

Ext:

Fax:

Email:

Government Information

Project/Facility is in:

Congressional District #:

47

State Senate District #:

33

State Assembly District #:

70

Facility #2

Facility Name: **Gold Country Health Center, Inc. dba Gold Country Retirement Center**

Facility Bond Amount: **\$10,750,000.00**

Project Address:

Street: **6041 Golden Center Court**

City: **Placerville**

State: **California**

Zip: **95667**

County: **El Dorado**

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

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

Name of Agency:

First Name:

Last Name:

Title:

Phone:

Ext:

Fax:

Email:

Government Information

Project/Facility is in:

Congressional District #:

4

State Senate District #:

1

State Assembly District #:

5

Facility #3

Facility Name: **Mayflower RHF Housing, Inc. and Mayflower Gardens Health Facility, Inc. dba Mayflower Gardens**

Facility Bond Amount: **\$10,750,000.00**

Project Address:

Street: **6570 West Avenue L-12**

City: **Lancaster**

State: **California**

Zip: **93536**

County: **Los Angeles County**

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

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

Name of Agency:

First Name:

Last Name:

Title:

Phone:

Ext:

Fax:

Email:

Government Information

Project/Facility is in:

Congressional District #:

6

State Senate District #:

21

State Assembly District #:

36

Facility #4

Facility Name: **Sun City RHF Housing, Inc. dba Sun City Gardens**

Facility Bond Amount: **\$10,750,000.00**

Project Address:

Street: **28500 Bradley Road**

City: **Sun City**

State: **California**

Zip: **92586**

County: **Riverside County**

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

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

Name of Agency:

First Name:

Last Name:

Title:

Phone:

Ext:

Fax:

Email:

Government Information

Project/Facility is in:

Congressional District #:

42

State Senate District #:

23

State Assembly District #:

67

Financing Information

Financing Information

Tax Exempt: \$ 43,000,000.00
Taxable: \$
Total Principal Amount: \$ 43,000,000.00
Maturity 18Years

Interest Rate Mode:

☐ Fixed ☒ Variable

Denominations: \$5,000

Type of Offering:

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

Financing:

☐ Credit Enhancement ☒ None ☐ Letter of Credit
☐ Other

Name of Credit Enhancement Provider or Private Placement Purchaser: **California Bank & Trust**

Expected Rating:

☒ Unrated

Moody's:

S&P:

Fitch:

Financing Team Information

Bond Counsel

Firm Name: Hawkins Delafield and Wood, LLP

Primary Contact

First Name: **John**

Last Name: **Renken**

Title: **Partner**

Address:

Street: **One Embarcadero Center**

City: **San Francisco**

State: **California**

Suite:

Zip: **94111**

Phone: **(415) 486-4212**

Ext:

Fax:

Email: **jrenken@hawkins.com**

Bank/Underwriter/Bond Purchaser

Firm Name: California Bank & Trust

Primary Contact

First Name: **Sergio**

Last Name: **Alfonso**

Title: **Vice President & Commercial Banking Manager**

Address:

Street: **3420 Bristol Street**

City: **Costa Mesa**

State: **California**

Suite:

Zip: **92626**

Phone: **(714) 327-2410**

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:

CSCDA RESOLUTION

RESOLUTION NO. __NP-__

CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY

A RESOLUTION AUTHORIZING THE ISSUANCE OF REVENUE BONDS IN THE AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$45,000,000 TO FINANCE OR REFINANCE THE COSTS OF ACQUIRING, CONSTRUCTING, EQUIPPING, AND/OR IMPROVING CERTAIN SKILLED NURSING FACILITIES, LONG-TERM CARE FACILITIES AND CONTINUING CARE FACILITIES IN THE STATE OF CALIFORNIA FOR THE RETIREMENT HOUSING FOUNDATION AND ITS AFFILIATES AND OTHER MATTERS RELATING THERETO

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

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

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

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

WHEREAS, the City of Long Beach, the City of Riverside, the County of Los Angeles and the County of El Dorado are Program Participants of the Authority, and such cities and counties (the “Project Jurisdictions”) are authorized to acquire and dispose of property, both real and personal, pursuant to the provisions of Article 1, Chapter 5, Part 2 of Division 3 of Title 4 of the Government Code of the State of California for the City of Long Beach and the City of Riverside, and pursuant to the provisions of Chapter 1, Division 1 of Title 3 of the Government Code, for the County of Los Angeles and the County of El Dorado;

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

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

WHEREAS, Retirement Housing Foundation, a California nonprofit public benefit corporation ("RHF") and certain RHF affiliates of which RHF is the sole corporate member, including: (i) Bixby Knolls Towers, Inc., (ii) Gold County Health Center, Inc., (iii) Mayflower RHF Housing, Inc., (iv) Mayflower Gardens Health Facility, Inc., and (v) Sun City RHF Housing, Inc. (the entities listed in (i) through (v) are collectively referred to as the "Borrowers"), each a California nonprofit public benefit corporation and an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, wish to refinance indebtedness used to finance or refinance the cost of the acquisition, construction, expansion, remodeling, renovating, furnishing and equipping of skilled nursing facilities, long-term care facilities and continuing care facilities (the "Project") owned and operated by the Borrowers in the Project Jurisdictions by refunding all of the Authority's outstanding Variable Rate Demand Revenue Refunding Bonds, Series 2008 (Retirement Housing Foundation Obligated Group) (the "Prior Bonds");

WHEREAS, the Borrower is requesting the assistance of the Authority in refinancing the Project by refunding the Prior Bonds;

WHEREAS, pursuant to a Bond Indenture (the "Indenture"), between the Authority and The Bank of New York Mellon Trust Company, N.A., a national banking association (the "Trustee"), the Authority will issue the California Statewide Communities Development Authority Revenue Bonds (Retirement Housing Foundation Obligated Group), Series 2014A (the "Bonds") for the purpose, among others, of refinancing the Project and refunding the Prior Bonds;

WHEREAS, pursuant to a Loan Agreement (the "Loan Agreement"), between the Authority and the Borrower, the Authority will loan the proceeds of the Bonds to the Borrowers for the purpose, among others, of refinancing the Project and refunding the Prior Bonds;

WHEREAS, pursuant to a Bond Purchase Agreement, to be dated the date of the purchase of the Bonds (the "Purchase Agreement"), among RHF, the Members of the California Obligated Group, the Authority and California Bank & Trust (the "Initial Purchaser"), the Bonds will be sold to the Initial Purchaser, and the proceeds of such sale will be used as set forth in the Indenture to refund the Prior Bonds and pay costs incurred in connection with the issuance of the Bonds;

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

- (1) A proposed form of the Indenture;

- (2) A proposed form of the Loan Agreement; and
- (3) A proposed form of the Purchase Agreement.

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

Section 1. Pursuant to the Act and the Indenture, the Authority is hereby authorized to issue its revenue bonds designated as the “*California Statewide Communities Development Authority Revenue Bonds (Retirement Housing Foundation Obligated Group), Series 2014A*” in an aggregate principal amount not to exceed forty-five million dollars (\$45,000,000). The Bonds shall be issued and secured in accordance with the terms of, and shall be in the form or forms set forth in, the Indenture as made available to the Commissioners. The Bonds shall be executed on behalf of the Authority by the manual or facsimile signature of the Chair of the Authority or the manual signature of any member of the Commission of the Authority or their administrative delegates duly authorized pursuant to Resolution No. 14R-4 of the Authority, adopted on February 6, 2014 (each, an “Authorized Signatory”), and attested by the manual or facsimile signature of the Secretary of the Authority or the Assistant to the Secretary of the Authority or the manual signature of any Authorized Signatory.

Section 2. The proposed form of Indenture, as made available to the Commissioners, is hereby approved. Any Authorized Signatory is hereby authorized and directed, for and on behalf of the Authority, to execute and deliver the Indenture in substantially said form, with such changes and insertions therein as any member of the Commission, with the advice of counsel to the Authority, may approve, such approval to be conclusively evidenced by the execution and delivery thereof. The dated date, maturity date or dates, interest rate or rates, interest payment dates, denominations, forms, registration privileges, manner of execution, place or places of payment, terms of redemption and other terms of the Bonds shall be as provided in the Indenture, as finally executed.

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

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

Section 5. The Bonds, when executed as provided in Section 1, shall be delivered to the Trustee for authentication by the Trustee. The Trustee is hereby requested and directed to authenticate the Bonds by executing the Trustee’s Certificate of Authentication appearing

thereon, and to deliver the Bonds, when duly executed and authenticated, to the purchaser or purchasers thereof in accordance with written instructions executed on behalf of the Authority by an Authorized Signatory, which any Authorized Signatory, acting alone, is authorized and directed, for and on behalf of the Authority, to execute and deliver to the Trustee. Such instructions shall provide for the delivery of the Bonds to the purchaser or purchasers thereof, upon payment of the purchase price thereof.

Section 6. The Chair, the Vice Chair, the Secretary, the Treasurer, any other members of the Commission of the Authority and other appropriate officers and agents of the Authority are hereby authorized and directed, jointly and severally, for and in the name and on behalf of the Authority, to execute and deliver any and all documents, including, without limitation, any and all documents and certificates to be executed in connection with securing credit support, if any, for the Bonds, and to do any and all things and take any and all actions which may be necessary or advisable, in their discretion, to effectuate the actions which the Authority has approved in this Resolution and to consummate by the Authority the transactions contemplated by the documents approved hereby, including any subsequent amendments, waivers or consents entered into or given in accordance with such documents.

Section 7. All actions heretofore taken by the Chair, the Vice Chair, the Secretary, the Treasurer, any other members of the Commission of the Authority and other appropriate officers and agents of the Authority with respect to the issuance of the Bonds are hereby ratified, confirmed and approved.

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

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

I, the undersigned, an Authorized Signatory of the California Statewide Communities Development Authority, DO HEREBY CERTIFY that the foregoing resolution was duly adopted by the Commission of the Authority at a duly called meeting of the Commission of the Authority held in accordance with law on May 22, 2014.

By: _____

Authorized Signatory
California Statewide Communities
Development Authority

Item VI & VII

Consideration of Resolution approving modifications to the CaliforniaFIRST program policies and approving conforming modifications to the program report. (Staff: Caitlin Lanctot)

Consideration of Resolution authorizing issuance of limited obligation improvement bonds not to exceed \$50 million for the CaliforniaFIRST program. (Staff: Caitlin Lanctot)

SUMMARY AND RECOMMENDATIONS

DATE: MAY 22, 2014

PURPOSE: (1) APPROVE MODIFICATIONS TO THE CALIFORNIAFIRST PROGRAM POLICIES AND APPROVE CONFORMING MODIFICATIONS TO THE PROGRAM REPORT, AND (2) AUTHORIZE ISSUANCE OF LIMITED OBLIGATION IMPROVEMENT BONDS

CSCDA PROGRAM: CALIFORNIAFIRST – PROPERTY ASSESSED CLEAN ENERGY PROGRAM

Background:

CSCDA established CaliforniaFIRST, a multi-jurisdiction Property Assessed Clean Energy (“PACE”) program, in 2008. PACE is a financing tool that allows property owners to secure upfront funding for energy and water-saving improvements, which they repay through a voluntary contractual assessment lien on their property tax bill. The CaliforniaFIRST residential Program was suspended in 2010 due to FHFA’s statement that it would not approve conforming loans or residential home mortgages with PACE assessments. CSCDA recently re-launched the CaliforniaFIRST residential Program in response to the establishment of a mortgage loss reserve program by the State of California and the interest by member cities and counties.

Discussion:

The CaliforniaFIRST Residential PACE financing program is scheduled to officially launch across the state in late summer 2014. However, prior to the official launch, the program will begin operating in a select number of Counties with a limited set of contractors at the end of May. As such, materials have been updated to support the current program design and operations, and bond documents must be approved to support financing of energy and water improvements for homeowners.

The “Resolution Approving Modifications to the CaliforniaFIRST Program Policies; Approving Conforming Modifications to the Program Report; and Ordering Other Related Matters” outlines requested updates to the program. The resolution requests approval of an updated Program Report, which is attached to the Resolution. The significant updates to the Program Report include:

- identification of program fees associated with participation in the California Alternative Energy and Advanced Transportation Finance Authority (CAEATFA) PACE Loss Reserve program,
- removal of the requirement for lender notification of residential financing, and
- revisions to the Agreement to Pay Assessment and Finance Improvements.

