



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

June 12, 2014

10:00 a.m.

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

27788 Hidden Trail Road
Laguna Hills, CA 92653

709 Portwalk Place
Redwood City, CA 94065

County of Monterey
168 West Alisal Street
Salinas, CA 93901

7 County Center Drive
Oroville, CA 95965

- I. Call the Roll (alternates designate which member they are representing).
- II. Consideration of the Minutes of the May 29, 2014 Special Meeting.
- III. Staff Updates.
- IV. Consideration of the Consent Calendar.
- V. Consideration of the financing; all necessary actions; the execution and delivery of all necessary documents and authorize any member to sign all necessary financing documents for the following:
 - a. EHDOC Senior Apartments I, L.P., (Minerva Manor Apartments), City of Fontana, County of San Bernardino; up to \$11 million in multi-family housing revenue bonds. (Staff: Scott Carper)

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 L.P., (Liberty Village Apartments), City of Richmond, County of Contra Costa; up to \$13,750,000 in multi-family housing revenue tax-exempt & taxable notes. (Staff: Scott Carper)
 - c. Charlotte Drive Family Apartments L.P., (Charlotte Drive Apartments), City of San Jose, County of Santa Clara; up to \$36 million in multi-family housing revenue notes. (Staff: Scott Carper)
 - d. Lexington Avenue Family Apartments L.P., (Lexington Avenue Family Apartments), City of San Jose, County of Santa Clara; up to \$25 million in multi-family housing revenue notes. (Staff: Scott Carper)
 - e. Kings County Detention Facility, City of Hanford, County of Kings; up to \$7,500,000 in lease revenue bonds. (Staff: Caitlin Lanctot)
- VI. Consideration of David Taussig & Associates contract as assessment engineer to the PACE Program (Staff: Caitlin Lanctot)
- VII. Consideration of Wilmington Trust contract as Trustee to the PACE Program (Staff: Caitlin Lanctot)
- VIII. Public Comment
- IX. Adjourn



**CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY
CONSENT CALENDAR**

1. Consent Calendar:

- a. Wells Fargo Invoice #1075154 for \$3,500 for corporate trustee services of the CSCDA CRA / ERAF Program 2006
- b. Inducement of Village Madera AR, LP (The Village at Madera), City of Madera, County of Madera; issue up to \$6 million in multi-family housing revenue bonds.
- c. Inducement of Glenview Cameron Park AR, LP (Glenview Family Apartments), City of Cameron Park, County of El Dorado; issue up to \$8 million in multi-family housing revenue bonds.
- d. Inducement of Santa Fe Hesperia AR, LP (Santa Fe Apartments), City of Hesperia, County of San Bernardino; issue up to \$6 million in multi-family housing revenue bonds.

Thursday, June 12, 2014

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

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

Item II

Consideration of the Minutes of the May 29, 2014 Special Meeting.

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

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

May 29, 2014

MINUTES

Commission Chair Larry Combs called the meeting to order at 2:01 pm.

I. Roll Call

Commission members present: Larry Combs, Chair, Dan Mierzwa and Dan Harrison. Kevin O'Rourke, Tim Snellings, and alternate Commissioner Ron Holly, representing Terry Schutten participated by conference telephone.

CSCDA Executive Director, Catherine Bando was also present.

Others present included: Perry Stottlemeyer, Norman Copping and Chris McKenzie, League of California Cities; Caitlin Lanctot, Scott Carper and Mike LaPierre, HB Capital; Roger Davis, Orrick Herrington & Sutcliffe; Mark Paxson, State Treasurer's Office; Bret Reed, Counsel for G.H. Palmer Associates; Geoff Palmer, Drue Preissman and Chuck Merrill, G.H. Palmer Associates; Ruthann Ziegler, Meyers Nave; and Monica Alejandrez, City of Citrus Heights; Stephen Tabor, Meyers Nave and Greg Stepanicich, Richards Watson & Gershon participated by conference telephone.

II. Approval of minutes—May 22, 2014

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

III. Staff updates

None.

IV. Approval of Consent Calendar

1. Approve the following invoice for payment:

a. Wells Fargo Corporate Trust Services invoice #1075154

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

V. Approval of whether CSCDA should proceed with the preparation of documentation for the acquisition of a student housing facility in the City of Los Angeles

CSCDA staff has been in discussions with representatives of G.H.Palmer Associates (developer) about a possible acquisition of a student housing facility known as the Lorenzo, near the University of Southern California campus in Los Angeles. The proposed acquisition by CSCDA would be similar to the financing and acquisition of a student housing project at San Diego State University, which led to CSCDA's adoption of its Ownership (P3) Structure policy on May 8, 2014. The Lorenzo acquisition is estimated to be in the \$700 to \$800 million range.

Representatives from the developer displayed a PowerPoint presentation highlighting the project, which is an upscale facility consisting of approximately 1,050 multifamily residential housing units with a health and wellness center, multiple recreational amenities and commercial retail space. The project opened on June 1, 2013, is approximately 41% leased, and the final phase is about one month from completion.

Staff recommends preliminary approval of CSCDA's interest in the project, which authorizes preparation of project documentation in accordance with CSCDA's Ownership (P3) Structure policy, and is subject to further review and consideration by the Commission.

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

VI. Approval of whether CSCDA should proceed with the preparation of documentation for the acquisition of an outpatient services building in the City of Citrus Heights

CSCDA staff has been in discussions with representatives of Meyers Nave about a possible acquisition of an outpatient services facility in Citrus Heights, California. The proposed acquisition by CSCDA would be similar to the financing and acquisition of a student housing project at San Diego State University, which led to CSCDA's adoption of its Ownership (P3) Structure policy on May 8, 2014. The project acquisition is estimated to be \$14 million.

The proposed transaction involves Dignity Health and the City of Citrus Heights. The City would lease the existing City Hall property to Panattoni Development Company (Panattoni), which will then build an outpatient services building for Dignity Health; the City will vacate the existing building and using funds from the lease to Panattoni, move into temporary space until a new City Hall is constructed on a separate city-owned parcel; Panattoni will enter into a purchase and sale agreement with CSCDA, where CSCDA would purchase the outpatient services building and assume all of Panattoni's rights and obligations; CSCDA would borrow funds to acquire the building and the lease; CSCDA would then lease the completed building to Dignity Health.

Staff recommends preliminary approval of CSCDA's interest in the project, which authorizes preparation of project documentation in accordance with CSCDA's Ownership (P3) Structure policy, and is subject to further review and consideration by the Commission.

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

VII. Approval of Wilmington Trust, N.A. as successor trustee to the Bank of New York Mellon Trust Company, N.A. on behalf of the CSCDA Sunrise of Danville Series 2000 A and Series 2000 A-T bonds.

CSCDA issued 2000 Series A and 2000 Series A-T bonds on behalf of the Sunrise of Danville Project. The existing trustee of the project, Bank of New York Mellon Trust Company, N.A. (BONY), has resigned and the Authority has appointed Wilmington Trust, N.A. (Wilmington) as the replacement trustee.

Staff recommends the Commission approve the resolution which approves the resignation of BONY as trustee; appoints Wilmington as the successor trustee; and authorizes any member of the Commission or authorized signatory to sign all necessary documents.

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

Public Comment.

None.

IV. Adjournment.

Commission Chair Larry Combs adjourned the meeting at 2:45 pm.

Submitted by: Perry Stottlemeyer, League of California Cities staff

Item IV.

Consideration Consent Calendar

- a. Wells Fargo Invoice #1075154 for \$3,500 for corporate trustee services of the CSCDA CRA / ERAF Program 2006
- b. Inducement of Village Madera AR, LP (The Village at Madera), City of Madera, County of Madera; issue up to \$6 million in multi-family housing revenue bonds.
- c. Inducement of Glenview Cameron Park AR, LP (Glenview Family Apartments), City of Cameron Park, County of El Dorado; issue up to \$8 million in multi-family housing revenue bonds.
- d. Inducement of Santa Fe Hesperia AR, LP (Santa Fe Apartments), City of Hesperia, County of San Bernardino; issue up to \$6 million in multi-family housing revenue bonds.

Fee Invoice

Corporate Trust Services

**WELLS
FARGO**

Invoice Number 1075154	Billing Date 05/09/2014	Due Date 06/08/2014	Amount Due \$3,500.00 <i>Please mail or wire payment to:</i>
<div>CSCDA Luis Castro 2999 Oak Road Suite 710 Walnut Creek, CA 94597</div>			Mailing Address: Wells Fargo Bank WF 8113 P.O. Box 1450 Minneapolis, MN 55485-8113
			Wire Instructions: ABA #: 121000248 DDA #: 1000031565 Swift Code: WFBIUS6S Reference: Invoice #, Acct Name, Attn Name
			ACH Instructions: ABA #: 091000019 DDA #: 1000031565 Memo: Invoice #, Account Name, Attn Name
			<i>Please return this portion of the statement with your payment in the envelope provided:</i>
<i>Please retain this portion for your records</i>			

Account Number: 20124300

CSCDA CRA/ERAF Program 2006

Administration Charges

For the Period 05/03/2014 through 05/02/2015

Trustee Fee

\$3,500.00

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

Applicant Information

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

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

TIN or EIN: **27-3320865**

Primary Contact

First Name: **Bill**

Last Name: **Vanderschans**

Title: **Senior Project Manager**

Address:

Street: **330 W. Victoria Street**

Suite:

City: **Gardena**

State: **California**

Zip: **90248**

Phone: **424-258-2820**

Ext:

Fax: **424-258-2821**

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

Borrower Description:

☐ Same as developer ?

Name of Borrowing Entity: **Village Madera AR, L.P.**

Type of Entity:

☐ For-profit Corporation

☐ Non-profit Corporation

☒ Partnership

☐ Other (specify)

☐ Will you be applying for State Volume Cap?

Date Organized: **4/29/2014**

No. of Multi-Family Housing Projects Completed in the Last 10 Years: **31**

No. of Low Income Multi-Family Housing Projects Completed in the Last 10 Years: **31**

Primary Billing Contact

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

First Name: **Bill**

Last Name: **Vanderschans**

Title: **Senior Project Manager**

Address

Street: **330 W. Victoria Street**

Suite:

City: **Gardena**

State: **California**

Zip: **90248**

Phone: **424-258-2820**

Ext:

Fax: **424-258-2821**

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

Project Information

Project Information

Project Name: **The Village at Madera**

New Project Name(optional):

Facility Information

Facility #1

Facility Name: **The Village at Madera**

Facility Bond Amount: \$4,577,000.00

Project Address:

Street: **501 Monterey Street**

City: **Madera**

State: **California**

Zip: **93637**

County: **Madera**

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

Total Number of Units:

Market: **1**

Restricted: **74**

Total: **75**

Lot size: **5.33 acres**

Amenities:

Common area amenities include a business center, carport, clubhouse/community room, central laundry, picnic area, and swimming pool. Unit amenities include balcony/patio, central A/C, dishwasher, refrigerator, oven, ceiling fans, walk in closets, and washer/dryer hookups.