Additionally, the resolution requests the Commission to approve a fee schedule for the partners participating in the CaliforniaFIRST Program that is on file with the Secretary.

The Commission should note that all key CaliforniaFIRST Program documents are on file with the Secretary, which include:

- Program Residential Property Owner Handbook
- Financing Application and Disclosure
- Assessment Contract
- Financing Statement
- Notice of Right to Cancel
- Privacy Policy
- Electronic Record and Signature Disclosure
- Self-Install Agreement
- Contractor Participation Agreement

A second resolution is presented for Commission approval. The “Resolution Authorizing Issuance of Limited Obligation Improvement Bonds, Approving and Directing the Execution of Related Documents and Approving Relations Documents and Actions” requests Commission approval of the Master and Supplemental indenture documents to support financing under the CaliforniaFIRST Program. Initially, the aggregate principal amount of the indentures is not to exceed \$50,000,000. Additional Resolutions may be approved quarterly or on an as needed basis to extend the financing amount.

Attachments:

- Resolution Approving Modifications to the CaliforniaFIRST Program Policies; Approving Conforming Modifications to the Program Report; and Ordering Other Related Matters
 - o CaliforniaFIRST Program Report
- Resolution Authorizing Issuance of Limited Obligation Improvement Bonds, Approving and Directing the Execution of Related Documents and Approving Relations Documents and Actions
 - o Master Indenture
 - o Supplemental Indenture

RESOLUTION NO. _____

**RESOLUTION APPROVING MODIFICATIONS TO THE
CALIFORNIAFIRST PROGRAM POLICIES; APPROVING CONFORMING MODIFICATIONS
TO THE PROGRAM REPORT; AND ORDERING OTHER RELATED MATTERS**

17 INITIAL PROGRAMS

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 counties listed at Appendix 1 (each, a "County," and collectively, the "Counties"); and

WHEREAS, this Commission previously adopted the resolutions shown in Appendix 1 for the Counties, each entitled "Resolution Declaring Intention to Finance Installation of Distributed Generation Renewable Energy Sources, Energy Efficiency and Water Efficiency Improvements" (collectively, the "Resolutions of Intention"), to initiate proceedings under Chapter 29 in and for the territory within each County (a "Program Area") to establish a CaliforniaFIRST program (the "Program"), pursuant to which California Communities would enter into contractual assessments to finance Authorized Improvements; and

WHEREAS, after holding a duly noticed public hearing at which interested persons were allowed to object to or inquire about the proposed Program within each Program Area or any of its particulars, the Commission adopted the resolutions listed in Appendix 1 for the Counties, each entitled "Resolution Confirming Report Relating to the Financing of the Installation of Distributed Generation Renewable Energy Sources, Energy Efficiency and Water Efficiency Improvements and Approving and Ordering Other Related Matters" (collectively, the "Initial Resolutions Confirming Program Report"), pursuant to which the Commission, among other things, (i) confirmed and approved a report (the "Initial Program Report") addressing all the matters required by Chapter 29, including a draft agreement between California Communities and property owners participating in the Program providing for payment of contractual assessments, (ii) established the Program, and (iii) authorized Authorized Officers (as defined herein) to execute agreements ("Assessment Contracts") with the owners of property in the respective Program Area to provide for the levy of contractual assessments to finance installation of Authorized Improvements; and

WHEREAS, the Commission subsequently amended those of the Initial Resolutions Confirming Program Report that were adopted prior to the effectiveness of Assembly Bill 44 and Senate Bill 1340 by adopting the resolutions listed in Appendix 1 for the related Counties (such resolutions, together with the Initial Resolutions Confirming Program Report that were not amended because they were adopted after the effectiveness of, and reflected, Assembly Bill 44 and Senate Bill 1340, the "Resolutions Confirming Program Report") and thereby also amended the related Initial Program Reports (such reports, together with the Initial Program Reports that

were not amended because they were approved after the effectiveness of, and reflected, Assembly Bill 44 and Senate Bill 1340, the "Program Reports"); and

WHEREAS, pursuant to the Resolutions Confirming Report, the Commission, among other things, confirmed and approved Program Reports that addressed all the matters set forth in Sections 5898.22 and 5898.23 of Chapter 29, including a form of assessment contract between California Communities and property owners participating in the Program providing for payment of contractual assessments; and

WHEREAS, on July 6, 2010, the Federal Housing Finance Agency published a statement (the "Statement") with regard to Property Assessed Clean Energy programs, like the Program, that provide financing for residential properties; and

WHEREAS, on August 4, 2010, pursuant to Resolution No. 10H-29 (the "Post-FHFA Resolution"), California Communities ordered that, as long as the Statement remained in effect, it would not accept applications to the Program relating to residential properties; but on March 6, 2014, pursuant to Resolution No. 14R-7, California Communities rescinded the Post-FHFA Resolution; and

WHEREAS, in advance of accepting applications to the Program relating to residential properties, California Communities, in consultation with Renewable Funding LLC, the administrator of the Program (the "Program Administrator"), and counsel to California Communities, wishes to implement certain policy changes for the Program (the "Policy Changes"), and the Program Administrator has provided California Communities' staff with forms of certain consumer-facing documents reflecting such changes and explained to staff the regulatory context and substance of the changes, including the legal and policy implications of using electronic signatures in connection with the Program; copies of the consumer-facing documents and a current Program Handbook, which reflect the Policy Changes, are on file with the Secretary; and

WHEREAS, the Program Administrator has provided the Commission with an updated fee schedule for the financing team participants (the "Fee Schedule"); the Fee Schedule is on file with the Secretary; and

WHEREAS, California Communities wishes to amend and restate the Program Report (the amended and restated version of which is attached hereto as Exhibit A and referred to herein as the "Amended and Restated Program Report") to reflect the Policy Changes, the most significant of which is the elimination of the requirement that property owners notify their existing lenders prior to being eligible for Program financing;

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

1. The above recitals are true and correct.
2. The provisions of the Resolutions of Intention and the Resolutions Confirming Report are hereby ratified and incorporated in this Resolution by this reference to the extent not amended by this Resolution.

3. The Commission hereby approves the Policy Changes as presented to it by the Program Administrator, and the Program Manager for the Program (the "Program Manager") is hereby authorized to make such modifications to the Policy Changes, or any other existing policies in effect with respect to the Program, that the Program Manager determines in consultation with the Program Administrator and counsel to California Communities, are appropriate in connection with implementation of the Program within the boundaries of the Counties.

4. The Commission hereby approves the Fee Schedule as presented to it by the Program Administrator, and the Program Manager is hereby authorized to make such modifications to the Fee Schedule that it determines in consultation with the Program Administrator, and counsel to California Communities, to be appropriate.

5. The Amended and Restated Program Report, and the component parts thereof, including each exhibit incorporated by reference therein, are hereby approved and confirmed. The Program Manager for the Program is hereby authorized to make such changes to the matters addressed by the Amended and Restated Program Report, including but not limited to the list of Authorized Improvements, the draft form of Assessment Contract attached thereto, and the plan for financing installation of the Authorized Improvements, as the Program Manager determines are appropriate in connection with implementation of the Program within the boundaries of the Counties.

6. The Commission authorizes an Authorized Signatory, in consultation with counsel to California Communities, to initiate and prosecute judicial validation proceedings with respect to the matters covered by this Resolution if the Program Manager, in consultation with counsel to California Communities and the Program Administrator, determines that action to be advisable.

7. All actions heretofore taken by the officers and agents of California Communities with respect to the matters contemplated by this Resolution and the Amended and Restated Program Report are hereby approved, confirmed and ratified, and the proper officers of California Communities, including an Authorized Signatory, are hereby authorized, for and in the name and on behalf of California Communities, to do any and all things and take any and all actions and execute and deliver any and all documents that they, or any of them, may deem necessary or advisable in order to consummate the matters contemplated by this Resolution.

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

* * * * *

PASSED AND ADOPTED by the California Statewide Communities Development Authority this 22nd day of May 2014.

I, the undersigned, an Authorized Signatory of the California Statewide Communities Development Authority, DO HEREBY CERTIFY that the foregoing resolution was duly adopted by the Commission of the Authority at a duly called meeting of the Commission of the Authority held in accordance with law on May 22, 2014.

By: _____
Authorized Signatory
California Statewide
Communities Development
Authority

APPENDIX 1

1. Counties:

- Alameda
- Fresno
- Kern
- Marin
- Monterey
- Napa
- Sacramento
- San Benito
- San Diego
- San Luis Obispo
- San Mateo
- Santa Clara
- Santa Cruz
- Solano
- Tulare
- Ventura
- Yolo

2. Resolutions of Intention:

County	Resolution of Intention #	Date
Alameda	10R-15	1/27/2010
Fresno	10R-2	1/27/2010
Kern	10R-3	1/27/2010
Marin	13R-21	9/20/2013
Monterey	10R-4	1/27/2010
Napa	13R-22	9/20/2013
Sacramento	10R-5	1/27/2010
San Benito	10R-6	1/27/2010
San Diego	10R-7	1/27/2010
San Luis Obispo	10R-8	1/27/2010
San Mateo	10R-9	1/27/2010
Santa Clara	10R-10	1/27/2010
Santa Cruz	10R-11	1/27/2010
Solano	10R-12	1/27/2010
Tulare	13R-23	9/20/2013
Ventura	10R-13	1/27/2010
Yolo	10R-14	1/27/2010

3. Initial Resolutions Confirming Report:

County	Resolution Confirming Report #	Date
Alameda	10R-45	3/10/2010
Fresno	10R-46	3/10/2010
Kern	10R-47	3/10/2010
Marin	13R-29	10/24/2013
Monterey	10R-48	3/10/2010
Napa	13R-30	10/24/2013
Sacramento	10R-51	3/10/2010
San Benito	10R-52	3/10/2010
San Diego	10R-53	3/10/2010
San Luis Obispo	10R-54	3/10/2010
San Mateo	10R-55	3/10/2010
Santa Clara	10R-49	3/10/2010
Santa Cruz	10R-50	3/10/2010
Solano	10R-56	3/10/2010
Tulare	13R-28	10/24/2013
Ventura	10R-57	3/10/2010
Yolo	10R-58	3/10/2010

4. Resolutions Amending Program Report:

County	Resolution Confirming Report #	Date
Alameda	12H-10	2/02/2012
Fresno	12H-9	2/02/2012
Kern	12H-11	2/02/2012
Monterey	12H-12	2/02/2012
Sacramento	12H-13	2/02/2012
San Benito	12H-14	2/02/2012
San Diego	12H-15	2/02/2012
San Luis Obispo	12H-16	2/02/2012
San Mateo	12H-17	2/02/2012
Santa Clara	12H-18	2/02/2012
Santa Cruz	12H-19	2/02/2012
Solano	12H-20	2/02/2012
Ventura	12H-21	2/02/2012
Yolo	12H-22	2/02/2012

EXHIBIT A

[Amended and Restated Program Report]



CaliforniaFIRST

Program Report

County of _____
(as of May 20, 2014)

Table of Contents

1. Introduction	3
1.1 California Statewide Communities Development Authority	3
1.2 Purpose of the CaliforniaFIRST Program	3
1.3 Assessment Financing; Contractual Assessments	3
1.4 Purpose of This Program Report.....	4
1.5 Program Administration and Underwriting	4
2. Program Requirements	4
2.1 Eligible Products	4
2.2 Loading Order Process	5
2.3 Property Eligibility Criteria.....	5
2.4 Eligible Contractors	6
2.5 Quality Assurance.....	6
3. Financing of the CaliforniaFIRST Program	7
3.1 Minimum and Maximum Financing Amounts	7
3.2 Financing Structure	7
3.3 Overview of Application and Financing Process	7
3.4 Application; Application Fee; Approval or Denial	8
3.5 Funding Reservation and Installation.....	9
3.6 Funding Request and Disbursement.....	9
3.7 Costs of Issuance and Administrative Costs	9
3.8 Amounts That Can Be Financed	10
3.9 Payment Terms.....	11
3.10 Transfer or Resale of Property.....	11
4. Consumer Protection	11
5. Duration.....	11
6. Public Agency Official	11
7. Changes to the Report	12
8. Program Handbook.....	12
9. Appendices and Exhibits	12

1. Introduction

This CaliforniaFIRST Program Report (this “Program Report”) outlines the basic design and financing structure of a property assessed clean energy (“PACE”) municipal financing program called CaliforniaFIRST (the “CaliforniaFIRST Program”) for the County of _____ (the “County”).