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

The project consists of 10 two story, garden style residential buildings and a two story clubhouse. All buildings are wood framed originally completed in 1999.

Type of Housing:

☐ New Construction

☒ Acquisition/Rehab

Facility Use:

☒ Family

☐ Senior

Is this an Assisted Living Facility? ☐

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

Name of Agency:

First Name:

Last Name:

Title:

Phone:

Ext:

Fax:

Email:

Public Benefit Info:

Percentage of Units in Low Income Housing: 100

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

Total Number of Management Units: 1

#	Bedrooms (Unit Size)	%AMI	No. of restricted units	Restricted rent	Market rent	Expected savings
1.	2 Bedrooms	50	6	568.00	807.00	-239.00
2.	2 Bedrooms	60	8	568.00	807.00	-239.00
3.	3 Bedrooms	50	21	657.00	938.00	-281.00
4.	3 Bedrooms	60	31	657.00	938.00	-281.00
5.						

	4 Bedrooms	50	3	737.00	1,050.00	-313.00
6.	4 Bedrooms	60	5	737.00	1,050.00	-313.00
7.	3 Bedrooms	60	1	684.00	938.00	-254.00

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 #:
16	12	29

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:

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>\$4,577,000.00</u>
Taxable Bond Proceeds:	<u>\$</u>
Tax Credits:	<u>\$135,499.00</u>
Developer Equity:	<u>\$</u>
Other Funds (Describe):	
Income during construction	<u>\$114,014.00</u>
Costs Paid at Conversion	<u>\$810,665.00</u>
Seller Note	<u>\$940,183.00</u>
	<u>\$</u>
	<u>\$</u>
Total Sources:	<u>\$6,577,361.00</u>

Uses:

Land Acquisition:	<u>\$4,320,000.00</u>
Building Acquisition:	<u>\$</u>
Construction or Remodel:	<u>\$855,000.00</u>
Cost of Issuance:	<u>\$123,370.00</u>
Capitalized Interest:	<u>\$119,600.00</u>
Reserves:	<u>\$125,624.00</u>
Other Uses (Describe):	
Developer Fee	<u>\$763,457.00</u>
TCAC/CDLAC Application Fees	<u>\$51,631.00</u>
Construction Contingency	<u>\$39,750.00</u>
Permanent Costs	<u>\$50,000.00</u>
Various Soft Costs	<u>\$128,929.00</u>
Total Uses:	<u>\$6,577,361.00</u>

Financing Team Information

Bond Counsel

Firm Name: Orrick Herrington & Sutcliffe, LLP

Primary Contact

First Name: Justin

Last Name: Cooper

Title: Bond Counsel

Address:

Street: 405 Howard Street

Suite:

City: San Francisco

State: California

Zip: 94105

Phone: 415-773-5908

Ext:

Fax: 415-773-5759

Email: jcooper@orrick.com

Bank/Underwriter/Bond Purchaser

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

Primary Contact

First Name: Robert

Last Name: Schultz

Title: Senior Vice President

Address:

Street: 9090 S. Ridgeline Boulevard

Suite: 100

City: Highlands Ranch

State: Colorado

Zip: 80129

Phone: 720-219-1112

Ext:

Fax:

Email: rschultz@afreg.com

Financial Advisor

Firm Name:

Primary Contact

First Name:

Last Name:

Title:

Address:

Street:

Suite:

City:

State:

Zip:

Phone:

Ext:

Fax:

Email:

Rebate Analyst

Firm Name:

Primary Contact

First Name:

Last Name:

Title:

Address:

Street:

Suite:

City:

State:

Zip:

Phone:

Ext:

Fax:

Email:

Applicant Information

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

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

TIN or EIN: **27-3320865**

Primary Contact

First Name: **Bill**

Last Name: **Vanderschans**

Title: **Senior Project Manager**

Address:

Street: **330 W. Victoria Street**

Suite:

City: **Gardena**

State: **California**

Zip: **90248**

Phone: **424-258-2820**

Ext:

Fax: **424-258-2821**

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

Borrower Description:

☐ Same as developer ?

Name of Borrowing Entity: **Glenview Cameron Park AR, L.P.**

Type of Entity:

☐ For-profit Corporation

☐ Non-profit Corporation

☒ Partnership

☐ Other (specify)

☐ Will you be applying for State Volume Cap?

Date Organized: **4/29/2014**

No. of Multi-Family Housing Projects Completed in the Last 10 Years: **31**

No. of Low Income Multi-Family Housing Projects Completed in the Last 10 Years: **31**

Primary Billing Contact

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

First Name: **Bill**

Last Name: **Vanderschans**

Title: **Senior Project Manager**

Address

Street: **330 W. Victoria Street**

Suite:

City: **Gardena**

State: **California**

Zip: **90248**

Phone: **424-258-2820**

Ext:

Fax: **424-258-2821**

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

Project Information

Project Information

Project Name: **Glenview Family Apartments**

New Project Name(optional):

Facility Information

Facility #1

Facility Name: **Glenview Family Apartments**

Facility Bond Amount: \$6,600,000.00

Project Address:

Street: **2361 Bass Lake Road**

City: **Cameron Park**

State: **California**

Zip: **95682**

County: **El Dorado**

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

Total Number of Units:

Market: **1**

Restricted: **87**

Total: **88**

Lot size: **318859 sq. ft. or 7.32 acres**

Amenities:

Glenview offers a business center, computer lab, clubhouse/meeting room, central laundry, pic nic area, playground area and swimming pool.

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

The wood-framed, slab-on-grade construction consists 11 two story residential buildings and one community building. Unit mix includes 40 two-bedroom/two-bath units and 48 three-bedroom/two-bath units.

Type of Housing:

☐ New Construction

☒ Acquisition/Rehab

Facility Use:

☒ Family

☐ Senior

Is this an Assisted Living Facility? ☐

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

Name of Agency:

First Name:

Last Name:

Title:

Phone:

Ext:

Fax:

Email:

Public Benefit Info:

Percentage of Units in Low Income Housing: 100

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

Total Number of Management Units: 1

#	Bedrooms (Unit Size)	%AMI	No. of restricted units	Restricted rent	Market rent	Expected savings
1.	2 Bedrooms	50	16	583.00	1,000.00	-417.00
2.	2 Bedrooms	60	24	754.00	1,000.00	-246.00
3.	3 Bedrooms	50	20	671.00	1,181.00	-510.00
4.	3 Bedrooms	60	28	869.00	1,181.00	-312.00

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 #:
4	1	4

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:

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>\$6,600,000.00</u>
Taxable Bond Proceeds:	<u>\$</u>
Tax Credits:	<u>\$130,855.00</u>
Developer Equity:	<u>\$</u>
Other Funds (Describe):	
Income during construction	<u>\$98,511.00</u>
Costs Paid at Conversion	<u>\$1,319,863.00</u>
Seller Note	<u>\$1,472,549.00</u>
	<u>\$</u>
	<u>\$</u>
Total Sources:	<u>\$9,621,778.00</u>

Uses:

Land Acquisition:	<u>\$</u>
Building Acquisition:	<u>\$6,700,000.00</u>
Construction or Remodel:	<u>\$1,003,200.00</u>
Cost of Issuance:	<u>\$157,123.00</u>
Capitalized Interest:	<u>\$181,384.00</u>
Reserves:	<u>\$168,928.00</u>
Other Uses (Describe):	
Developer Fee	<u>\$1,125,739.00</u>
TCAC/CDLAC Applications Fees	<u>\$58,136.00</u>
Construction Contingency	<u>\$46,640.00</u>
Permanent Costs	<u>\$50,000.00</u>
Various Soft Costs	<u>\$130,627.00</u>
Total Uses:	<u>\$9,621,777.00</u>

Financing Team Information

Bond Counsel

Firm Name: Orrick Herrington & Sutcliffe, LLP

Primary Contact

First Name: Justin

Last Name: Cooper

Title: Bond Counsel

Address:

Street: 405 Howard Street

Suite:

City: San Francisco

State: California

Zip: 94105

Phone: 415-773-5908

Ext:

Fax: 415-773-5759

Email: jcooper@orrick.com

Bank/Underwriter/Bond Purchaser

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

Primary Contact

First Name: Robert

Last Name: Schultz

Title: Senior Vice President

Address:

Street: 9090 S. Ridgeline Blvd.

Suite: 100

City: Highlands Ranch

State: Colorado

Zip: 80129

Phone: 720-219-1112

Ext:

Fax:

Email: rschultz@afreg.com

Financial Advisor

Firm Name:

Primary Contact

First Name:

Last Name:

Title:

Address:

Street:

Suite:

City:

State:

Zip:

Phone:

Ext:

Fax:

Email:

Rebate Analyst

Firm Name:

Primary Contact

First Name:

Last Name:

Title:

Address:

Street:

Suite:

City:

State:

Zip:

Phone:

Ext:

Fax:

Email:

Applicant Information

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

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

TIN or EIN: **27-3320865**

Primary Contact

First Name: **Peggy**

Last Name: **Lichthart**

Title: **Project Manager**

Address:

Street: **330 W. Victoria Street**

Suite:

City: **Gardena**

State: **California**

Zip: **90248**

Phone: **424-258-2808**

Ext:

Fax: **424-258-2809**

Email: peggy.lichthart@housingpartners.com

Borrower Description:

☐ Same as developer ?

Name of Borrowing Entity: **Santa Fe Hesperia AR, L.P.**

Type of Entity:

☐ For-profit Corporation

☐ Non-profit Corporation

☒ Partnership

☐ Other (specify)

☐ Will you be applying for State Volume Cap?

Date Organized: **4/29/2014**

No. of Multi-Family Housing Projects Completed in the Last 10 Years: **31**

No. of Low Income Multi-Family Housing Projects Completed in the Last 10 Years: **31**

Primary Billing Contact

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

First Name: **Peggy**

Last Name: **Lichthart**

Title: **Project Manager**

Address

Street: **330 W. Victoria Street**

Suite:

City: **Gardena**

State: **California**

Zip: **90248**

Phone: **424-258-2808**

Ext:

Fax: **424-258-2809**

Email: peggy.lichthart@housingpartners.com

Project Information

Project Information

Project Name: **Santa Fe Apartments**

New Project Name(optional):

Facility Information

Facility #1

Facility Name: **Santa Fe Apartments**

Facility Bond Amount: \$4,880,000.00

Project Address:

Street: **16576 Sultana Street**

City: **Hesperia**

State: **California**

Zip: **92345**

County: **San Bernardino**

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

Total Number of Units:

Market: **1**

Restricted: **88**

Total: **89**

Lot size: **260,053 sq. ft or 5.97 acres**

Amenities:

Santa Fe offers a business center, a clubhouse, central laundry facilities, on-site management, a playground, recreation areas including a basketball court and picnic area, and a swimming pool. Perimeter fencing.

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

11 two-story residential buildings in addition to a single two-story community building. 89 one, two, three and four bedroom units. The buildings are wood frame construction with stucco siding and pitched 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:

First Name:

Last Name:

Title:

Phone:

Ext:

Fax:

Email:

Public Benefit Info:

Percentage of Units in Low Income Housing: 100

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

Total Number of Management Units: 1

#	Bedrooms (Unit Size)	%AMI	No. of restricted units	Restricted rent	Market rent	Expected savings
1.	1 Bedroom	50	7	444.00	687.00	-243.00
2.	1 Bedroom	60	9	570.00	687.00	-117.00
3.	2 Bedrooms	50	7	523.00	1,023.00	-500.00
4.	2 Bedrooms	60	9	673.00	1,023.00	-350.00
5.	3 Bedrooms	50	19	596.00	1,212.00	-616.00

6.	3 Bedrooms	60	3	596.00	1,212.00	-616.00
7.	3 Bedrooms	50	26	770.00	1,212.00	-442.00
8.	4 Bedrooms	50	3	643.00	1,350.00	-707.00
9.	4 Bedrooms	60	5	837.00	1,350.00	-513.00

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 #:

41

State Senate District #:

21

State Assembly District #:

59

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:

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>\$4,880,000.00</u>
Taxable Bond Proceeds:	<u>\$</u>
Tax Credits:	<u>\$134,128.00</u>
Developer Equity:	<u>\$</u>
Other Funds (Describe):	
Income during construction	<u>\$193,668.00</u>
Costs paid at conversion	<u>\$842,729.00</u>
Seller note	<u>\$1,189,923.00</u>
	<u>\$</u>
	<u>\$</u>
Total Sources:	<u>\$7,240,448.00</u>

Uses:

Land Acquisition:	<u>\$</u>
Building Acquisition:	<u>\$4,700,000.00</u>
Construction or Remodel:	<u>\$1,014,600.00</u>
Cost of Issuance:	<u>\$127,751.00</u>
Capitalized Interest:	<u>\$115,802.00</u>
Reserves:	<u>\$153,751.00</u>
Other Uses (Describe):	
Developer Fee	<u>\$842,729.00</u>
TCAC/CDLAC Application Fees	<u>\$58,581.00</u>
Construction Contingency	<u>\$47,170.00</u>
Permanent Costs	<u>\$50,000.00</u>
Various Soft Costs	<u>\$130,064.00</u>
Total Uses:	<u>\$7,240,448.00</u>

Financing Team Information

Bond Counsel

Firm Name: Orrick Herrington & Sutcliffe, LLP

Primary Contact

First Name: Justin

Last Name: Cooper

Title: Bond Counsel

Address:

Street: 405 Howard Street

City: San Francisco

State: California

Suite:

Zip: 94105

Phone: 415-773-5908

Ext:

Fax:

Email: jcooper@orrick.com

Bank/Underwriter/Bond Purchaser

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

Primary Contact

First Name: Robert

Last Name: Schultz

Title: Senior Vice President

Address:

Street: 9090 S. Ridgeline Blvd

City: Highlands Ranch

State: Colorado

Suite: 100

Zip: 80129

Phone: 720-219-1112

Ext:

Fax:

Email: aschultz@afreg.com

Financial Advisor

Firm Name:

Primary Contact

First Name:

Last Name:

Title:

Address:

Street:

Suite:

City:

State:

Zip:

Phone:

Ext:

Fax:

Email:

Rebate Analyst

Firm Name:

Primary Contact

First Name:

Last Name:

Title:

Address:

Street:

Suite:

City:

State:

Zip:

Phone:

Ext:

Fax:

Email:

Item V.

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

- a. EHDOC Senior Apartments I, L.P., (Minerva Manor Apartments), City of Fontana, County of San Bernardino; up to \$11 million in multi-family housing revenue bonds.
(Staff: Scott Carper)

SUMMARY AND APPROVALS

DATE:	JUNE 12, 2014
APPLICANT:	EHDOC SENIOR APARTMENTS I, L.P.
AMOUNT:	UP TO \$11,000,000 OF TAX-EXEMPT MULTI-FAMILY HOUSING REVENUE BONDS
PURPOSE:	FINANCE THE CONSTRUCTION OF MINERVA MANOR SENIOR APARTMENTS LOCATED AT 9972 JUNIPER AVENUE FONTANA IN SAN BERNARDINO COUNTY, CA
CSCDA PROGRAM:	HOUSING

Background:

The proposed project, Minerva Manor Senior Apartments (the “Project”), will be a 63-unit senior property located in San Bernardino County, California. The Project application was filed on September 29, 2013 and induced on October 10, 2013.

Summary:

EHDOC Senior Apartments I, L.P. (the “Borrower”) has requested CSCDA to issue and deliver multifamily housing revenue obligations in the anticipated principal amount of \$11,000,000 (the “Bonds”) for the purpose of financing the construction of the Project. The Project will provide 50 one-bedroom and 13 two-bedroom units to low-income seniors in the community of Fontana in San Bernardino County.

The Project will contain 1 three-story building built on 3.26 acres. The Project will be the third phase of a community of senior apartments developed by the parent of the Borrower, Elderly Housing Development and Operations Corporation (“EHDOC”), with the Dino Papavero Senior Center and John Piazza Apartments providing 210 affordable senior units across the street from the Project. Tenants will have access to Dino Papavero’s and John Piazza’s , exercise facility, computer lab and library, and beauty parlor. Project amenities include 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 approximately 55 senior housing properties nationwide. This is their first financing with CSCDA.

Public Benefit:

- Project Affordability
 - 100% of the Project’s units, excluding the manager’s unit, will be income restricted:
 - 7 units reserved for tenants whose income is at or below 50% AMI
 - 7 units reserved for tenants whose income is at or below 55% AMI
 - 48 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 2 blocks of the South Fontana Transit Center, a focus for regional public transportation.
 - The Project will be approximately ¼ mile from the Fontana Medical Center, a full-service hospital operated by Kaiser Permanente.
 - The Project is within walking distance of services including groceries, drug stores, and a park, and the City of Fontana provides shuttle service to the Fontana Senior Center.
- Economic Benefits
 - Based upon \$19,100,000.00 Project costs using a 1.8 multiplier the Project produces approximately \$34,400,000 total economic activity, and at 2.1 jobs per unit produces approximately 132 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: October 22, 2013, City of Fontana, unanimous approval

CDLAC Approval: December 11, 2013

Estimated Sources and Uses -

Sources:

Bond Proceeds	\$11,000,000	57.63%
Fontana Housing Authority Loan	\$6,566,389	34.40%
Deferred Developer Fee	\$1,447,578	7.58%
LIHTC Equity	<u>\$74,143</u>	<u>0.39%</u>
Total Sources	\$19,088,110	100.00%

Uses:

Acquisition Cost	\$1,500,000	7.86%
Hard Construction Costs	\$10,299,213	53.96%
Costs of Issuance	\$600,073	3.14%
Capitalized Interest	\$606,200	3.18%
Reserves	\$294,210	1.54%
Other Soft Costs	<u>\$5,788,414</u>	<u>30.32%</u>
Total Uses	\$19,088,110	100.00%

Finance Team:

- Bond Counsel: Orrick, Herrington & Sutcliffe, LLP, San Francisco
- Authority Counsel: Orrick, Herrington & Sutcliffe, LLP, Sacramento
- Private Placement: U.S. Bank National Association, San Francisco

Financing Structure:

The bonds will be purchased through a private placement by U.S. Bank Community Lending Division and will be assigned upon completion of construction to California Community Reinvestment Corporation.

By \$11,000,000 in CSCDA Bonds the Project is able to leverage an additional \$8,088,110 in other resources, for a ratio of 0.73 to 1.

Policy Compliance:

The Project complies with the following policies:

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

Financing Approval:

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

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

Attachments:

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

Applicant Information

Primary Contact E-mail: tmulrenan@terravestinc.com

Name of Developer: **Elderly Housing Development and Operations Corporation**

TIN or EIN: **65-0665009**

Primary Contact

First Name: **Dan**

Last Name: **Charleton**

Title: **Director of EHD OC Foundation and Project Investments**

Address:

Street: **1580 Sawgrass Corporate Parkway**

City: **Fort Lauderdale**

Phone: **(954) 835-9200**

Email: **dcharleton@ehdoc.org**

State: **Florida**

Ext: **214**

Suite: **210**

Zip: **33323-2869**

Fax: **(954) 835-0888**

Borrower Description:

☐ Same as developer ?

Name of Borrowing Entity: **EHD OC Senior Apartments I, LP**

Type of Entity:

☐ For-profit Corporation

☒ Non-profit Corporation

☐ Partnership

☐ Other (specify)

☒ Will you be applying for State Volume Cap?

Date Organized: January 3, 2012

No. of Multi-Family Housing Projects Completed in the Last 10 Years: **8**

No. of Low Income Multi-Family Housing Projects Completed in the Last 10 Years: **8**

Primary Billing Contact

Organization: **Elderly Housing Development and Operations Corporation**

First Name: **Dan**

Last Name: **Charleton**

Title: **Director of EHD OC Foundation and Project Investments**

Address

Street: **1580 Sawgrass Corporate Parkway**

City: **Fort Lauderdale**

Phone: **(954) 835-9200**

Email: **dcharleton@ehdoc.org**

State: **Florida**

Ext: **214**

Suite: **210**

Zip: **33323-2869**

Fax: **(954) 835-0888**

Project Information

Project Information

Project Name: **Minerva Manor Senior Apartments**

New Project Name(optional):

Facility Information

Facility #1

Facility Name: **Minerva Manor Senior Apartments**

Facility Bond Amount: \$11,000,000.00

Project Address:

Street: **9972 Juniper Avenue**

City: **Fontana**

State: **California**

Zip: **92335-6644**

County: **San Bernardino**

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

Total Number of Units:

Market: **1**

Restricted: **62**

Total: **63**

Lot size: **3.26 acres**

Amenities:

On-site common area lounge, community room, management offices, laundry facilities, fitness facilities, and garden courtyard.

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

Wood frame story, surface parking.