A separate Program Handbook will provide operational details of the CaliforniaFIRST program for the County.

1.1 California Statewide Communities Development Authority

The California Statewide Communities Development Authority (“CSCDA”) is a statewide joint powers authority sponsored by the California State Association of Counties and the League of California Cities. CSCDA’s mission is to provide local governments access to low-cost 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.

1.2 Purpose of the CaliforniaFIRST Program

CSCDA is offering the CaliforniaFIRST Program on a statewide basis, including within the County, to encourage installation of distributed generation renewable energy sources and energy efficiency and water efficiency improvements within the existing residential and non-residential building stock. CSCDA will facilitate a statewide bond pool and/or non-pooled bonds that will allow property owners to access competitive interest rates offered by the bond market.

With the passage of AB 32, the State of California (the “State”) set ambitious goals for reducing carbon emissions and building alternative energy use. The California Public Utilities Commission has set a goal of retrofitting over 13 million residences in the State to be at least 30% more energy efficient. Many California cities and counties have also set their own greenhouse gas reduction targets. Similarly, water conservation efforts, including the promotion of water-related improvements to residential, commercial, industrial, or other real property, are necessary to address the issue of chronic water shortages in the State.

Property owners can help to achieve greenhouse gas reductions and reduce water use and, at the same time, save money by investing in distributed generation renewable energy sources, energy efficiency, and/or water efficiency improvements. The number one barrier to achieving these goals is the large upfront cost.

Utilities sell power and water to their customers as a simple pay-as-you-go service. Homes and businesses can be converted to clean energy and reduce water use quickly, but many believe that it can happen only if paying for distributed generation renewable energy sources, energy efficiency improvements and water efficiency improvements becomes simple – like paying a utility bill. The CaliforniaFIRST Program can make this happen.

1.3 Assessment Financing; Contractual Assessments

The CaliforniaFIRST Program uses a tool that is widely used by local agencies in California to finance public benefit projects: land-secured financing. State law has long provided cities and counties with the power to issue bonds and levy assessments on the County property tax bill to finance public projects such as sewers, parks, and the undergrounding of utilities.

Chapter 29 of the Improvement Act of 1911, commencing with Section 5898.10 of the Streets & Highways Code of the State (“Chapter 29”), authorizes the levy of “contractual assessments” to finance the installation of distributed generation renewable energy sources and energy efficiency and water efficiency improvements to be permanently affixed to residential, commercial, industrial, agricultural, or other real property.

A “contractual assessment” is an assessment that is levied by contract, between a public agency and property owner, pursuant to Chapter 29. For the CaliforniaFIRST Program, the assessment contract will be an “Agreement to Pay Assessment and Finance Improvements” in substantially the form attached to this

Program Report as Exhibit A (the “Assessment Contract”). The Assessment Contract is strictly voluntary and will be executed by each participating property owner and CSCDA.

Under the CaliforniaFIRST Program, a contractual assessment lien is placed on each participating property in an amount necessary to (i) finance the installation of authorized renewable energy, energy efficiency and water efficiency improvements over a 5-20 year period of time, depending upon the expected useful life of the financed improvements, (ii) pay for costs of issuing bonds (including a reserve fund, if required), and (iii) pay the costs of administering the CaliforniaFIRST Program. The contractual assessment installments are collected on the County property tax bill. If the owner sells the property, the contractual assessment obligation remains an obligation of the property.

Under the CaliforniaFIRST Program, if a property owner fails to pay the annual contractual assessment installments, CSCDA is obligated to strip the delinquent installments off the property tax bill and commence judicial proceedings to foreclose the lien of the delinquent installments. This is an expedited procedure that can result in the public sale of the property in less than a year.

All property owners participating in the program need to consult their private lenders to determine that the execution of the Assessment Contract will not violate their existing loan agreements. One of the conditions for non-residential properties participating in the CaliforniaFIRST Program is to obtain written consent or affirmative acknowledgement of existing lenders whose consent or affirmative acknowledgement is required for further encumbrance. The Program’s consent or affirmative acknowledgement requirement will be detailed in the Program Handbook and consistent with current law.

The CaliforniaFIRST program is completely voluntary and property taxes for properties in the County that do not choose to participate are completely unaffected by the CaliforniaFIRST Program. Individual contractual assessments are not affected by other properties participating in the program.

1.4 Purpose of This Program Report

This Program Report constitutes the report required pursuant to Section 5898.22 of Chapter 29 for the CaliforniaFIRST program in the County. The CaliforniaFIRST Program will be offered throughout the entire County as shown on the boundary map attached as Exhibit B. If a property is located in a city’s incorporated territory within the County, a property may participate in the CaliforniaFIRST Program only after the city has adopted a resolution authorizing CSCDA to offer the CaliforniaFIRST Program within its boundaries.

1.5 Program Administration and Underwriting

CSCDA has hired a third-party administrator to administer the CaliforniaFIRST Program in the County, initially Renewable Funding LLC. The administrator will review applications and provide marketing and customer service through a website, email, and a toll-free phone number. As needed, CSCDA will work with a bond underwriter to underwrite bonds sold in the public marketplace.

2. Program Requirements

This Program Report identifies the CaliforniaFIRST Program requirements relating to the types of improvements that can be financed under the CaliforniaFIRST Program, eligible properties and financing parameters.

2.1 Eligible Products

The CaliforniaFIRST Program offers financing of the installation of only approved distributed generation renewable energy sources and energy efficiency and water efficiency improvements that will be permanently fixed to property (“Eligible Products”); the initial list of Eligible Products is attached as Exhibit C (the “Initial Eligible Products”). CSCDA will update the list of Eligible Products authorized for financing from time to time and publish the updated list in the Program Handbook.

Property owners are responsible for installation, operation and maintenance of the Eligible Products installed on their property. Property owners must address performance and other system-related issues directly with

the contractor according to the terms of the contract between the property owner and the contractor. The CaliforniaFIRST Program is a financing program only. Neither CSCDA nor its employees or agents are responsible for the Eligible Products or their performance.

2.2 Loading Order Process

The CaliforniaFIRST Program may implement certain “loading order” requirements if CSCDA deems it necessary or prudent. These requirements would generally mandate installation of the most cost-effective improvements first. Any CaliforniaFIRST Program loading order requirements will be detailed in the Program Handbook.

2.3 Property Eligibility Criteria

In order to receive financing from the CaliforniaFIRST program, the property to be assessed and its owners must meet the following basic requirements. Details on the criteria are provided in the Program Handbook; the criteria may be modified from time to time by the program administrator (without action by the Commission of CSCDA) in order to conform to changes in law, emerging best practices or otherwise deemed appropriate.

Property Requirements

- a. Location. The property to be improved with the Eligible Products (the “subject property”) must be located within the boundaries of the CaliforniaFIRST Program. If a property is located in a city’s incorporated territory within the County, a property may participate in the CaliforniaFIRST Program only after the city has adopted a resolution authorizing CSCDA to offer the CaliforniaFIRST Program within its boundaries.
- b. Use. The subject property may be used for residential, commercial, industrial, agricultural, or other real property purposes. Note: commercial includes multi-family properties of 4 or more units.
- c. Lender Notification & Acknowledgement. The contractual assessment levied pursuant to an Assessment Contract will have priority over pre-existing private liens, such as mortgages. Therefore, notice to, and in some cases written consent/acknowledgement from, mortgage holders may be required.
- d. Taxes. The property owners must be current in the payment of all obligations secured by the subject property, including property taxes, assessments and tax liens, within the time period specified in the Program Handbook.
- e. Foreclosure. There must be no notices of default or foreclosure filed against the subject property within the time period specified in the Program Handbook.
- f. Involuntary Liens. The property must not be subject to involuntary liens, defaults or judgments in excess of the amount identified in the Program Handbook.
- g. Value Ratios.
 - i. The “private loan to value ratio” must be compliant with the terms defined in the Program Handbook.
 - ii. The “public debt to value ratio” must be compliant with the terms defined in the Program Handbook.
- h. Annual Property Tax & Assessment Limitation. In compliance with Section 5898.15 of Chapter 29, the total amount of any annual property taxes and assessments, including the AB 811 contractual assessment, for any participating property shall not exceed 5% of the property’s market value, as such value is determined at the time of approval of the property’s contractual assessment.

Property Owner Requirements

- a. Owners. All owners of the fee simple title to the subject property must sign the CaliforniaFIRST Program Documents and consent to the contractual assessment.
- b. Bankruptcy. All property owner(s) must certify that they have not declared bankruptcy within the time period indicated in the Program Handbook.
- c. Surveys. All property owners(s) must agree to participate in surveys and CaliforniaFIRST Program evaluations directed by CSCDA. In addition, property owners will be required to sign a waiver allowing the CaliforniaFIRST Program to collect utility usage data as appropriate to comply with State and federal reporting standards.
- d. Additional Information. The CaliforniaFIRST Program involves the issuance of bonds by CSCDA, and therefore, it is important that property owners pay their contractual assessment installments and other property-related obligations in full on a timely basis. CSCDA reserves the right to request additional information regarding the property owners' ability to pay such amounts.

Project Requirements

- a. Project Installation Loading Order Requirements. All participating properties will be required to meet project installation prioritization requirements to the extent that any are mandated by CSCDA.
- b. Audits. CSCDA reserves the right to waive or require an energy efficiency audit for all properties seeking financing. Audit requirements, if any, will be detailed in the Program Handbook.
- c. Rebate Programs. Property owners will be encouraged to participate in appropriate State incentive and rebate programs as detailed in the Program Handbook.
- d. CEQA Review. Projects will be reviewed for compliance with or exemption from the California Environmental Quality Act.
- e. Additional Criteria. Additional criteria may be applied, including net operating income requirements and/or project cost-effectiveness.

2.4 Eligible Contractors

Contractor eligibility is being standardized throughout the country, and the CaliforniaFIRST Program will comply with applicable State and federal laws, as well as eligibility requirements of applicable State and federal grant and rebate programs.

2.5 Quality Assurance

Quality assurance protocols serve to prevent improper or low-quality installation of energy and water improvements and protect against fraud and abuse in the CaliforniaFIRST Program.

The CaliforniaFIRST Program will institute a quality assurance protocol. All quality assurance and quality control procedures are subject to review and adjustment based on applicable State and federal standards. Details on the current quality assurance procedures are outlined in the Program Handbook.

Despite the presence of these protocols and procedures, the responsibility for the successful operation of any products is that of the property owner and its contractor, and not of CSCDA or its agents or employees.

3. Financing of the CaliforniaFIRST Program

3.1 Minimum and Maximum Financing Amounts

Maximum Financing Amount for the CaliforniaFIRST Program. The maximum aggregate dollar amount of the principal component of contractual assessments to be levied under the CaliforniaFIRST Program for the County is \$1 billion, subject to increase if there is sufficient demand.

Minimum Financing Amount for Each Property. The minimum installation cost that can be financed for a single residential property is \$5,000. Non-residential properties using a Non-Pooled Bond issuance structure shall have no financing minimum.

Maximum Financing Amount for Each Property. The maximum installation cost that can be financed for a single property is dependent on the type of property, as indicated below.

Residential Properties. Residential properties are eligible for financing up to the least of (i) a percentage of the assessed or market value of the property or (ii) a fixed dollar amount as identified in the Program Handbook. For this purpose, residential properties include detached single-family homes, duplexes, triplexes, townhouses, twin homes, and multi-family and tenancy-in-common properties with up to three units.

Non-residential Properties. Non-residential properties are eligible for financing up to a percentage of the assessed or market value of the property. For this purpose, non-residential properties consist of commercial, industrial, agricultural, large multi-family (four or more units), community facilities, and non-profit-owned properties.