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: David

Last Name: Edgar

Title: Deputy City Manager

Phone: (909) 350-6739

Ext:

Fax: (909) 350-6616

Email: dedgar@fontana.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.	1 Bedroom	50	5	597.00	903.00	306.00
2.	1 Bedroom	55	5	657.00	903.00	246.00
3.	1 Bedroom	60	40	717.00	903.00	186.00
4.	2 Bedrooms	50	2	717.00	1,053.00	336.00
5.	2 Bedrooms	55	2	789.00	1,053.00	264.00
6.	2 Bedrooms	60	8	861.00	1,053.00	192.00

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 #:

35

State Senate District #:

32

State Assembly District #:

47

Financing Information

Financing Information

Maturity 15 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: U.S. Bank

Permanent Financing:

☐ Credit Enhancement

☒ None

☐ Letter of Credit

☐ Other (specify)

Name of Credit Enhancement Provider or Private Placement Purchaser: California Community Reinvestment Corporation

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>\$11,000,000.00</u>
Taxable Bond Proceeds:	<u>\$</u>
Tax Credits:	<u>\$71,941.00</u>
Developer Equity:	<u>\$</u>
Other Funds (Describe):	
Fontana Housing Authority ground lease/grant	<u>\$1,600,000.00</u>
Fontana Housing Authority loan	<u>\$7,065,459.00</u>
	<u>\$</u>
	<u>\$</u>
	<u>\$</u>
Total Sources:	<u>\$19,737,400.00</u>

Uses:

Land Acquisition:	<u>\$3,165,000.00</u>
Building Acquisition:	<u>\$</u>
Construction or Remodel:	<u>\$9,752,160.00</u>
Cost of Issuance:	<u>\$172,000.00</u>
Capitalized Interest:	<u>\$551,200.00</u>
Reserves:	<u>\$301,214.00</u>
Other Uses (Describe):	
Local Development Impact Fees	<u>\$945,376.00</u>
Furnishings	<u>\$134,069.00</u>
Developer Fee	<u>\$2,098,312.00</u>
Other soft costs	<u>\$2,618,069.00</u>
	<u>\$</u>
Total Uses:	<u>\$19,737,400.00</u>

Financing Team Information

Bond Counsel

Firm Name: Orrick, Herrington

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) 773-5759

Email: jcooper@orrick.com

Bank/Underwriter/Bond Purchaser

Firm Name: U.S. Bank

Primary Contact

First Name: Waheed

Last Name: Karim

Title: Vice President

Address:

Street: 4747 Executive Drive

Suite: 3rd Floor

City: San Diego

State: California

Zip: 92121

Phone: (858) 334-0702

Ext:

Fax: (619) 518-2610

Email: waheed.karim@usbank.com

Financial Advisor

Firm Name: Terravest Inc.

Primary Contact

First Name: Tim

Last Name: Mulrenan

Title: President

Address:

Street: 5821 Bellfield Lane

Suite:

City: Huntington Beach

State: California

Zip: 92648

Phone: (714) 377-1555

Ext:

Fax: (714) 377-1554

Email: tmulrenan@terravestinc.com

Rebate Analyst

Firm Name:

Primary Contact

First Name:

Last Name:

Title:

Address:

Street:

Suite:

City:

State:

Zip:

Phone:

Ext:

Fax:

Email:

RESOLUTION NO. 2013-063

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FONTANA APPROVING THE ISSUANCE BY THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY OF MULTIFAMILY HOUSING REVENUE BONDS FOR THE MINERVA MANOR SENIOR APARTMENTS

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

WHEREAS, EHDOC Senior Apartments I, LP 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 \$11,000,000 in outstanding aggregate principal amount, to finance the acquisition, construction and development of a 63-unit senior multifamily rental housing project located at 9972 Juniper Avenue, Fontana, California 92335, generally known as Minerva Manor Senior Apartments (the "Project") and operated by Quality Management Group and Elderly Housing Development & Operations Corporation; and

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

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

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

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

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

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

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

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Fontana as follows:

SECTION 1. The above recitals are true and correct.

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

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


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

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

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

PASSED, APPROVED AND ADOPTED this 22nd day of October, 2013.

READ AND APPROVED AS TO LEGAL FORM:



City Attorney

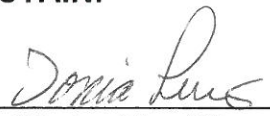
I, Tonia Lewis, City Clerk of the City of Fontana, and Ex-Officio Clerk of the City Council do hereby certify that the foregoing resolution is the actual resolution duly and regularly adopted by the City of Fontana at a regular meeting on the 22nd day of October, 2013, by the following vote to wit:

AYES: Mayor Warren, Mayor Pro Tem Roberts and Council Members Tahan, Wibert and Sandoval

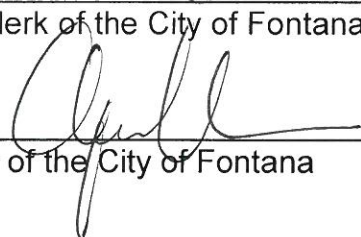
NOES:

ABSENT:

ABSTAIN:

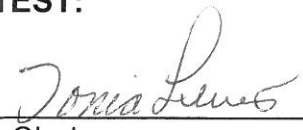


City Clerk of the City of Fontana



Mayor of the City of Fontana

ATTEST:



City Clerk

RESOLUTION NO. 13-106
(QUALIFIED RESIDENTIAL RENTAL PROJECT)
EXHIBIT A

1. Applicant: California Statewide Communities Development Authority
2. Application No.: 13-129
3. Project Sponsor: EHDOC Senior Apartments I, LP (EHDOC Senior Apartments I Corporation)
4. Project Management Co.: Quality Management Group and Elderly Housing Development & Operations Corporation
5. Project Name: Minerva Manor Apartments
6. Type of Project: New Construction/Senior Citizens
7. Location: Fontana, CA
8. Private Placement Purchaser: U.S. Bank (constr.) and California Community Reinvestment Corporation (perm)
9. The Private Placement Purchaser at the time of issuance will be the same as represented in the application.
Applicable
10. Total Number of Units: 62 plus 1 manager unit
11. Total Number of Restricted Rental Units: 62
12. The term of the income and rental restrictions for the Project will be at least 55 years.
13. The Project will utilize Gross Rents as defined in Section 5170 of the Committee's Regulations.
Applicable
14. Income and Rental Restrictions:
For the entire term of the income and rental restrictions, the Project will have:

At least 7 Qualified Residential units rented or held vacant for rental for persons or families whose income is at 50% or below of the Area Median Income.

At least 55 Qualified Residential units rented or held vacant for rental for persons or families whose income is at 60% or below of the Area Median Income.
15. For acquisition and rehabilitation projects, a minimum of \$10,000 in hard construction costs will be expended for each Project unit.
Not Applicable
16. A minimum of \$9,500,000 of public funds will be expended for the Project.
Applicable

RESOLUTION NO. 13-106

Exhibit A

Page 2 of 4

17. At a minimum, the financing for the Project shall include a Taxable Tail in the amount of \$0,000. Taxable debt may only be utilized for Project related expenses, not for the cost of issuance, for which the Project Sponsor could otherwise have used tax-exempt financing.

Not Applicable

18. If the Project received points for having large family units, for the entire term of the income and rental restrictions, the Project will have at least three-bedroom or larger units.

Not Applicable

19. For a period of ten (10) years after the Project is placed in use, the Project will provide to Project residents high-speed Internet or wireless (WiFi) service in each Project unit.

Not Applicable

20. For a period of ten (10) years after the Project is placed in use, the Project will offer to Project residents an after school programs of an ongoing nature on-site or there must be an after school program available to Project residents within 1/4 mile of the Project. The programs shall include, but are not limited to: tutoring, mentoring, homework club, and art and recreation activities to be provided weekdays throughout the school year for at least 10 hours per week.

Not Applicable

21. For a period of ten (10) years after the Project is placed in use, the Project will offer to Project residents instructor-led educational, health and wellness, or skill building classes. The classes shall include, but are not limited to: financial literacy, computer training, home-buyer education, GED, resume building, ESL, nutrition, exercise, health information/awareness, art, parenting, on-site food cultivation and preparation and smoking cessation. Classes shall be provided at a minimum of 84 hours per year (drop-in computer labs, monitoring and technical assistance shall not qualify) and be located within 1/4 mile of the Project.

Not Applicable

22. For a period of ten (10) years after the Project is placed in use, the Project will offer to Project residents 20 hours or more per week of licensed childcare on-site or there must be 20 hours or more per week of licensed childcare available to Project residents within 1/4 mile of the Project.

Not Applicable

23. For a period of ten (10) years after the Project is placed in use, the Project will offer to Project residents health and wellness services and programs within 1/4 mile of the Project. Such services and programs shall provide individualized support for tenants (not group classes) but need to be provided by licensed individuals or organizations. The services shall include, but are not limited to: visiting nurses programs, intergenerational visiting programs, and senior companion programs. Services shall be provided for a minimum of 100 hours per year.

Not Applicable

24. For a period of ten (10) years after the Project is placed in use, the Project will offer to Project residents a bona fide service coordinator. The responsibilities must include, but are not limited to: (a) providing tenants with information about available services in the community, (b) assisting tenants to access services through referral and advocacy, and (c) organizing community-building and/or enrichment activities for tenants (such as holiday events, tenant council, etc.)

Not Applicable

25. All projects that receive points for being a Federally Assisted At-Risk Project will renew all Section 8 HAP Contracts or equivalent Project-based subsidies for their full term, and will seek additional renewals, if available, throughout the Project's useful life.

Not Applicable

26. All projects that receive points for being a Federally Assisted At-Risk Project based on an expiring Low Income Housing Tax Credit Regulatory Agreement or Tax-Exempt Bond Regulatory Agreement shall have a plan in place to re-certify the incomes of the existing tenants and shall not cause involuntary displacement of any tenant whose income may exceed the Project's income limits.

Not Applicable

RESOLUTION NO. 13-106

Exhibit A

Page 3 of 4

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

Applicable

Section Waived:

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

28. The project commits to becoming certified under any one of the following programs upon completion:
- | | |
|---|-----------------------|
| a. Leadership in Energy & Environmental Design (LEED) | Not Applicable |
| b. Green Communities | Not Applicable |
| c. GreenPoint Rated Multifamily Guidelines | Applicable |
29. The project is a New Construction or Adaptive Reuse Project exceeding the Standards of Title 24, Part 6, of the California Building Code by:
- | | |
|----------|-----------------------|
| a. 17.5% | Not Applicable |
| b. 20% | Not Applicable |
| c. 25% | Not Applicable |
30. The Project will exceed the minimum energy efficiency certification requirements for New Construction/ Adaptive Reuse:
- | | |
|----------------------------|-----------------------|
| a. LEED for Homes (Silver) | Not Applicable |
| b. LEED for Homes (Gold) | Not Applicable |
| c. Green Point Rated (100) | Not Applicable |
| d. Green Point Rated (125) | Not Applicable |
31. The project is a Home Energy Rating System (HERS II) Rehabilitation Project that commits to improve energy efficiency above the current modeled energy consumption of the building(s) by:
- | | |
|--------|-----------------------|
| a. 15% | Not Applicable |
| b. 20% | Not Applicable |
| c. 25% | Not Applicable |
| d. 30% | Not Applicable |
32. The project is a Rehabilitation Project that commits to developing, and/or managing the Project with the following Photovoltaic generation or solar energy:
- | | |
|---|-----------------------|
| a. Photovoltaic generation that offsets tenants loads | Not Applicable |
| b. Photovoltaic generation that offsets 50% of common area load | Not Applicable |
| c. Solar hot water for all tenants who have individual water meters | Not Applicable |

RESOLUTION NO. 13-106

Exhibit A

Page 3 of 3

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

Not Applicable

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

Not Applicable

RESOLUTION NO. 14H-__

A RESOLUTION OF THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY AUTHORIZING THE ISSUANCE AND DELIVERY OF MULTIFAMILY HOUSING REVENUE BONDS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$11,000,000 FOR THE FINANCING OF A MULTIFAMILY RENTAL HOUSING PROJECT TO BE GENERALLY KNOWN AS MINERVA MANOR 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/rehabilitation and development of multifamily rental housing projects in accordance with Chapter 7 of Part 5 of Division 31 of the California Health and Safety Code (the “Housing Law”);

WHEREAS, EHDOC Senior Apartments I, LP, 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 acquisition, construction and development of a 63-unit senior housing development to be located in the City of Fontana, California, and to be generally known as Minerva Manor Apartments (the “Project”);

WHEREAS, on December 11, 2013 the Authority received an allocation in the amount of \$11,000,000 (the “Allocation Amount”) from the California Debt Limit Allocation Committee (“CDLAC”) in connection with the Project;

WHEREAS, approval of the issuance of the Bonds (as defined herein) as provided herein is conditioned upon the receipt of the Allocation Amount for the Project from CDLAC;

WHEREAS, the City of Fontana 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 \$11,000,000 aggregate principal amount of its Multifamily Housing Revenue Bonds (Minerva Manor Apartments) 2014 Series F (the “Bonds”), provided that the 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 will be privately placed with U.S. Bank National Association (the “Bank”), as the initial purchaser of the Bonds, in accordance with the Authority’s private placement policy;

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) Master Agency Agreement (the “Agency Agreement”) to be entered into between the Authority and the Bank, as agent (the “Agent”);

(2) Master Pledge and Assignment (the “Pledge Agreement”) to be entered into among the Authority, the Agent and the Bank, as bondholder; and

(3) Regulatory Agreement and Declaration of Restrictive Covenants (the “Regulatory Agreement”) to be entered into between the Authority and the Borrower.

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

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

Section 2. Pursuant to the JPA Law and the Pledge Agreement, 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 Multifamily Housing Revenue Bonds (Minerva Manor Apartments) 2014 Series F,” with appropriate modifications and series and sub-series designations as necessary, in an aggregate principal amount not to exceed \$11,000,000; provided that the 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 Pledge Agreement, 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 Assistant to 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 Pledge Agreement 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 Pledge Agreement, and the Bonds shall not be deemed to constitute a debt or liability of the Authority or any Program Participant or Member of the Commission of the Authority (each, a “Member”).

Section 3. The Pledge Agreement in the form presented at this meeting is hereby approved. Any Member, or any other person as may be designated and authorized to sign for the Authority pursuant to a resolution adopted thereby (including, without limitation, the administrative delegates duly authorized pursuant to Resolution No. 14R-4 of the Authority, adopted on February 6, 2014) (together with the Members, each such person is referred to herein individually as an “Authorized Signatory”), acting alone, is authorized to execute by manual signature and deliver the Pledge Agreement, with such changes and insertions therein as may be necessary to cause the same to carry out the intent of this Resolution and as are approved by counsel to the Authority, such approval to be conclusively evidenced by the delivery thereof. The date, maturity date or dates (which shall not extend beyond March 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 Pledge Agreement as finally executed.

Section 4. The Agency 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 Agency Agreement, with such changes and insertions therein as may be necessary to cause the same to carry out the intent of this Resolution and as are approved by counsel to the Authority, such approval to be conclusively evidenced by the delivery thereof.

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

Section 6. The Authority is hereby authorized to sell the Bonds to the Bank pursuant to the terms and conditions of the Pledge Agreement.

Section 7. The Bonds, when executed, shall be delivered to the Agent for registration. The Agent is hereby requested and directed to register the Bonds by executing the certificate of registration appearing thereon, and to deliver the Bonds, when duly executed and authenticated, to or at the direction of the purchasers thereof 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 Agent. Such instructions shall provide for the delivery of the Bonds to the purchasers thereof upon payment of the purchase price thereof.

Section 8. 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, loan related documents, an assignment of

deed of trust and such other documents as described in the Pledge 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 9. 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 Pledge Agreement and other documents approved herein.

Section 10. This Resolution shall take effect upon its adoption.

PASSED AND ADOPTED by the California Statewide Communities Development Authority this June 12, 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 June 12, 2014.

By _____
Authorized Signatory

Item V.

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

- b. LIH Liberty Village L.P., (Liberty Village Apartments), City of Richmond, County of Contra Costa; up to \$13,750,000 in multi-family housing revenue tax-exempt & taxable notes. (Staff: Scott Carper)

SUMMARY AND APPROVALS

DATE: JUNE 12, 2014

APPLICANT: LIH LIBERTY VILLAGE, LP / LEVY AFFILIATED

AMOUNT: UP TO \$13,750,000 OF TAX-EXEMPT MULTI-FAMILY HOUSING REVENUE NOTES

PURPOSE: FINANCE THE ACQUISITION AND REHABILITATION OF LIBERTY VILLAGE APARTMENTS LOCATED AT 298 WEST CHANSLOR AVE., RICHMOND, CA

CSCDA PROGRAM: HOUSING

Background:

The proposed project, Liberty Village Apartments (the “Project”), is a 99-unit property located in Richmond, California. The Project application was filed on January 13, 2014 and induced on January 16, 2014.

Summary:

LIH Liberty Village, LP (the “Borrower”) has requested CSCDA to issue and deliver multifamily housing revenue obligations in the anticipated principal amount of \$13,750,000 (the “Bonds”) for the purpose of financing the acquisition and rehabilitation of the Project. The Project will continue to provide 8 one-bedroom units, 67 two-bedroom units and 24 three-bedroom units to low-income families in Richmond, California.

The Project is composed of 50 one-story duplexes on nearly 13 acres in Richmond. Community amenities include a clubhouse, computer lab/business center, barbeque and picnic areas, storage units, washer/dryer hookups, gas wall heaters, gas ovens and hardwood cabinets. The rehabilitation will include installing new roofs, exterior and interior painting, repairing dry rot and siding, repairing the irrigation system, incorporating eco-friendly landscaping, improving accessibility, patching parking areas and repairing walkways. Within the units, construction will include replacing flooring, installation of new cabinetry and appliances, upgrading bathrooms, and replacing water heaters.

The anticipated construction start date is July 1, 2014 with a completion date in May 2015.

The Borrower has previously rehabilitated 10 multifamily and senior housing properties throughout California. This is their third financing with CSCDA.

Public Benefit:

- Project Affordability
 - 100% of the Project’s units will be income restricted:
 - 10 units reserved for tenants whose income is at or below 50% AMI
 - 89 units reserved for tenants whose income is at or below 60% AMI
 - 1 management unit

- The term of the income and rental restrictions for the Project will be at least 55 years
- Site Amenities
 - The Project is located within a public transit corridor
 - The Project is located within ½ mile of a park or recreational facility
 - The Project is located within ½ mile of a public school
 - The Project will provide high speed internet access to each unit for at least 10 years
- Economic Benefits
 - Based upon \$17,877,714 Project costs using a 1.8 multiplier the Project produces \$32,179,885 total economic activity, and at 2.1 jobs per unit produces approximately 210 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: February 4, 2014, City of Richmond, unanimous approval
CDLAC Approval: March 19, 2014

Estimated Sources and Uses:

Sources:

Tax Exempt Bond Proceeds	\$12,250,000	68.52%
GP Loan	\$1,000,000	5.59%
LIHTC Equity	\$2,264,034	12.66%
Property Income During Construction	\$650,000	3.64%
Deferred Developer Fee	<u>\$1,713,680</u>	<u>9.59%</u>
Total Sources	\$17,877,714	100.00%

Uses:

Acquisition Cost	\$10,260,000	57.39%
Hard Construction Costs	\$2,565,599	14.35%
Architect & Engineering Fees	\$30,000	0.17%
Contingency Costs	\$506,654	2.83%
Developer Fee	\$1,870,695	10.46%
Relocation	\$80,000	0.45%
Financing Expenses	\$1,081,766	6.05%
Legal Fees	\$75,000	0.42%
Reserves	\$300,000	1.68%
Reports & Studies	\$40,000	0.22%
Other Soft Costs (Marketing, Etc.)	<u>\$1,068,000</u>	<u>5.97%</u>
Total Uses	\$17,877,714	100.00%

Finance Team:

- Bond Counsel: Orrick, Herrington & Sutcliffe, LLP, San Francisco
- Authority Counsel: Orrick, Herrington & Sutcliffe, LLP, Sacramento

- Lender: Citi Community Capital , Thousand Oaks

Financing Structure:

The construction bonds will have a term of 24 months and will carry a variable interest rate. The Bonds will then convert to the permanent phase for 30 years. The projected true interest cost of the fixed rate loan under current market conditions is estimated to be 5.5%.

Policy Compliance:

The Project complies with the following policies:

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

Financing Approval:

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

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

Attachments:

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

Applicant Information

Primary Contact E-mail: jacob@levyaffiliated.com

Name of Developer: **LIH Liberty Village LP**

TIN or EIN:

Primary Contact

First Name: **Jacob**

Last Name: **Levy**

Title: **Manager**

Address:

Street: **201 Wilshire Blvd**

Suite: **2nd Floor**

City: **Santa Monica**

State: **California**

Zip: **90401**

Phone: **(310) 883-7900**

Ext: **915**

Fax: **(310) 917-1101**

Email: jacob@levyaffiliated.com

Borrower Description:

☒ Same as developer ?

Name of Borrowing Entity: **LIH Liberty Village LP**

Type of Entity:

☐ For-profit Corporation

☐ Non-profit Corporation

☒ Partnership

☐ Other (specify)

☐ Will you be applying for State Volume Cap?