Exceptions. CSCDA reserves the right to finance the installation of Eligible Products in a greater amount than described above.

3.2 Financing Structure

CSCDA will finance the installation of Eligible Products by issuing bonds. In order to provide the lowest possible interest rates through credit diversification, CSCDA may, where prudent and when financing is available, issue bonds to the public bond market on a statewide basis and use the proceeds of those statewide bonds to purchase bonds issued for each county's CaliforniaFIRST Program.

3.3 Overview of Application and Financing Process

Applications from property owners for financing will be considered on a first come, first served basis. If a request from a property owner for financing would cause the CaliforniaFIRST Program to exceed the authorized amount, then the last property that caused the authorization amount to be exceeded will be ineligible for financing. All applications receive a time stamp in order to evidence priority.

Sample Residential Application and Financing Process

Education. Property owners visit the website to learn about the program, financing terms and other details, and find approved contractors and products.

Application. Property owners apply over the phone, mail, fax or on-line. Completed applications must include a proposed project and contractor. Property owners must agree to the CaliforniaFIRST Program terms as part of the application.

Review and Approval. The Program performs title search to confirm ownership, screens for unpaid taxes or other delinquent property-based debt, applies loan-to-value metrics, and evaluates the proposed project. CSCDA will approve an application only after confirming that the property meets the underwriting criteria and other CaliforniaFIRST Program requirements as outlined in the Program Handbook.

Reservation. If the Program approves an application, it will provide a Notice to Proceed to the property owner. The property owner has a specific period of time to install the Eligible Products and to request funding when the property has met all the applicable requirements for funding. See "Funding Reservation

and Installation” in Section 3.5.

Installation. A qualified contractor must complete the installation of Eligible Products on the property. See “Eligible Products” in Section 2.1 and “Eligible Contractors” in Section 2.4.

Financing. Once a project is complete, the property owner submits a Completion Certificate, a lien is placed on the property, a bond is issued, and payment is released to the payment designee.

Repayment. The property owner will be expected to pay the contractual assessment installments in the amounts and at the times specified in the Assessment Contract. In general, the contractual assessments will be due at the same time as property taxes.

Sample Non-Residential Application and Financing Process

Education. Property owners visit the dedicated to learn about the program. Information will be provided to Property owners to determine that they meet the eligibility requirements outlined in the Program Handbook.

Application. Property owners will complete an application and may pay a non-refundable application fee. Applications must include a proposed project and contractor bid. Property owners must agree to the CaliforniaFIRST Program terms as part of the application.

Review and Approval. The Program performs title work to confirm ownership, screens for unpaid taxes or other delinquent property-based debt, applies loan-to-value metrics, and evaluates the proposed project. CSCDA will approve an application only after confirming that the property meets the underwriting criteria and other CaliforniaFIRST Program requirements as outlined in the Program Handbook.

Reservation. If the Program approves an application, it will notify a property owner of its approval. The property owner has a specific period of time to obtain funding and install the Eligible Products. See “Funding Reservation and Installation” in Section 3.5.

Financing. Non-residential financings may either be structured as Non-Residential Pool Bonds or Non-Pooled Bonds. Where the bond buyer is identified prior to bond issuance, a Bond Purchase Agreement or similar agreement will be executed between CSCDA and the bond buyer.

Installation. A qualified contractor must complete the installation of Eligible Products on the property. See “Eligible Products” in Section 2.1 and “Eligible Contractors” in Section 2.4.

Repayment. The property owner will be expected to pay the contractual assessment installments in the amounts and at the times specified in the Assessment Contract. In general, the contractual assessments will be due at the same time as property taxes.

3.4 Application; Application Fee; Approval or Denial

Application. All property owners interested in applying to the Program must submit a signed application along with other application documents.

Application Fee. The property owner may be asked to pay a non-refundable fee (subject to applicable law) when he/she submits an application.

Identification of Bond Buyer. Properties participating in a non-residential financing, may be required to identify a qualified lender that will purchase a bond to finance their particular projects, as described in the Program Handbook.

Approval or Denial. Based on the eligibility requirements listed in the Program Handbook, CSCDA will approve or deny a residential or non-residential application within the specific time periods identified in the Program Handbook. The applicant will be notified of approval or denial via email.

See “Consumer Protection” in Section 4.

3.5 Funding Reservation and Installation

Funding Reservation; Reservation Period. If CSCDA approves the application, the funding reservation will be effective for the period of time identified in the Program Handbook. This period of time is referred to as the “reservation period.” The property owner must have a participating contractor complete installation of the Eligible Products on the subject property and submit a Completion Certificate (see “Funding Request and Disbursement” in Section 3.6) within the applicable reservation period. If the property owner fails to have a participating contractor complete the installation of Eligible Products on the subject property and/or submit a Completion Certificate during the reservation period, the funding reservation will expire (or a portion of the funding reservation will expire where a progress payment already has been disbursed, as described in Section 3.6).

Expiration. An applicant may request to extend the reservation period prior to its expiration. However, an additional fee may be required and/or the interest rate may change, as described in the Program Handbook.

Cancellation. An applicant may cancel a funding reservation during the reservation period, but will forfeit any applicable application fee. The applicant may reapply and will be required to pay another application fee, if applicable.

3.6 Funding Request and Disbursement

Funding Request. After a participating contractor has completed installation of the Eligible Products on the subject property, the property owner must submit a Completion Certificate and other documents, as described in the Program Handbook; however, where identified in the Program Handbook, progress payments in the form of multiple disbursements may be arranged for non-residential projects.

Disbursement. CSCDA will approve a disbursement to the property owner (or the contractor, if the property owner instructs CSCDA to pay the contractor directly) after it has received all required documentation from the applicant and confirmed compliance with the eligibility requirements. Where identified in the Program Handbook, progress payments in the form of multiple disbursements may be arranged for non-residential projects.

3.7 Costs of Issuance and Administrative Costs

The costs of issuing bonds and administering the CaliforniaFIRST Program will be financed through participant application fees, proceeds of the financing, and an administrative component of the contractual assessment installments. CSCDA’s costs of establishing the CaliforniaFIRST Program and the costs of the cities and counties joining the CaliforniaFIRST Program will be paid through city/county set-up fees or other available funds.

Financing of Upfront Costs. In addition to financing installation of the Improvements, the Authority will finance the following amounts, which are included in the Assessment:

Application Fees. Application fees for residential property owners are not expected to exceed \$350. Non-residential application fees will vary depending on the size and scope of the project, as detailed in the Program Handbook. An application fee may not be collected

Program-Related Fees. These include closing fees paid from a portion of bond proceeds to the Authority, any other entities responsible for program management and administration, and issuer and bond counsel to the Authority, and as well as any other related costs of issuance of any bond.

Lien Recording Fee. This one-time fee is paid from a portion of bond proceeds to cover the cost associated with recording the lien of the Assessment on the Property.

Reserve Fund Deposit. This is a one-time deposit from a portion of bond proceeds into a debt service reserve fund for bonds issued by the Authority to finance installation of the Improvements on the Property and other Properties participating in the CaliforniaFIRST Program.

California Alternative Energy and Advanced Transportation Financing Authority (“CAEATFA”) PACE Loss Reserve Program Fee. This is a one-time fee associated with the CAEATFA PACE Loss Reserve Program, which benefits any first mortgage lender on the Property

and other Properties participating in the CaliforniaFIRST Program. The fee will be paid from a portion of bond proceeds. This fee only applies to residential financing.

Foreclosure Expense Reserve Account Deposit. This is a one-time deposit from a portion of bond proceeds into a reserve account that the Authority will use to pay for the costs of foreclosing on the Property and other properties participating in the CaliforniaFIRST program as a result of a delinquency in the payment of any Financing Installment or Administrative Expenses. This fee only applies to residential financing.

Capitalized Interest. The CaliforniaFIRST Program's deadline for placing the first year's Financing Installment and related Administrative Expenses. If the Authority issues a bond to finance installation of the Improvements on the Property before the Applicable Tax Roll Deadline occurring in the same calendar year of the bond issuance, then the first year's Financing Installment and related Administrative Expenses will be billed on the Property Owner's property tax bill for the related Tax Year. However, if the Authority issues such a bond after the Applicable Tax Roll Deadline occurring in the same calendar year of the bond issuance, the first year's Financing Installment will not include a principal component, and a portion of the proceeds of the bond will be used to fund the payment of all of such year's interest component.

Administrative Expenses. Pursuant to the 1915 Act (including Sections 8682(b) and 8682.1(a)), the Authority may add annual amounts to any Financing Installment in order to pay for the costs of collecting that installment and administering the CaliforniaFIRST Program.

3.8 Amounts That Can Be Financed

Financing Cost. In order to receive funding, property owners will agree to pay annual assessment installments in an amount equal to (i) a portion of the principal amount of the contractual assessment (ii) interest on the unpaid principal amount of the contractual assessment, and (iii) ongoing administrative expenses.

1. Principal Amount. The principal amount of the contractual assessment will be composed of the following items:

- a. **Eligible Costs.** The CaliforniaFIRST Program may finance the costs of installing Eligible Products, energy-efficiency or water-efficiency audit costs, and related professional services fees for project management and financing transaction structuring. All local and state rebates received for the project must be deducted from the financed amount prior to approval. The amount of the federal Investment Tax Credit (ITC) that the property may be eligible to receive does not need to be deducted from the financed amount.
- b. **Deposit to a Debt Service Reserve Fund.** CSCDA or project investors may require property owners to finance a deposit to a debt service reserve fund; the reserve fund would be used to pay debt service on the bonds in the event of contractual assessment installment delinquencies. The amount of the deposit to a debt service reserve fund will be provided in the Program Handbook.
- c. **Deposit to CAEATFA Loss Reserve Fund.** The Program will participate in the California Alternative Energy and Advanced Transportation Finance Authority's Loss Reserve Program that will reimburse mortgage holders on losses experienced as a result of the Program lien on foreclosed properties. The amount of the deposit to the Loss Reserve Fund will be provided in the Program Handbook.
- d. **Foreclosure Expense Reserve Fund.** CSCDA may require property owners to finance a deposit to a Foreclosure Expense Reserve Fund that will cover CSCDA's costs to initiate judicial foreclosure for properties that are delinquent on payment of their assessment contract. The amount of the deposit to the Foreclosure Expense Reserve Fund will be provided in the Program Handbook.
- e. **Capitalized Interest.** Because the County has established a deadline for placing the contractual assessments on the County property tax bill, the principal component of the contractual assessment may also include the interest on the first tax year's contractual assessment installments if the deadline cannot be met.

- f. Costs of Issuance and Administrative Costs. Initial administrative costs and the costs of issuing any bonds are built into the principal component of the contractual assessment. The costs to be included in the principal component are provided in the Program Handbook. See Costs of Issuance of Administrative Costs in Section 3.7.

2. Interest Rate. The rate of interest on the contractual assessment will be a fixed interest rate. The rate will be fixed at the time of a completed application for each assessment contract. Market conditions will determine the interest rate. Interest rates for non-residential properties using Non-Pooled Bonds will be fixed over the repayment term but may vary by agreement of the property owner and lender. See Exhibit D for more information on fixed and variable interest rates.

3. Ongoing Program Administrative Fees. Ongoing administrative costs are reflected in the administrative component of the annual contractual assessment installments and subject to increase by CSCDA. See “Costs of Issuance and Administrative Costs” in Section 3.7.

3.9 Payment Terms

Payment of the CaliforniaFIRST annual contractual assessment installments is made through the addition of a line item on the property tax bill. Payment terms range from five to twenty years, depending on the expected life of the installed improvement.

Contractual assessments may be prepaid in full or in part at any time, subject to a prepayment penalty. The prepayment penalty will be identified in the Assessment Contract.

3.10 Transfer or Resale of Property

The contractual assessment obligation remains an obligation of the subject property following the sale of the subject property. Successor property owners will receive disclosure of the contractual assessment as a result of the two statutory notices recorded in the real property records: the “Notice of Assessment” and the “Payment of Contractual Assessment Required.” In addition, sellers of property are obligated by California law to disclose the contractual assessment obligations to prospective purchasers.