Date Organized: **12/30/2013**

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: **3**

Primary Billing Contact

Organization: **Levy Affiliated Holdings**

First Name: **Jacob**

Last Name: **Levy**

Title: **Manager**

Address

Street: **201 Wilshire Blvd**

Suite: **2nd Floor**

City: **Santa Monica**

State: **California**

Zip: **90401**

Phone: **(310) 883-7900**

Ext: **915**

Fax: **(310) 917-1101**

Email: jacob@levyaffiliated.com

Project Information

Project Information

Project Name: **Liberty Village Apartments**

New Project Name(optional):

Facility Information

Facility #1

Facility Name: **LIH Liberty Village Bonds**

Facility Bond Amount: \$10,250,000.00

Project Address:

Street: **298 W Chanslor Avenue**

City: **Richmond**

State: **California**

Zip: **94801**

County: **Contra Costa**

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

Total Number of Units:

Market: **0**

Restricted: **100**

Total: **100**

Lot size: **12.36 acres**

Amenities:

Clubhouse
Computer lab/business center
Barbeque and picnic areas
Storage units
Washer / Dryer Hookups
Gas wall heaters
Gas ovens
Hardwood cabinets

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

50 duplex townhomes.
1 story
Concrete slab foundation
Wood frame and siding
Pitch composite roof

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: **Hector**

Last Name: **Rojas**

Title: **Senior Planner**

Phone: **5106206662**

Ext:

Fax: **5106206858**

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

Public Benefit Info:

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

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

Total Number of Management Units: **2**

#	Bedrooms (Unit Size)	%AMI	No. of restricted units	Restricted rent	Market rent	Expected savings
---	-------------------------	------	----------------------------	-----------------	-------------	------------------

1.	1 Bedroom	50	1	814.00	1,198.00	
2.	1 Bedroom	60	7	918.00	1,198.00	
3.	2 Bedrooms	50	7	968.00	1,542.00	
4.	2 Bedrooms	60	60	1,044.00	1,542.00	
5.	3 Bedrooms	50	2	1,108.00	1,722.00	
6.	3 Bedrooms	60	22	1,281.00	1,722.00	

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 #:

11

9

15

Financing Information

Financing Information

Maturity **30** 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>\$10,250,000.00</u>
Taxable Bond Proceeds:	<u>\$</u>
Tax Credits:	<u>\$4,800,000.00</u>
Developer Equity:	<u>\$1,000,000.00</u>
Other Funds (Describe):	
Deferred Developer Fee	<u>\$1,870,000.00</u>
	<u>\$</u>
	<u>\$</u>
	<u>\$</u>
	<u>\$</u>
Total Sources:	<u>\$17,920,000.00</u>

Uses:

Land Acquisition:	<u>\$2,011,000.00</u>
Building Acquisition:	<u>\$8,240,000.00</u>
Construction or Remodel:	<u>\$4,000,000.00</u>
Cost of Issuance:	<u>\$600,000.00</u>
Capitalized Interest:	<u>\$550,000.00</u>
Reserves:	<u>\$300,000.00</u>
Other Uses (Describe):	
Third Party Reports	<u>\$500,000.00</u>
Relocation Costs	<u>\$80,000.00</u>
Other Project Costs	<u>\$789,000.00</u>
Developer Fee Paid	<u>\$850,000.00</u>
	<u>\$</u>
Total Uses:	<u>\$17,920,000.00</u>

Financing Team Information

Bond Counsel

Firm Name: Orrick, Herrington & Sutcliffe, LLP

Primary Contact

First Name: Justin

Last Name: Cooper

Title: Partner

Address:

Street: 405 Howard Street

City: San Francisco

State: California

Suite:

Zip: 94105

Phone: (415) 773-5908

Ext:

Fax:

Email: jcooper@orrick.com

Bank/Underwriter/Bond Purchaser

Firm Name:

Primary Contact

First Name:

Last Name:

Title:

Address:

Street:

Suite:

City:

State:

Zip:

Phone:

Ext:

Fax:

Email:

Financial Advisor

Firm Name:

Primary Contact

First Name:

Last Name:

Title:

Address:

Street:

Suite:

City:

State:

Zip:

Phone:

Ext:

Fax:

Email:

Rebate Analyst

Firm Name:

Primary Contact

First Name:

Last Name:

Title:

Address:

Street:

Suite:

City:

State:

Zip:

Phone:

Ext:

Fax:

Email:

RESOLUTION NO. 7-14_____

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RICHMOND
APPROVING THE ISSUANCE OF MULTIFAMILY HOUSING REVENUE
OBLIGATIONS FOR THE PURPOSE OF FINANCING THE ACQUISITION AND
REHABILITATION OF LIBERTY VILLAGE APARTMENTS**

WHEREAS, the California Statewide Communities Development Authority (the "Authority") is authorized by the laws of the State of California (the "Law") to execute and deliver multifamily housing revenue obligations for the purpose of financing the acquisition, construction/rehabilitation and development of multifamily residential rental facilities located within the area of operation of the Authority which are to be occupied, in part, by very low and/or low income tenants; and

WHEREAS, LIH Liberty Village LP, a California limited partnership, or a limited liability company or limited partnership related to or formed by Levy Affiliated Holdings (the "Borrower"), has requested the Authority to issue and deliver multifamily housing revenue obligations in the anticipated principal amount of \$15,000,000 (the "Obligations"), the proceeds of which may only be used for the purpose of financing the acquisition and rehabilitation of a 100-unit multifamily residential rental facility commonly known as Liberty Village Apartments located at 298 W. Chanslor Avenue in the City of Richmond, California (the "Project"); and

WHEREAS, the City of Richmond is a program participant of the Authority; and

WHEREAS, the Obligations which are expected to be issued and delivered to finance the acquisition and rehabilitation of the Project would be considered "qualified exempt facility bonds" under Section 142 (a) of the Internal Revenue Code of 1986, as amended (the "Code"), and Section 147(f) of the Code requires that the "applicable elected representatives" with respect to the jurisdiction in which the Project is located hold a public hearing on the execution and delivery of the Obligations; and

WHEREAS, the City Council of the City of Richmond as the "applicable elected representatives" to hold said public hearing, has held said public hearing at which all those interested in speaking with respect to the proposed financing of the Project were heard.

NOW, THEREFORE, BE IT RESOLVED as follows:

1. The City Council hereby finds and determines that the foregoing recitals are true and correct.
2. For purposes of the requirements of the Code only, the City Council hereby approves the proposed financing of the Project by the Authority with the proceeds of the Obligations.
3. The execution and delivery of the Obligations shall be subject to the approval by the Authority of all financing documents relating thereto to which the Authority is a party and subject to the sale of the Obligations by the Authority.
4. The adoption of this Resolution is solely for the purpose of meeting the requirements of the Code and shall not be construed in any other manner, the City nor its staff having fully reviewed or considered the financial feasibility of the Project or the expected financing or operation of the Project with regards to any State of California statutory requirements, and such adoption shall not obligate (i) the City to provide financing to the Borrower for the acquisition, rehabilitation and development of the Project or to execute and deliver the Obligations for purposes of such financing; or (ii) the City, or any department of the City, to approve any application or request for, or take any other action in connection with, any environmental, General Plan, zoning or any other permit or other action necessary for the acquisition, rehabilitation, development or operation of the Project.

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

Thomas A. Downey
The Orrick Building
Orrick, Herrington & Sutcliffe LLP
405 Howard Street
San Francisco, California 94105

6. This resolution shall take effect upon its adoption.

I hereby certify that the foregoing resolution of the Council of the City of Richmond was duly passed and adopted at a special meeting thereof held Tuesday, February 4, 2014, by the following vote:

AYES: Councilmembers Bates, Boozé, Butt, Myrick, Rogers, Vice Mayor Beckles, and Mayor McLaughlin.

NOES: None.

ABSENT: None.

ABSTENTION: None.

DIANE HOLMES
CLERK OF THE CITY OF RICHMOND

(SEAL)

Approved:

GAYLE MCLAUGHLIN

Mayor

Approved as to form:

BRUCE GOODMILLER

City Attorney

Certified as a True Copy

DIANE HOLMES
CLERK OF THE CITY OF RICHMOND, CALIF

BY *Sam Christ*
DEPUTY

State of California }
County of Contra Costa : ss.
City of Richmond }

I certify that the foregoing is a true copy of **Resolution No. 7-14**, finally passed and adopted by the City Council of the City of Richmond at a special meeting held on February 4, 2014.

RESOLUTION NO. 14-28
(QUALIFIED RESIDENTIAL RENTAL PROJECT)
EXHIBIT A

1. Applicant: California Statewide Communities Development Authority
2. Application No.: 14-031
3. Project Sponsor: LIH Liberty Village LP (LIH Liberty Village LLC; Casa Major, Inc.)
4. Project Management Co.: Platinum Realty Management
5. Project Name: Liberty Village Apartments
6. Type of Project: Acquisition and Rehabilitation/Family
7. Location: Richmond, CA
8. Private Placement Purchaser: Citibank, N.A.
9. The Private Placement Purchaser at the time of issuance will be the same as represented in the application.
Applicable
10. Total Number of Units: 99 plus 1 manager unit
11. Total Number of Restricted Rental Units: 99
12. The term of the income and rental restrictions for the Project will be at least 55 years.
13. The Project will utilize Gross Rents as defined in Section 5170 of the Committee's Regulations.
Applicable
14. Income and Rental Restrictions:
For the entire term of the income and rental restrictions, the Project will have:

At least 10 Qualified Residential units rented or held vacant for rental for persons or families whose income is at 50% or below of the Area Median Income.

At least 89 Qualified Residential units rented or held vacant for rental for persons or families whose income is at 60% or below of the Area Median Income.
15. For acquisition and rehabilitation projects, a minimum of \$10,000 in hard construction costs will be expended for each Project unit.
Applicable
16. A minimum of \$0,000 of public funds will be expended for the Project.
Not Applicable

RESOLUTION NO. 14-28

Exhibit A

Page 2 of 4

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

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

Applicable

Section Waived:

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

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

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

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

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

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

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

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

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

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

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

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

Not Applicable

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

Not Applicable

RESOLUTION NO. 14H-__

A RESOLUTION OF THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY AUTHORIZING THE EXECUTION AND DELIVERY OF A MULTIFAMILY HOUSING REVENUE NOTE IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$12,250,000 FOR THE FINANCING OF A MULTIFAMILY RENTAL HOUSING PROJECT GENERALLY KNOWN AS LIBERTY VILLAGE APARTMENTS; DETERMINING AND PRESCRIBING CERTAIN MATTERS AND APPROVING AND AUTHORIZING THE EXECUTION OF AND DELIVERY OF VARIOUS DOCUMENTS RELATED THERETO; RATIFYING ANY ACTION HERETOFORE TAKEN AND APPROVING RELATED MATTERS IN CONNECTION WITH THE NOTE.

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

WHEREAS, LIH Liberty Village LP, a California limited partnership, and entities related thereto (collectively, the “Borrower”), has requested that the Authority execute and deliver its California Statewide Communities Development Authority Multifamily Housing Revenue Note (Liberty Village Apartments) 2014 Series H-1, its California Statewide Communities Development Authority Multifamily Housing Revenue Note (Liberty Village Apartments) 2014 Series H-2 and its California Statewide Communities Development Authority Taxable Multifamily Housing Revenue Note (Liberty Village Apartments) 2014 Series H-3 (collectively, the “Notes”) to assist in the financing of the acquisition, rehabilitation and development of a 99-unit multifamily housing rental development located in the City of Richmond, California, and known as Liberty Village Apartments (the “Project”);

WHEREAS, on March 19, 2014, the Authority received an allocation in the amount of \$12,250,000 (the “Allocation Amount”) from the California Debt Limit Allocation Committee in connection with the Project;

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

WHEREAS, the Authority is willing to execute and deliver the Notes in an aggregate principal amount not to exceed \$13,750,000, provided that the portion of such Notes executed and delivered as federally tax-exempt obligations shall not exceed the Allocation Amount, and to loan the proceeds thereof to the Borrower to assist in providing financing for the

Project, which will allow the Borrower to reduce the cost of the Project and to assist in providing housing for low income persons;

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

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

(1) Funding Loan Agreement (the “Funding Loan Agreement”) to be entered into between the Funding Lender and the Authority;

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

(3) Regulatory Agreement and Declaration of Restrictive Covenants (the “Regulatory Agreement”) to be entered into between the Authority and the Borrower;

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

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

Section 2. Pursuant to the JPA Law and the Funding Loan Agreement, and in accordance with the Housing Law, the Authority is hereby authorized to execute and deliver the Notes in one or more series. The Notes shall be designated as “California Statewide Communities Development Authority Multifamily Housing Revenue Note (Liberty Village Apartments) 2014 Series H-1,” “California Statewide Communities Development Authority Multifamily Housing Revenue Note (Liberty Village Apartments) 2014 Series H-2” and “California Statewide Communities Development Authority Taxable Multifamily Housing Revenue Note (Liberty Village Apartments) 2014 Series H-3” including, if and to the extent necessary, one or more sub-series, with appropriate modifications and series and sub-series designations as necessary, in an aggregate principal amount not to exceed \$13,750,000; provided that the aggregate principal amount of any tax-exempt Notes executed and delivered shall not exceed the Allocation Amount. The Notes shall be executed and delivered in the form set forth in and otherwise in accordance with the Funding Loan Agreement, and shall be executed on behalf of the Authority by the manual signature of any Authorized Signatory. The Notes shall be secured in accordance with the terms of the Funding Loan Agreement presented to this meeting, as hereinafter approved. Payment of the principal and purchase price of, and prepayment premium, if any, and interest on, the Notes shall be made solely from amounts pledged thereto under the Funding Loan Agreement, and the Notes shall not be deemed to constitute a debt or liability of the Authority or any Program Participant or Member of the Commission of the Authority (each, a “Member”).

Section 3. The Funding Loan Agreement in the form presented at this meeting is hereby approved. Any Member, or any other person as may be designated and authorized to sign for the Authority pursuant to a resolution adopted thereby (including, without limitation, the administrative delegates duly authorized pursuant to Resolution No. 14R-4 of the Authority, adopted on February 6, 2014) (together with the Members, each such person is referred to herein individually as an “Authorized Signatory”), acting alone, is authorized to execute by manual signature and deliver the Funding Loan Agreement, with such changes and insertions therein as may be necessary to cause the same to carry out the intent of this Resolution and as are approved by counsel to the Authority, such approval to be conclusively evidenced by the delivery thereof. The date, maturity date or dates (which shall not extend beyond 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 prepayment and other terms of the Notes shall be as provided in the Funding Loan Agreement as finally executed.

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

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

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

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

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

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

[Remainder of Page Intentionally Left Blank]

PASSED AND ADOPTED by the California Statewide Communities Development Authority this June 12, 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 June 12, 2014.

By _____
Authorized Signatory

Item V.

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

- c. Charlotte Drive Family Apartments L.P., (Charlotte Drive Apartments), City of San Jose, County of Santa Clara; up to \$36 million in multi-family housing revenue notes.
(Staff: Scott Carper)

SUMMARY AND APPROVALS

DATE:	JUNE 12, 2014
APPLICANT:	CHARLOTTE DRIVE FAMILY APARTMENTS, L.P. / ROEM DEVELOPMENT CORPORATION
AMOUNT:	UP TO \$36,000,000 OF TAX-EXEMPT MULTI-FAMILY HOUSING REVENUE BONDS
PURPOSE:	FINANCE THE NEW CONSTRUCTION OF 200-UNIT CHARLOTTE DRIVE FAMILY APARTMENTS LOCATED AT THE SOUTH SIDE OF CHARLOTTE DRIVE, ACROSS FROM CHARLOTTE COMMONS PARK, AND NORTH OF HIGHWAY 85 IN SAN JOSE, CA
CSCDA PROGRAM:	HOUSING

Background:

The proposed project, Charlotte Drive Family Apartments (the “Project”), is a 200-unit proposed new development project located in San Jose, California. The Project application was filed on April 15, 2014 and induced on May 20, 2014.

Summary:

Charlotte Drive Family Apartments, L.P. (the “Borrower”) has requested CSCDA to issue and deliver multifamily housing revenue obligations in the anticipated principal amount of \$36,000,000 (the “Bonds”) for the purpose of financing the ground-up new development of the Project. The Project will provide 80 one-bedroom units and 118 two-bedroom units to low-income families in San Jose.

The 3.40-acre site of the Project will consist of one four story building wrapped around a four tiered parking garage with 227 parking spaces. Charlotte Drive Family Apartments will be built of high-quality Type V residential construction. The community will include a courtyard that has walkable connectivity and will be further enhanced with an outdoor dining area, tot-lot, and lounging areas. In addition, the apartment complex will include a community room with media alcove, kitchen, restrooms, leasing office, homework/computer room, and laundry facilities.

Charlotte Drive Family Apartments is part of a 295-acre Hitachi Master Planned Community which, when complete, will contribute to a large development comprising of condominiums, apartments and townhomes. The master-planned community includes a 10.64-acre park with a baseball field.

Charlotte Drive Family Apartments will represent an environmentally sensitive development while achieving a contemporary design, consistent with the overall style of the master-planned community. Unit amenities will include: blinds, carpet, and coat closets. Appliances will be electrical and will each have a four burner stove/oven and refrigerator. For the convenience of residents, a laundry room with high-capacity washers and dryers will be provided. Charlotte Drive Family Apartments will address several key issues in green building, which are designed to minimize the impact on the environment. Charlotte Drive Family Apartments will focus on water efficiencies, energy

efficiencies, air quality management, and construction and waste management. Water efficiency will include strategies such as: high efficiency irrigation system, specifying limited turf, drought resistant plan palette, efficient showerheads and kitchen faucets, dual flush toilets, roof drainage collection system via down spouts, and a landscaped courtyard. Energy efficiency including better insulation in exterior walls and roofs, insulated windows, high efficiency heating and cooling equipment, and Energy Star refrigerators and dishwashers.

Residents will enjoy access to the interior common area room, including a computer room and multi-purpose recreation room. This space will be integral to the project's on-site resident service program. An emphasis will be placed on providing residents with valuable services and opportunities that enhance their quality of life and promote a safe and stable community. The project will benefit from a full-time property manager who will reside on-site and ensure that the property is maintained to the highest standard. Resident services programs that will be offered to residents include the following:

- After school program and drop-in homework center
- Computer classes for children and adults
- English Instruction Classes
- Children's programs including Summer Program
- Educational, lifestyle, recreational, health and wellness programs
- Activities that build community involvement among residents and the surrounding neighborhood

The anticipated construction start date is August 2014 with a completion date of March 2016.

The Borrower has previously constructed or rehabilitated 19 multifamily and senior housing properties throughout the United States. This is their 16th financing with CSCDA.

Public Benefit:

- Project Affordability
 - 100% of the Project's units will be income restricted:
 - 131 units reserved for tenants whose income is at or below 60% AMI
 - 67 units reserved for tenants whose income is at or below 50% AMI
 - 2 manager units
 - The term of the income and rental restrictions for the Project will be at least 55 years
- Site Amenities
 - The Project is located within ¼ mile of a bus stop
 - The Project is located within ½ mile of a park or recreational facility
- Economic Benefits
 - Based upon \$49,317,316 in Project costs and using a 1.8 multiplier, the Project produces \$88,771,168 in total economic activity, and at 2.1 jobs per unit produces approximately 420 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, City of San Jose, passed and adopted

CDLAC Approval: May 21, 2014

Estimated Sources & Uses:

CONSTRUCTION SOURCES		Total
Investor Capital		8,403,682
Construction Loan		27,499,000
Tranche B Loan		6,000,000
Seller Carry		2,000,000
Accrued Interest - Seller Carry		320,000
Deferred Reserve Funding		602,585
Affordable Fee Contribution		1,800,000
Lease Up Income		0
Deferred Contractor Fee		192,048
Deferred Developer Fee		2,500,000
TOTAL CONS. SOURCES		49,317,315
DEVELOPMENT COSTS		
Land		2,000,000
LAND COSTS TOTAL		2,000,000
Site Improvements & Garage		7,442,902
Construction		22,753,400
General Requirements		1,811,778
Overhead		640,162
Profit		1,920,485
Hard Cost Contingency	5.00%	1,728,436
HARD COSTS TOTAL		36,297,163
Construction/Liability Insurance		452,945
Appraisal/Market Study		25,000
Architect		550,000
Engineering/Consultants		550,000
Permits & Fees		2,800,000
Title / Recording - Construction Loan		50,000
Taxes/Assessment		25,000
Accounting		35,000
Construction Loan Interest		1,545,165
Lender Inspections		35,000
Tranche B Loan Interest		350,546
Seller Carry Loan Interest		320,000
Borrower Legal		85,000

Bond Costs	213,872
Construction Loan Fee	301,491
Construction Loan Application Fee	15,000
Furniture, Fixtures & Equipment	100,000
Marketing/Lease Up/Start Up	50,000
Title / Recording - Permanent Loan	10,000
Legal - Construction Lender	60,000
Legal - Permanent Lender	30,000
TCAC Application Fee	2,000
TCAC Allocation Fee	15,017
TCAC Monitoring Fee	82,000
Soft Cost Contingency	214,532
Cash Reserves	602,585
SOFT COSTS TOTAL	8,520,153
Developer Fee	2,500,000
DEVELOPMENT TOTAL	49,317,316

Finance Team:

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

Financing Structure:

The construction bonds will have a term of 24 months plus a 6-month extension and will carry a variable interest rate of approximately 2.16%. The Bonds will then convert to the permanent phase for 17 years. The projected true interest cost of the fixed rate loan under current market conditions is estimated to be 5.16%.