4. Consumer Protection

The CaliforniaFIRST Program is subject to certain State and federal laws designed to protect consumers. Among other things, these laws require CSCDA to disclose information to property owners and, only during the three-day period following execution of the Assessment Contract, guarantee certain residential property owners the right to rescind the Assessment Contract without penalty (including the return of the application fee, if applicable). CSCDA will comply with all applicable State and federal laws in connection with the CaliforniaFIRST Program.

5. Duration

The CaliforniaFIRST Program will continue as long as there is sufficient demand and there is a positive regulatory environment.

6. Public Agency Official

CSCDA will, from time to time, authorize certain representatives to execute Assessment Contracts on its behalf; the current authorized representative is:

Name:	Norman Coppinger
Title:	Administrative Director

Phone:	(916) 658-8277
Email:	ncoppinger@cacities.org
Address:	1400 K Street, Suite 400 Sacramento, CA 95814

7. Changes to the Report

CSCDA may make changes to this Report and the other CaliforniaFIRST Program documents from time to time in its absolute discretion. No such changes will affect the amounts payable by a property owner under an existing Assessment Contract.

8. Program Handbook

CSCDA has prepared a Program Handbook to communicate CaliforniaFIRST Program details to property owners and other interested parties. The Program Handbook will be amended from time to time to reflect the details of the CaliforniaFIRST Program.

9. Appendices and Exhibits

Exhibit A: Form Assessment Contract – Agreement to Pay Assessment and Finance Improvements

Exhibit B: CaliforniaFIRST Program County Boundary Map

Exhibit C: CaliforniaFIRST Program Initial Eligible Products

Exhibit A

Form Assessment Contract – Agreement to Pay Assessment and Finance Improvements

Exhibit B

CaliforniaFIRST Program County Boundary Map

CaliforniaFIRST Program Initial Eligible Products

[illegible]

Form Assessment Contract – Agreement to Pay Assessment and Finance Improvements

AGREEMENT TO PAY ASSESSMENT AND FINANCE IMPROVEMENTS

CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY CALIFORNIAFIRST (COUNTY OF _____)

This AGREEMENT TO PAY ASSESSMENT AND FINANCE IMPROVEMENTS (this "**Agreement**") is made and entered into as of this _____ day of _____ 20____, by and between the California Statewide Communities Development Authority, a joint exercise of powers authority (the "**Authority**"), and the record owner(s) (the "**Property Owner**") of the fee title to the real property identified on Exhibit A (the "**Property**").

RECITALS

WHEREAS, the Authority is a joint exercise of powers authority the members of which include numerous cities and counties in the State of California; and

WHEREAS, the Authority has established the CaliforniaFIRST program (the "**CaliforniaFIRST Program**") to allow the financing of certain renewable energy, energy efficiency and water efficiency improvements that are permanently fixed to real property (the "**Authorized 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 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 pursuant to a contract between the property owner and the public agency; and

WHEREAS, the Authority has conducted the proceedings required by Chapter 29 with respect to the territory within the boundaries of the county identified on Exhibit A (the "**County**"); and

WHEREAS, the Property is located within the boundaries of unincorporated land of the County, or the incorporated city or city and county, identified in Exhibit A as the "**Municipality**" (the "**Municipality**"), and the Municipality has consented to (i) owners of property within its jurisdiction participating in the CaliforniaFIRST Program and (ii) the Authority conducting assessment proceedings under Chapter 29 and issuing bonds under the 1915 Act to finance the Authorized Improvements; and

WHEREAS, pursuant to Chapter 29, the Authority and the Property Owner wish to enter

into a contract pursuant to which the Property Owner would agree to pay an assessment in order to finance the installation on the Property of the Authorized Improvements described on Exhibit A (the “**Improvements**”) and the Authority would agree to provide financing, all on the terms set forth in this Agreement;

NOW, THEREFORE, in consideration of the foregoing and the material covenants hereinafter contained, the Property Owner and the Authority formally covenant, agree and bind themselves and their successors and assigns as follows:

AGREEMENT

Section 1. Purpose. The Property Owner and the Authority are entering into this Agreement for the purpose of financing the installation of the Improvements identified on Exhibit A on the Property. The Authority will not finance installation of Improvements other than those listed on Exhibit A.

Section 2. The Property. This Agreement relates to the real property identified on Exhibit A. The Property Owner has supplied to the Authority current evidence of its ownership of fee title to the Property and possesses all legal authority necessary to execute this Agreement on behalf of the Property Owner.

Section 3. Agreement to Pay Assessment; Prepayment.

(a) **Payment of Assessment.** The Property Owner hereby freely and willingly agrees to pay the assessment shown as the “Assessment Amount” on Exhibit B, representing the amounts being financed (i) for purposes of installing the Improvements, which are shown as the “Cost of Improvements” in Exhibit B, and (ii) for the purposes described in Section 3(b) (the “**Assessment**”). The Authority will not provide financing for the benefit of the Property Owner in an amount in excess of the Assessment.

Except as otherwise set forth in this Agreement, the Assessment will be paid in the installments of principal (representing the amortization of the Assessment over the period shown on Exhibit B), except as provided in Section 3(b)(vi), and interest on the unpaid principal at the rate set forth on Exhibit B (collectively, the “**Financing Installments**”). Interest will begin to accrue on the date on which the Authority disburses money to the Property Owner, or its designee, to finance the installation of the Improvements. The interest rate is further described in Section 5(b) of this Agreement.

(b) **Financing of Upfront Costs.** In addition to financing installation of the Improvements, the Authority will finance the following amounts, which are included in the Assessment and shown as “Upfront Costs” on Exhibit B:

(i) **Program-Related Fees.** These include closing fees paid from a portion of bond proceeds to the Authority, any other entities responsible for program management and administration, and issuer and bond counsel to the Authority, and as well as any other related costs of issuance of any bond.

(ii) **Lien Recording Fee.** This one-time fee is paid from a portion of bond proceeds to cover the cost associated with recording the lien of the Assessment on the Property.

(iii) Reserve Fund Deposit. This is a one-time deposit from a portion of bond proceeds into a debt service reserve fund for bonds issued by the Authority to finance installation of the Improvements on the Property and other Properties participating in the CaliforniaFIRST Program.

(iv) California Alternative Energy and Advanced Transportation Financing Authority ("CAEATFA") PACE Loss Reserve Program Fee. This is a one-time fee associated with the CAEATFA PACE Loss Reserve Program, which benefits any first mortgage lender on the Property and other Properties participating in the CaliforniaFIRST Program. The fee will be paid from a portion of bond proceeds.

(v) Foreclosure Expense Reserve Account Deposit. This is a one-time deposit from a portion of bond proceeds into a reserve account that the Authority will use to pay for the costs of foreclosing on the Property and other properties participating in the CaliforniaFIRST program as a result of a delinquency in the payment of any Financing Installment or Administrative Expenses.

(vi) Capitalized Interest. The CaliforniaFIRST Program's deadline for placing the first year's Financing Installment and related Administrative Expenses (as defined in Section 3(c)) on the County's property tax roll is shown on Exhibit B as the "Applicable Tax Roll Deadline" (the "**Applicable Tax Roll Deadline**"). If the Authority issues a bond to finance installation of the Improvements on the Property before the Applicable Tax Roll Deadline occurring in the same calendar year of the bond issuance, then the first year's Financing Installment and related Administrative Expenses will be billed on the Property Owner's property tax bill for the related Tax Year (as defined in Section 5(c)). However, if the Authority issues such a bond after the Applicable Tax Roll Deadline occurring in the same calendar year of the bond issuance, the first year's Financing Installment will not include a principal component, and a portion of the proceeds of the bond will be used to fund the payment of all of such year's interest component.

(c) Administrative Expenses. The Property Owner hereby acknowledges that, pursuant to the 1915 Act (including Sections 8682(b) and 8682.1(a)), the Authority may add annual amounts to any Financing Installment in order to pay for the costs of collecting that installment and administering the CaliforniaFIRST Program ("**Administrative Expenses**"). Exhibit B shows the estimated Administrative Expenses with the Financing Installments; **however, such estimated Administrative Expenses may increase if the cost of collecting the Financing Installments or administering the CaliforniaFIRST Program increase.** The Property Owner agrees to pay actual Administrative Expenses, which may be higher than such estimates. The Administrative Expenses, together with each Financing Installment and the Assessment, are referred to collectively as the "**Assessment Obligations.**"

(d) Prepayment of the Assessment. The Assessment may be prepaid, in whole or in part, at any time upon the payment of (i) the whole or a portion of the unpaid Assessment, (ii) the accrued but unpaid interest relating to the whole or applicable portion of the unpaid Assessment through the date on which the related bonds will be redeemed, (iii) a prepayment premium that will be calculated by multiplying the amount of the Assessment to be prepaid by the relevant prepayment premium percentage shown in the table below and (iv) the reasonable costs of the Authority related to such prepayment.

The prepayment premium percentages are as follows:

Tax Year	Prepayment Premium Percentages
Through Initial Tax Year on Roll (as defined herein)	5%
Tax Year 2	4
Tax Year 3	3
Tax Year 4	3
Tax Year 5	3
Tax Year 6 and thereafter	0

(e) Absolute Obligation. The Property Owner hereby agrees that none of the Assessment Obligations will be subject to reduction, offset or credit of any kind in the event that the bonds secured thereby are refunded or for any other reason.

Section 4. Collection of Assessment; Lien. The Assessment Obligations, and the interest and penalties thereon imposed by law as a result of a delinquency in the payment of any Financing Installment and Administrative Expenses, shall constitute a lien against the Property until they are paid and shall be collected and have the lien priority set forth in Chapter 29.

The Property Owner acknowledges that if any Financing Installment and related Administrative Expenses are not paid when due, the Authority has the right to have the delinquent installment, associated penalties and interest stripped off the secured property tax roll and immediately enforced through a judicial foreclosure action that could result in a sale of the Property for the payment of the delinquent installment, associated penalties and interest, and all costs of suit, including attorneys' fees.

The Property Owner acknowledges that if bonds are sold to finance the Improvements, the Authority may obligate itself, through a covenant with the owners of the bonds, to exercise its foreclosure rights with respect to delinquent Financing Installments and related Administrative Expenses under specified circumstances. Such a covenant would typically provide that no later than a specific date in each year, the Authority will determine whether the Property is delinquent in the payment of Financing Installments and related Administrative Expenses and, if so, will notify its legal counsel ("**Authority Counsel**") of any such delinquencies. Authority Counsel will commence, or cause to be commenced, the foreclosure proceedings against the Property, including collection actions preparatory to the filing of any complaint, but will file the complaint by a specific date acceptable to the bond owner(s).

Section 5. Financing of the Improvements.

(a) Agreement to Finance Improvements. The Authority hereby agrees to use the Assessment to finance the Improvements, including the payment of the Authority's reasonable costs of administering the CaliforniaFIRST Program, subject to the Property Owner's compliance with the conditions for such financing established by the Authority. The Property Owner hereby acknowledges that the Improvements confer a special benefit to the Property in an amount at least equal to the Assessment.

(b) Financing Installments. The Property Owner agrees to the issuance of bonds by the Authority to finance the installation of the Improvements and other purposes described in Section 3(b). The interest rate used to calculate the interest component of the Financing

Installments, as identified on Exhibit B, reflects the interest cost of the bonds. If the cost of the Improvements, as shown in a final invoice provided to the Authority by the Property Owner, is less than the amount shown on Exhibit B, then, concurrently with the disbursement of funds to the Property Owner, the Authority may provide the Property Owner with a schedule that provides for annual installments that are less than those set forth in the attached Exhibit B. The Property Owner hereby represents to the Authority that the cost of the Improvements as shown in a final invoice provided to the Authority by the Property Owner does not include any costs of constructing the Improvements for which the Property Owner will receive credits, incentives or rebates.

In the event the actual cost of acquisition, construction or installation of the Improvements exceeds the portion of the Assessment expected in this Agreement to be used to finance acquisition, construction and installation of the Improvements, then the Property Owner agrees to pay the additional costs and to complete acquisition, construction or installation of the Improvements.

(c) Initial Tax Year. The Financing Installments and related Administrative Expenses will be placed on the County property tax roll each “**Tax Year**” (being the period beginning July 1 and ending the immediately succeeding June 30), commencing with the first Tax Year in which the Financing Installments and related Administrative Expenses are placed on the Property Owner’s property tax bill prior to the Applicable Tax Roll Deadline for a Tax Year (the “**Initial Tax Year on Roll**”). The estimated Initial Tax Year on Roll is identified on Exhibit B.

Section 6. Term; Agreement Runs with the Land; Subdivision. (a) If the Authority has not received a completion certificate for the Improvements within 90 days of the date hereof in the case of Improvements consisting of energy and water efficiency measures, and within 120 days of the date hereof in the case of Improvements consisting of renewable energy generation measures, this Agreement shall automatically expire. The date of such expiration is shown as the “Completion Deadline” on Exhibit B. Except as otherwise set forth in this Agreement, this Agreement shall also expire upon the final payment or prepayment of the Assessment Obligations. The Authority will notify the Property Owner in writing (at the address specified in Exhibit A) when the lien of the Assessment Obligations has been removed from the property.

(b) This Agreement establishes rights and obligations that are for the benefit of the Property and, therefore, such rights and obligations run with the land pursuant to Civil Code Section 1462.

(c) In the event the Property is subdivided while the Assessment Obligations remain unpaid, the Assessment Obligations will be assigned to the newly created parcel on which the Improvements are located. If the Improvements no longer exist, the Assessment Obligations will be assigned to each of the newly created parcels on a per-acre basis, unless the Authority, in its sole discretion, determines that the Assessment Obligations should be allocated in an alternate manner.

Section 7. Recordation of Documents. The Property Owner hereby authorizes and directs the Authority to cause to be recorded in the office of the County Recorder the various notices and other documents required by Chapter 29 and other applicable laws to be recorded against the Property, including but not limited to the Notice of Assessment and the Payment of Contractual Assessment Required.

Section 8. Notice. To the extent required by applicable law, the Property Owner

hereby agrees to provide written notice to any subsequent purchaser of the Property (including the purchasers of any subdivisions of the Property) of the obligation to pay the Assessment Obligations pursuant to this Agreement.

Section 9. Waivers, Acknowledgment and Agreement. Because this Agreement reflects the Property Owner's free and willing consent to pay the Assessment Obligations following a noticed public hearing, the Property Owner hereby waives any otherwise applicable requirements of Article XIID of the California Constitution or any other provision of California law for an engineer's report, notice, public hearing, protest or ballot.

The Property Owner acknowledges its right to cancel this transaction within three (3) business days from the date of its executing this Agreement.

The Property Owner hereby waives its right to repeal the Assessment Obligations by initiative or any other action, or to file any lawsuit or other proceeding to challenge the Assessment Obligations or any aspect of the proceedings of the Authority undertaken in connection with the CaliforniaFIRST Program. The Property Owner hereby agrees that the Property Owner and its successors in interest to fee title in the Property shall be solely responsible for the installation, operation and maintenance of the Improvements. The Property Owner hereby acknowledges that the Property will be responsible for payment of the Assessment Obligations regardless of whether the Improvements are properly installed, operated or maintained as expected.

The Property Owner hereby agrees that the Authority is entering into this Agreement solely for the purpose of assisting the Property Owner with the financing of the installation of the Improvements, and that any bond purchaser, the Authority and the city and county in which the Property is located have no responsibility of any kind for, and shall have no liability arising out of, the installation, operation, financing, refinancing or maintenance of the Improvements. Based upon the foregoing, the Property Owner hereby waives the right to recover from and fully and irrevocably releases any bond purchaser, the Authority, the city and county in which the Property is located and any and all agents, employees, attorneys, representatives and successors and assigns of the bond purchaser, the Authority and the city and county in which the Property is located from any and all losses, liabilities, claims, damages (including consequential damages), penalties, fines, forfeitures, costs and expenses (including all reasonable out-of-pocket litigation costs and reasonable attorney's fees), relating to the subject matter of this Agreement that the Property Owner may now have or hereafter acquire against the bond purchaser, the Authority, the city and county in which the Property is located and any and all agents, employees, attorneys, representatives and successors and assigns of the bond purchaser, the Authority or the city and county in which the Property is located.

To the extent that the foregoing waivers and agreements are subject to Section 1542 of the California Civil Code or similar provisions of other applicable law, it is the intention of the Property Owner that the foregoing waivers and agreements will be effective as a bar to any and all losses, liabilities, claims, damages (including consequential damages), penalties, fines, forfeitures, costs and expenses (including all reasonable out-of-pocket litigation costs and reasonable attorney's fees), of whatever character, nature and kind, known or unknown, suspected or unsuspected, and Property Owner agrees to waive any and all rights and benefits conferred upon the Property Owner by the provisions of Section 1542 of the California Civil Code or similar provisions of applicable law. Section 1542 reads as follows:

"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE

CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR."

By initialing below, the Property Owner agrees to waive the provisions of Section 1542 in connection with the matters that are the subject of the foregoing waivers and releases.

Property Owner's Initials: _____

The waivers, releases and agreements set forth in this Section 9 shall survive termination of this Agreement.

Section 10. Indemnification. The Property Owner agrees to indemnify, defend, protect, and hold harmless the Authority, the city and county in which the Property is located, any bond purchaser and any and all agents, employees, attorneys, representatives and successors and assigns of the Authority, the city and county in which the Property is located or any bond purchaser, from and against all losses, liabilities, claims, damages (including consequential damages), penalties, fines, forfeitures, costs and expenses (including all reasonable out-of-pocket litigation costs and reasonable attorney's fees) and any demands of any nature whatsoever related directly or indirectly to, or arising out of or in connection with (i) the Property Owner's participation in the CaliforniaFIRST Program, (ii) the Assessment Obligations, (iii) the Improvements, or (iv) any other fact, circumstance or event related to the subject matter of this Agreement, regardless of whether such losses, liabilities, claims, damages (including consequential damages), penalties, fines, forfeitures, costs and expenses (including all reasonable out-of-pocket litigation costs and reasonable attorney's fees) accrue before or after the date of this Agreement.

The provisions of this Section 10 shall survive the termination or expiration of this Agreement.

Section 11. Right to Inspect Property. The Property Owner hereby grants the Authority and its agents and representatives the right to enter at any reasonable time, upon reasonable notice, to inspect the Improvements. The Property Owner further hereby grants the Authority and its agents and representatives the right to examine and copy any documentation relating to the Improvements.

Section 12. Carbon Credits. The Property Owner hereby agrees that any carbon credits or other similar environmental attributes that are attributable to the Improvements shall be owned by the Authority.

Section 13. CaliforniaFIRST Application. The Property Owner hereby represents and warrants to the Authority that the information set forth in the CaliforniaFIRST Program Application submitted to the Authority in connection with its request for financing is true and correct as of the date hereof, and that the representations set forth in the CaliforniaFIRST Program Application are true and correct as of the date hereof as if made on the date hereof.

Section 14. Amendment. Except as set forth in Section 5(b), this Agreement may be modified only by the written agreement of the Authority and the Property Owner.

Section 15. Binding Effect; Assignment. This Agreement inures to the benefit of and is

binding upon the Authority, the Property Owner and their respective successors and assigns.

The Authority has the right to assign any or all of its rights and obligations under this Agreement without the consent of the Property Owner. The obligation to pay the Assessment Obligations set forth in this Agreement is an obligation of the Property, and no agreement or action of the Property Owner will be competent to impair in any way the Authority's rights, including, but not limited to, the right to pursue judicial foreclosure of the Assessment Obligations lien or the right to enforce the collection of the Assessment Obligations or any installment thereof against the Property.

Section 16. Exhibits. The Exhibits to this Agreement are incorporated into this Agreement by this reference as if set forth in their entirety in this Agreement.

Section 17. Severability. If any provision of this Agreement is held invalid or unenforceable by any court of competent jurisdiction, such holding will not invalidate or render unenforceable any other provision of this Agreement.

Section 18. Corrective Instruments. The Authority and the Property Owner agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required in order to carry out the expressed intention of this Agreement.

Section 19. Governing Law; Venue. This Agreement is governed by and construed in accordance with the laws of the State of California. Any legal action brought under this Agreement must be instituted in the Superior Court of the County of Sacramento, State of California; provided, however, that actions to foreclose delinquent Financing Installments and related Administrative Expenses will be instituted in the superior court of the County or as otherwise provided by law.

Section 20. Existing Instruments. BEFORE ENTERING INTO THIS ASSESSMENT CONTRACT, THE PROPERTY OWNER SHOULD CAREFULLY REVIEW ANY MORTGAGE AGREEMENT(S) OR OTHER SECURITY INSTRUMENT(S) ("EXISTING INSTRUMENTS") THAT AFFECT THE PROPERTY OR TO WHICH THE PROPERTY OWNER IS A PARTY. THE PROPERTY OWNER'S ENTERING INTO THIS AGREEMENT WITHOUT THE CONSENT OF AN EXISTING LENDER COULD CONSTITUTE AN EVENT OF DEFAULT UNDER SUCH EXISTING INSTRUMENTS. DEFAULTING UNDER AN EXISTING INSTRUMENT COULD HAVE SERIOUS CONSEQUENCES TO THE PROPERTY OWNER, WHICH COULD INCLUDE THE ACCELERATION OF THE REPAYMENT OBLIGATIONS DUE UNDER SUCH INSTRUMENT. IN ADDITION, FANNIE MAE AND FREDDIE MAC, THE OWNER OF A SIGNIFICANT PORTION OF ALL HOME MORTGAGES, STATED THAT THEY WOULD NOT PURCHASE HOME LOANS WITH ASSESSMENTS SUCH AS THOSE OFFERED BY THE AUTHORITY. THIS MAY MEAN THAT PROPERTY OWNERS WHO SELL OR REFINANCE THEIR PROPERTY MAY BE REQUIRED TO PREPAY SUCH ASSESSMENTS AT THE TIME THEY CLOSE THEIR SALE OR REFINANCING.

Section 21. Counterparts. This Agreement may be executed in several counterparts, each of which is an original and all of which constitutes one and the same instrument.

IN WITNESS WHEREOF, the Authority and the Property Owner have caused this Agreement to be executed in their respective names by their duly authorized representatives, all as of the date first above written.

**CALIFORNIA STATEWIDE COMMUNITIES
DEVELOPMENT AUTHORITY**

By: _____

Its: _____

The following are the authorized signatories of the Property Owner:

Name: _____ By: _____ Its: _____	Name: _____ By: _____ Its: _____
Name: _____ By: _____ Its: _____	Name: _____ By: _____ Its: _____

EXHIBIT A
Description of the Property and Improvements

Description of Property

Agreement Number: _____

Property Owner: _____

Property (APN/Legal Description): _____

Property Address for Notice Provided Pursuant to Section 6: _____

County: _____

Municipality: _____

Description of Improvements

Improvements to the property include the following:

[EXAMPLE]

Solar Photovoltaic – Inverters	
Inverter Manufacturer	SMA America
Inverter Model Number	SB3000US (240V)
Inverter Model Description	3kW, 240Vac Sunny Boy Utility Interactive Inverter with display
Number of Inverters	1

Solar Photovoltaic – Panels	
Panel Manufacturer	Canadian Solar
Panel Model Number	CS6P-250P
Panel Model Description	250W Polycrystalline Module
Number of Panels	30
Wattage per Panel	250
Mounting Type	(a) Roof
Deal Type	(b) Own
Inverter Manufacturer	SMA America
Inverter Model Number	SB4000US (240V)
Inverter Model Description	4kW, 240Vac Sunny Boy Utility Interactive Inverter with display
Number of Inverters	1

EXHIBIT B

Assessment Amount, Financing Installments, Estimated Administrative Expenses*, and Assessment Terms

Assessment Amount: \$ _____

Financing Installments and Estimated Administrative Expenses*

Tax Year	Financing Installments		Estimated Administrative Expenses (c)*	Total (a) + (b) + (c)*
	Principal (a)	Interest (b)		
2014 - 2015				
2015 - 2016				
2016 - 2017				
2017 - 2018				
2018 - 2019				
2019 - 2020				
2020 - 2021				
2021 - 2022				
2022 - 2023				
2023 - 2024				
2024 - 2025				
2025 - 2026				
2026 - 2027				
2027 - 2028				
2028 - 2029				
2029 - 2030				
2030 - 2031				
2031 - 2032				
2032 - 2033				
2033 - 2034				
Grand Total Assessment Obligations*				

* Estimated Administrative Expenses may increase as provided in Section 3(c).

Assessment Terms:

The schedule of the Financing Installments is based on the following assumptions:

Cost of Improvements	\$
Upfront Costs	\$
<ul style="list-style-type: none">• Program-Related Fees pursuant to Section 3(b)(i)	\$
<ul style="list-style-type: none">• Lien Recording Fee pursuant to Section 3(b)(ii)	\$
<ul style="list-style-type: none">• Reserve Fund Deposit pursuant to Section 3(b)(iii)	\$
<ul style="list-style-type: none">• CAEATFA PACE Loss Reserve Program Fee pursuant to Section 3(b)(iv)	\$
<ul style="list-style-type: none">• Foreclosure Expense Reserve Account Deposit pursuant to Section 3(b)(v)	\$
<ul style="list-style-type: none">• Capitalized interest pursuant to Section 3(b)(vi)	\$
Applicable Tax Roll Deadline	[June 15][July 15] [DEPENDS ON COUNTY]
Interest rate used to calculate the interest component of the Financing Installments	%
Annual Percentage Rate*	%
Completion Deadline	
Term of Assessment Obligations	years
Initial Tax Year on Roll	

*The Annual Percentage Rate is interest and certain other costs over the term of the Assessment Obligations expressed as an annual rate. This is not your interest rate.

RESOLUTION NO. _____

**A RESOLUTION AUTHORIZING ISSUANCE OF LIMITED
OBLIGATION IMPROVEMENT BONDS, APPROVING AND
DIRECTING THE EXECUTION OF RELATED DOCUMENTS AND
APPROVING RELATED DOCUMENTS AND ACTIONS**

17 INITIAL PROGRAMS

WHEREAS, under Chapter 29 of Part 3 of Division 7 of the California Streets and Highways Code (the "Act"), this Commission of the California Statewide Communities Development Authority (the "Authority") has previously adopted the resolutions shown in Exhibit A for the counties therein listed (each, a "County," and collectively, the "Counties"), each entitled "Resolution Declaring Intention to Finance Installation of Distributed Generation Renewable Energy Sources, Energy Efficiency and Water Efficiency Improvements" (collectively, the "Resolutions of Intention"), to initiate proceedings under the Act in and for the territory within each County (a "Program Area") to establish a CaliforniaFIRST program (each, a "Program"), pursuant to which the Authority would enter into contractual assessments to finance the installation of distributed generation renewable energy, energy efficiency and water efficiency improvements as described in the Resolutions of Intention; and

WHEREAS, by the Resolutions of Intention, this Commission provided that one or more series of bonds would be issued under the Improvement Bond Act of 1915, Division 10 of the California Streets and Highways Code (as amended, the "Bond Law") and reference to the Resolutions of Intention is hereby expressly made for further particulars; and

WHEREAS, after holding a duly noticed public hearing at which interested persons could object to or inquire about the proposed Program within each Program Area or any of its particulars, this Commission adopted the resolutions listed in Exhibit B for the Counties, each entitled "Resolution Confirming Report Relating to the Financing of the Installation of Distributed Generation Renewable Energy Sources, Energy Efficiency and Water Efficiency Improvements and Approving and Ordering Other Related Matters" (collectively, the "Initial Resolutions Confirming Program Report"), pursuant to which this Commission, among other things, (i) confirmed and approved a report for each Program (the "Initial Program Report") addressing all the matters required by the Act, including a draft agreement between the Authority and property owners participating in the Program providing for payment of contractual assessments, (ii) established a Program, and (iii) authorized Authorized Signatories (as defined herein) to execute agreements ("Assessment Contracts") with the owners of property in the respective Program Areas to provide for the levy of contractual assessments to finance installation of distributed generation renewable energy, energy efficiency and water efficiency improvements; and

WHEREAS, this Commission subsequently amended the Initial Resolutions Confirming Program Report that were adopted prior to January 1, 2011, to conform to the requirements of Assembly Bill 44 and Senate Bill 1340 (which amended the Act and became effective under California law on January 1, 2011) by adopting the resolutions listed in Exhibit C for the affected Programs (as amended, the "Updated Resolutions Confirming Program Report;" such Programs are referred to herein as the "Initial 14 Programs") and thereby also amended and restated the related Initial Program Reports (each as amended and restated, an "Updated Program Report"); and

WHEREAS, this Commission subsequently amended the Initial Resolutions Confirming Program Report that were adopted after January 1, 2011, and the Updated Resolutions Confirming Program Report in order to implement certain policy changes by adopting a resolution entitled “Resolution Approving Modifications to the CaliforniaFIRST Program Policies; Approving Conforming Modifications to the Program Report; and Order Other Related Matters” (collectively as amended, the “Resolution Confirming Program Report”) and thereby also amended and restated the Initial Program Reports that were adopted after January 1, 2011, and Updated Program Reports (each as amended and restated, a “Program Report”); pursuant to the Resolution Confirming Program Report, this Commission, among other things, confirmed and approved reports that, as subsequently amended, addressed all the matters set forth in Sections 5898.22 and 5898.23 of the Act, including a form of assessment contract between the Authority and property owners participating in the CaliforniaFIRST Program providing for payment of contractual assessments; and

WHEREAS, under the Act and the Bond Law, this Commission adopted the resolutions listed in Exhibit D for each Program, each entitled “A Resolution Authorizing Issuance of Limited Obligation Improvement Bonds, Approving and Directing the Execution of Related Documents and Approving Related Documents and Actions” (the “Original Resolutions of Issuance”), which among other matters, authorized the issuance of one or more series of improvement bonds of the Authority upon the security of assessments levied on the participating parcels within the respective Program Area under the Act and the Bond Law, and provided that the issuance of the bonds would be in accordance with the Bond Law and a master indenture and authorized the execution thereof; and

WHEREAS, it is contemplated that this Commission may adopt resolutions from time to time authorizing the issuances of bonds in one or more series in accordance with related supplemental indentures, and approving the execution of such supplemental indentures; and

WHEREAS, the Authority desires to enter into a master indenture and, from time to time, one or more supplemental indentures with Wilmington Trust, National Association, as trustee, substantially in the forms on file with the Secretary (such forms, respectively, the “Master Indenture” and “Supplemental Indenture”) and issue bonds in one or more series (collectively, “Bonds”) initially in an aggregate principal amount not to exceed \$50,000,000; and

WHEREAS, on August 17, 2012, in connection with the Initial 14 Programs, the Superior Court of the County of Sacramento filed a default judgment in the validation action entitled “California Statewide Communities Development Authority v. All Persons Interested in the Matter of California Communities’ “CaliforniaFIRST” Property Assessed Clean Energy (“PACE”) Program Established in Certain Counties and Cities, Including the Adoption of Resolutions and the Authorization of the Matters Therein, and all Bonds, Contracts, Contractual Assessments, and other Matters and Proceedings Related Thereto,” Case No. 34-2012-00121447, pursuant to which, among other things, the court ordered that all persons are thereby permanently enjoined and restrained from the institution of any action or proceeding challenging, inter alia, the validity of the contractual assessments and forms of the assessment contract and the bonds authorized pursuant to the related Original Resolutions of Issuance, including the Bonds; and

WHEREAS, on March 4, 2014, in connection with the three Programs that were added after the Initial 14 Programs, the Superior Court of the County of Sacramento filed a default judgment in the validation action entitled “California Statewide Communities Development Authority v. All Persons Interested in the Matter of California Communities’ “CaliforniaFIRST” Property Assessed Clean Energy (“PACE”) Program Established in Certain Counties and Cities, Including the Adoption of Resolutions and the Authorization of the Matters Therein, and all

Bonds, Contracts, Contractual Assessments, and other Matters and Proceedings Related Thereto,” Case No. 34-2013-00153863, pursuant to which, among other things, the court ordered that all persons are thereby permanently enjoined and restrained from the institution of any action or proceeding challenging, inter alia, the validity of the contractual assessments and forms of the assessment contract and the bonds pursuant to the related Original Resolutions of Issuance, including the Bonds; and

WHEREAS, all conditions, things and acts required to exist, to have happened and to have been performed precedent to and in the issuance of the Bonds exist, have happened and have been performed in due time, form and manner as required by the laws of the State of California, including the Act and the Bond Law;

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

1. Pursuant to the Bond Law, the Original Resolutions of Issuance as supplemented by this Resolution, and the Master Indenture, one or more series of Bonds are hereby authorized to be issued from time to time (with each series of Bonds issued pursuant to a separate Supplemental Indenture that supplements the Master Indenture) in an aggregate principal amount not to exceed \$50,000,000. The Bonds of each series shall be executed in the form, mature, and be payable in the priorities and bear interest at the rates as provided in the related Supplemental Indenture. The Commission finds that the issuance of the Bonds complies with the Act, Bond Law and Original Resolutions of Issuance.

2. The Commission hereby approves the Master Indenture and Supplemental Indenture in substantially the forms on file with the Secretary, together with any changes therein or additions thereto approved by an Authorized Signatory of the Authority (as designated by a current resolution of this Commission), and the execution thereof by an Authorized Signatory shall be conclusive evidence of the approval of any such changes or additions. This Commission hereby authorizes and directs an Authorized Signatory to execute the final forms of Master Indenture and Supplemental Indenture for and in the name of the Authority for each series of Bonds. This Commission hereby authorizes the delivery and performance of the Master Indenture, as supplemented by the related Supplemental Indentures, for the Bonds.

3. The Bonds will be limited obligation bonds payable from revenues paid by owners of residential property that voluntarily elect to participate in a Program pursuant to assessment contracts between the property owners and Authority. The Commission hereby approves the form of assessment contract entitled “Agreement to Pay Assessment and Finance Improvements” (the “Assessment Contract”) in substantially the form on file with the Secretary, together with any changes therein or additions thereto approved by an Authorized Signatory of the Authority (as designated by a current resolution of the Commission), and the execution thereof by an Authorized Signatory shall be conclusive evidence of the approval of any such changes or additions. The Commission hereby authorizes and directs an Authorized Signatory to execute the Assessment Contracts for and in the name of the Authority in connection with the issuance of the Bonds. The Commission hereby authorizes the delivery and performance of the Assessment Contracts in connection with the Bonds.

4. Each Authorized Signatory of the Authority is hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and direct recordation with the applicable County recorder of a Payment of Contractual Assessment Required (pursuant to Section 5898.24(d)(1) of the Act) and Notice of Assessment (pursuant to Section 5898.32 of the

Act) related to each Assessment Contract and do any and all other things and take any and all other actions, including execution and delivery of any and all assignments, certificates, requisitions, agreements, notices, consents, instruments of conveyance, warrants and other documents, that they, or any of them, may deem necessary or advisable in order to consummate the issuance and sale of the Bonds and any of the other transactions contemplated by the documents approved pursuant to this Resolution. All actions heretofore taken by the officers and agents of the Authority with respect to the sale and issuance of the Bonds are hereby approved, confirmed and ratified.

4. This resolution shall take effect from and after its adoption.

PASSED AND ADOPTED by the California Statewide Communities Development Authority this 22nd day of May 2014.

I, the undersigned, an Authorized Signatory of the California Statewide Communities Development Authority, DO HEREBY CERTIFY that the foregoing resolution was duly adopted by the Commission of the Authority at a duly called meeting of the Commission of the Authority held in accordance with law on May 22, 2014.

By: _____
Authorized Signatory
California Statewide
Communities Development
Authority

EXHIBIT A

RESOLUTIONS OF INTENTION

County	Resolution of Intention #	Date
Alameda	10R-15	1/27/2010
Fresno	10R-2	1/27/2010
Kern	10R-3	1/27/2010
Marin	13R-21	9/20/2013
Monterey	10R-4	1/27/2010
Napa	13R-22	9/20/2013
Sacramento	10R-5	1/27/2010
San Benito	10R-6	1/27/2010
San Diego	10R-7	1/27/2010
San Luis Obispo	10R-8	1/27/2010
San Mateo	10R-9	1/27/2010
Santa Clara	10R-10	1/27/2010
Santa Cruz	10R-11	1/27/2010
Solano	10R-12	1/27/2010
Tulare	13R-23	9/20/2013
Ventura	10R-13	1/27/2010
Yolo	10R-14	1/27/2010

EXHIBIT B

INITIAL RESOLUTIONS CONFIRMING PROGRAM REPORT

County	Resolution Confirming Report #	Date
Alameda	10R-45	3/10/2010
Fresno	10R-46	3/10/2010
Kern	10R-47	3/10/2010
Marin	13R-29	10/24/2013
Monterey	10R-48	3/10/2010
Napa	13R-30	10/24/2013
Sacramento	10R-51	3/10/2010
San Benito	10R-52	3/10/2010
San Diego	10R-53	3/10/2010
San Luis Obispo	10R-54	3/10/2010
San Mateo	10R-55	3/10/2010
Santa Clara	10R-49	3/10/2010
Santa Cruz	10R-50	3/10/2010
Solano	10R-56	3/10/2010
Tulare	13R-28	10/24/2013
Ventura	10R-57	3/10/2010
Yolo	10R-58	3/10/2010

EXHIBIT C

UPDATED RESOLUTIONS CONFIRMING PROGRAM REPORT

County	Resolution Confirming Report #	Date
Alameda	12H-10	2/02/2012
Fresno	12H-9	2/02/2012
Kern	12H-11	2/02/2012
Monterey	12H-12	2/02/2012
Sacramento	12H-13	2/02/2012
San Benito	12H-14	2/02/2012
San Diego	12H-15	2/02/2012
San Luis Obispo	12H-16	2/02/2012
San Mateo	12H-17	2/02/2012
Santa Clara	12H-18	2/02/2012
Santa Cruz	12H-19	2/02/2012
Solano	12H-20	2/02/2012
Ventura	12H-21	2/02/2012
Yolo	12H-22	2/02/2012

EXHIBIT D

ORIGINAL RESOLUTIONS OF ISSUANCE

County	Resolution of Issuance #	Date
Alameda	10R-29	3/10/2010
Fresno	10R-30	3/10/2010
Kern	10R-31	3/10/2010
Marin	13R-35	10/24/2013
Monterey	10R-32	3/10/2010
Napa	13R-36	10/24/2013
Sacramento	10R-35	3/10/2010
San Benito	10R-36	3/10/2010
San Diego	10R-37	3/10/2010
San Luis Obispo	10R-38	3/10/2010
San Mateo	10R-39	3/10/2010
Santa Clara	10R-33	3/10/2010
Santa Cruz	10R-34	3/10/2010
Solano	10R-40	3/10/2010
Tulare	13R-34	10/24/2013
Ventura	10R-41	3/10/2010
Yolo	10R-42	3/10/2010

Item VIII

Consideration of a Deposit and Reimbursement Agreement for proposed Community Facilities
District No. 2014-01 (Bakersfield Rio Bravo). (Staff: Scott Carper)

SUMMARY AND APPROVALS

REQUEST: CONSIDERATION OF DEPOSIT AND REIMBURSEMENT AGREEMENT FOR
THE PROPOSED COMMUNITY FACILITIES DISTRICT NO. 2014-01
(BAKERSFIELD RIO BRAVO).

DATE: MAY 22, 2014

Background:

The Deposit and Reimbursement Agreement provides the means by which each individual developer seeking formation of the assessment district or community facilities district will provide a deposit to pay the initial costs of formation, including engineer's reports, appraisals and legal fees that will ultimately be reimbursed from the proceeds of a bond sale for the formed district. The adoption of the resolution and execution of the Deposit and Reimbursement Agreement does not obligate the Authority to form the districts, but it does obligate the Authority to take reasonable action toward formation.

Orrick has reviewed and drafted the form of Deposit and Reimbursement Agreement.

Approvals:

Staff recommends consideration of approval of the Deposit and Reimbursement Agreement.

RESOLUTION NO. 14R-__

RESOLUTION OF THE COMMISSION OF THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY APPROVING A FORM OF DEPOSIT AND REIMBURSEMENT AGREEMENT FOR THE PROPOSED COMMUNITY FACILITIES DISTRICT NO. 2014-01 (BAKERSFIELD RIO BRAVO)

WHEREAS, the Commission (the “Commission”) of the California Statewide Communities Development Authority (the “Authority”) has determined to undertake certain proceedings toward the establishment of a community facilities district pursuant to the Community Facilities Act of 1982, Chapter 2.5 of Division 2 of Title 5 of the California Government Code, commencing with Section 53311 (the “Act”), proposed to be named “California Statewide Communities Development Authority Community Facilities District No. 2014-01 (Bakersfield Rio Bravo)” (the “Community Facilities District”) for the purposes of financing certain public improvements within the proposed boundaries of or adjacent to the Community Facilities District and located in the City of Bakersfield by the issuance of bonds to be secured by the special tax to be levied in the Community Facilities District pursuant to the Act; and

WHEREAS, a form of Deposit and Reimbursement Agreement (the “Deposit and Reimbursement Agreement”) between the Authority and the developer to be named therein (the “Developer”) is on file with the Secretary of the Authority and presented to this meeting; and

NOW, THEREFORE, BY IT RESOLVED by the Commission as follows:

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

Section 2. The Commission hereby determines to undertake proceedings pursuant to the Act for the purposes of financing the public improvements and development impact fees in the Community Facilities District and hereby directs any member of the Commission of the Authority, the Executive Director of the Authority, or their administrative delegates duly authorized pursuant to Resolution No. 14R-4 of the Authority, adopted on February 6, 2014 (each, an “Authorized Signatory”) to prepare or cause to be prepared proceedings to accomplish the same and to submit the same to the Commission for consideration at the earliest practical opportunity and hereby ratifies any such actions of the any of the foregoing taken prior to this meeting.

Section 3. The form of Deposit and Reimbursement Agreement is hereby approved. Any Authorized Signatory is hereby authorized and directed to execute and deliver the Deposit and Reimbursement Agreement in substantially such form, with any changes therein as may be necessary after consultation with counsel to Authority, such approval to be conclusively evidenced by the execution and delivery of the Deposit and Reimbursement Agreement.

Section 4. This resolution shall take effect immediately upon its passage.

PASSED AND ADOPTED by the California Statewide Communities Development Authority this 22nd day of May, 2014.

I, the undersigned, an Authorized Signatory of the California Statewide Communities Development Authority, DO HEREBY CERTIFY that the foregoing resolution was duly adopted by the Commission of the Authority at a duly called meeting of the Commission of the Authority held in accordance with law on May 22, 2014.

By _____
Authorized Signatory
California Statewide Communities
Development Authority

CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY
COMMUNITY FACILITIES DISTRICT NO. 2014-01 (BAKERSFIELD RIO BRAVO)

DEPOSIT AND REIMBURSEMENT AGREEMENT

By and Between

CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY

and

[RIO BRAVO DEVELOPER],
a [[state] limited liability company]

Dated as of [____], 2014

DEPOSIT AND REIMBURSEMENT AGREEMENT

CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY COMMUNITY FACILITIES DISTRICT NO. 2014-01 (UNIVERSITY PARK)

Recitals

A. The parties to this agreement are the CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY, a California joint exercise of powers authority ("CSCDA"), and [RIO BRAVO DEVELOPER], a [[state] limited liability company] (the "Developer").

B. The effective date of this agreement shall be [____], 2014.

C. The Developer has requested CSCDA to implement special tax proceedings for the purposes of establishing a community facilities district to finance certain public improvements relating to the development project commonly known as Rio Bravo in the City of Bakersfield (the "City") to be known as "California Statewide Communities Development Authority Community Facilities District No. 2014-01 (Bakersfield Rio Bravo)" (the "CFD"), said proceedings to be taken pursuant to the Mello-Roos Community Facilities Act of 1982 (Section 53311 and following, California Government Code) (the "Act"), and to issue and sell special tax bonds of CSCDA upon the security of the special tax levied and recorded against certain real property which the Developer has acquired or is in the process of acquiring and developing within said community facilities district.

D. In the event CSCDA is able to establish the community facilities district and to accomplish the sale and delivery of the special tax bonds pursuant to the Act, CSCDA intends to utilize the proceeds of sale thereof pursuant to the terms and conditions of this agreement to (1) reimburse the Developer for the deposits required by this agreement, (2) allow the City or other public agencies to acquire completed public improvements from the Developer, and (3) finance public improvements included in development impact fee programs of the City or other public agencies, applicable to development within the community facilities district, all in accordance with and subject to the terms and conditions of this agreement.

E. In consideration for the mutual undertakings of the parties stated herein, the parties agree as follows.

Agreement

1. The foregoing recitals are true and correct, and the parties expressly so acknowledge.

2. Forthwith upon approval of this agreement by the Commission of CSCDA and execution hereof by the authorized representatives of the parties, the Developer will deposit with CSCDA \$27,500 for preparation of a special tax report, \$12,500 for legal and issuer counsel fees and \$5,000 for preparation of an appraisal into a special fund to be established and

maintained by CSCDA and to be known as the “Community Facilities District No. 2014-01 (Bakersfield Rio Bravo) Improvement Fund.” CSCDA is authorized to disburse amounts from said fund, from time to time, to pay preliminary and incidental costs and expenses incurred by CSCDA in connection with CSCDA’s proceedings to implement the proposed CFD. Without limiting the generality of the foregoing, CSCDA may disburse amounts from said fund to other appropriate funds or accounts of CSCDA to reimburse CSCDA for the reasonable cost of staff time devoted to said proceedings, as well as to pay third party invoices from consultants retained by CSCDA to assist CSCDA in the implementation of the proposed CFD.

3. In the event that the balance in said fund is drawn down to an amount of less than \$5,000, CSCDA may notify the Developer of such fact, and the Developer shall forthwith provide CSCDA with an additional deposit of \$5,000 or such larger amount specified by CSCDA to assure the continued availability of funds for the payment of such preliminary expenses.

4. Upon completing the legal proceedings pursuant to the Act, a special tax shall be authorized to be levied on the non-exempt real property within the CFD, commencing in the first fiscal year following completion of such processing. CSCDA shall proceed with all due diligence to accomplish issuance and sale of the special tax bonds in one or more series upon the security of the recorded special tax lien to accomplish the authorized purposes of the CFD, including, but not limited to, reimbursement to the Developer for its deposit or deposits pursuant to this agreement and its costs relating to the authorized public improvements and to acquire the completed work and improvements from the Developer upon completion; it being expressly understood that CSCDA has no obligation to proceed with such acquisition until the subject work and improvements have been fully completed to the satisfaction of CSCDA, as determined by an appropriate official of the City or other public agency acquiring the completed work and improvements, in the sole discretion of such person, such discretion not to be exercised arbitrarily or unreasonably per the approved standard details and specifications in place at the time of construction.

5. CSCDA agrees to use its best efforts to accomplish a public offering and sale of the proposed special tax bonds, it being understood that CSCDA intends to accomplish such offering and sale through a negotiated sale to RBC Capital Markets, LLC (the “Underwriter”). To enable CSCDA and the Underwriter to prepare an Official Statement to be utilized in connection with the Underwriter’s public offering of the proposed special tax bonds, the Developer agrees to provide such financial information, development program information, title reports, appraisal reports, and such other information as the Underwriter may consider material in connection with preparing the Official Statement and determining feasibility and structure of the proposed special tax bond issue. Such reports and information shall be provided to CSCDA and to the Underwriter at no cost to either, and the actual cost and expense of the Developer shall be eligible for reimbursement from bond sale proceeds, provided that sufficient allowance has been made in the cost estimate and bond sale for that purpose.

IN WITNESS WHEREOF, the parties hereto have caused this agreement to be executed by their authorized representatives as of the effective date stated above.

CALIFORNIA STATEWIDE COMMUNITIES
DEVELOPMENT AUTHORITY

By _____
Authorized Signatory

[Signature page of Deposit and Reimbursement Agreement]

[RIO BRAVO DEVELOPER],
a [[state] limited liability company]

By _____

Name _____

Title _____

By _____

Name _____

Title _____

[Signature page of Deposit and Reimbursement Agreement]