By using \$36,000,000 in CSCDA Bonds the Project is able to leverage an additional \$13,317,316 in other resources, for a ratio of 2.70 to 1.

Policy Compliance:

The Project complies with the following policies:

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

Financing Approval:

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

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

Attachments:

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

Applicant Information

Primary Contact E-mail: mpilarczyk@roemcorp.com

Name of Developer: **ROEM Development Corporation**

TIN or EIN: **77-0223174**

Primary Contact

First Name: **Mark**

Last Name: **Pilarczyk**

Title: **Acquisition Manager**

Address:

Street: **1650 Lafayette Street**

Suite:

City: **Santa Clara**

State: **California**

Zip: **95050**

Phone: **408-984-5600**

Ext: **30**

Fax:

Email: **mpilarczyk@roemcorp.com**

Borrower Description:

☐ Same as developer ?

Name of Borrowing Entity: **TBD**

Type of Entity:

☐ For-profit Corporation

☐ Non-profit Corporation

☐ Partnership

☒ Other (specify): **LLC**

☐ Will you be applying for State Volume Cap?

Date Organized: **TBD**

No. of Multi-Family Housing Projects Completed in the Last 10 Years: **22**

No. of Low Income Multi-Family Housing Projects Completed in the Last 10 Years: **22**

Primary Billing Contact

Organization: **ROEM Development Corporation**

First Name: **Mark**

Last Name: **Pilarczyk**

Title: **Acquisition Manager**

Address

Street: **1650 Lafayette Street**

Suite:

City: **Santa Clara**

State: **California**

Zip: **95050**

Phone: **408-984-5600**

Ext: **30**

Fax:

Email: **mpilarczyk@roemcorp.com**

Project Information

Project Information

Project Name: **Charlotte Drive**

New Project Name(optional):

Facility Information

Facility #1

Facility Name: **CSCDA**

Facility Bond Amount: \$32,500,000.00

Project Address:

Street: **Charlotte Drive**

City: **San Jose**

State: **California**

Zip: **95123**

County: **Santa Clara County**

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

Total Number of Units:

Market: **0**

Restricted: **200**

Total: **200**

Lot size: **3.24 acres**

Amenities:

Fitness area(gym), community room, computer lounge, leasing office, courtyard/activity space

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

wrap style construction with Type I 4-story garage surrounded by 4-story Type V wood frame residential, all within one building

Type of Housing:

☒ New Construction

☐ Acquisition/Rehab

Facility Use:

☒ Family

☐ Senior

Is this an Assisted Living Facility? ☐

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

Name of Agency: **City of San Jose Planning Department**

First Name: John

Last Name: Baty

Title: Senior Planner

Phone: 408-535-7894

Ext:

Fax:

Email: John.Baty@SanJoseCA.gov

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: 2

#	Bedrooms (Unit Size)	%AMI	No. of restricted units	Restricted rent	Market rent	Expected savings
1.	1 Bedroom	60	50	1,147.00	2,000.00	853.00
2.	1 Bedroom	50	32	956.00	2,000.00	1,044.00
3.	2 Bedrooms	60	81	1,377.00	2,600.00	1,223.00
4.	2 Bedrooms	50	35	1,147.00	2,600.00	1,453.00

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 #:
19	13	29

Financing Information

Financing Information

Maturity **18** 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: CITI Community Capital

Permanent Financing:

☐ Credit Enhancement

☐ None

☐ Letter of Credit

☐ Other (specify)

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

Expected Rating:

☒ Unrated

Moody's:

S&P:

Fitch:

Projected State Allocation Pool:

☒ General ☐ Mixed Income ☐ Rural

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

Sources and Uses

Sources and Uses

Sources of Proceeds

Tax-Exempt Bond Proceeds:	<u>\$32,500,000.00</u>
Taxable Bond Proceeds:	<u>\$</u>
Tax Credits:	<u>\$8,675,774.00</u>
Developer Equity:	<u>\$2,500,000.00</u>
Other Funds (Describe):	
Deferred Reserve Funding	<u>\$598,114.00</u>
Deferred Contractor Fee	<u>\$957,752.00</u>
Lease Up Income	<u>\$938,672.00</u>
	<u>\$</u>
	<u>\$</u>
Total Sources:	<u>\$46,170,312.00</u>

Uses:

Land Acquisition:	<u>\$100.00</u>
Building Acquisition:	<u>\$</u>
Construction or Remodel:	<u>\$36,203,043.00</u>
Cost of Issuance:	<u>\$228,125.00</u>
Capitalized Interest:	<u>\$1,338,974.00</u>
Reserves:	<u>\$598,114.00</u>
Other Uses (Describe):	
Soft Costs (architect & Eng, permits, fees, etc)	<u>\$7,801,956.00</u>
	<u>\$</u>
	<u>\$</u>
	<u>\$</u>
	<u>\$</u>
Total Uses:	<u>\$46,170,312.00</u>

Financing Team Information

Bond Counsel

Firm Name: Orrick

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: **415-773-5759**

Email: **jcooper@orrick.com**

Bank/Underwriter/Bond Purchaser

Firm Name:

Primary Contact

First Name:

Last Name:

Title:

Address:

Street:

Suite:

City:

State:

Zip:

Phone:

Ext:

Fax:

Email:

Financial Advisor

Firm Name:

Primary Contact

First Name:

Last Name:

Title:

Address:

Street:

Suite:

City:

State:

Zip:

Phone:

Ext:

Fax:

Email:

Rebate Analyst

Firm Name:

Primary Contact

First Name:

Last Name:

Title:

Address:

Street:

Suite:

City:

State:

Zip:

Phone:

Ext:

Fax:

Email:

RESOLUTION NO. 76955

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN JOSE APPROVING THE ISSUANCE OF TAX-EXEMPT REVENUE BONDS BY THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY FOR THE FINANCING OF THE CONSTRUCTION OF THE CHARLOTTE DRIVE APARTMENTS AND THE LEXINGTON APARTMENTS PROJECTS

WHEREAS, the California Statewide Communities Development Authority ("CSCDA") is authorized pursuant to Title 1, Division 7, Chapter 5 of the Government Code of the State of California and the terms of an Amended and Restated Joint Exercise of Powers Agreement, dated as of June 1, 1988 ("Agreement"), among certain local agencies throughout the State of California, City of San José, California ("City"), to issue tax- exempt private activity bonds to promote economic development within the State of California; and

WHEREAS, ROEM Development Corporation ("ROEM") has requested that CSCDA issue tax-exempt bonds in an aggregate principal amount not to exceed \$64,000,000 ("Bonds") and to hold the TEFRA public hearing, to fund the construction of two separate affordable housing projects to be built by ROEM located within the territorial limits of the City; and

WHEREAS, pursuant to Section 147(f) of the Internal Revenue Code of 1986 (the "Code"), prior to their issuance, the Bonds are required to be approved by the "applicable elected representative" of the governmental unit on whose behalf the Bonds are expected to be issued and by a governmental unit having jurisdiction over the entire area in which any facility financed by the Bonds is to be located, after a public hearing held following reasonable public notice; and

WHEREAS, the members of the City Council are the applicable elected representatives of the City; and

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

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

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

WHEREAS, on April 15, 2014, the City Council held a TEFRA public hearing for the issuance of up to \$38,000,000 in tax-exempt private activity bonds by CSCDA for the construction of the proposed 200 unit Charlotte Drive Apartments located at 5600 Charlotte Drive; and

WHEREAS, on April 15, 2014, the City Council held a TEFRA public hearing for the issuance of up to \$26,000,000 in tax-exempt private activity bonds by CSCDA for the construction of the proposed 134 unit Lexington Apartments located at the northeast corner of Lexington Avenue and Great Oaks Parkway; and

WHEREAS, the City desires to approve the issuance of the Bonds by CSCDA in an aggregate principal amount not to exceed \$64,000,000 to be used by ROEM to finance the construction of Charlotte Drive Apartments and Lexington Apartments and to pay certain expenses incurred in connection with the issuance of the bonds;

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

1. The City Council hereby finds and determines that the foregoing recitals are true and correct.
2. The City Council hereby approves the issuance of the Bonds by CSCDA and the Project to be financed thereby. This approval is solely for the purposes of Section 147(f) of the Code and Section 9 of the Agreement. The City shall not have any liability or responsibility for the issuance of the Bonds or payment of principal or interest on the Bonds, the Bonds shall not constitute an obligation or indebtedness of the City and the assets and revenues of the City are not being pledged as security for the payment of principal or interest on the Bonds.
3. The issuance and delivery of the Bonds shall be subject to the approval of and execution by CSCDA of all financing documents relating thereto to which CSCDA is a party and is subject to the sale of the Bonds by CSCDA.
4. This resolution shall take effect immediately upon its adoption.

ADOPTED this 15th day of April, 2014, by the following vote:

AYES: CAMPOS, CHU, CONSTANT, HERRERA, KALRA,
KHAMIS, LICCARDO, NGUYEN, ROCHA; REED.

NOES: OLIVERIO.

ABSENT: NONE.

DISQUALIFIED: NONE.

ATTEST:



TONI J. TABER, CMC
City Clerk



CHUCK REED
Mayor

RESOLUTION NO. 14-60
(QUALIFIED RESIDENTIAL RENTAL PROJECT)
EXHIBIT A

1. Applicant: California Statewide Communities Development Authority
2. Application No.: 14-065
3. Project Sponsor: To Be Formed (ROEM Development Corporation and Pacific Housing, Inc.)
4. Project Management Co.: FPI Management
5. Project Name: Charlotte Drive Family Apartments
6. Type of Project: New Construction/Family
7. Location: San Jose, CA
8. Private Placement Purchaser: Citibank, N.A.
9. The Private Placement Purchaser at the time of issuance will be the same as represented in the application.
Applicable
10. Total Number of Units: 189 plus 2 manager units
11. Total Number of Restricted Rental Units: 189
12. The term of the income and rental restrictions for the Project will be at least 55 years.
13. The Project will utilize Gross Rents as defined in Section 5170 of the Committee's Regulations.
Applicable
14. Income and Rental Restrictions:
For the entire term of the income and rental restrictions, the Project will have:

At least 65 Qualified Residential units rented or held vacant for rental for persons or families whose income is at 50% or below of the Area Median Income.

At least 124 Qualified Residential units rented or held vacant for rental for persons or families whose income is at 60% or below of the Area Median Income.
15. For acquisition and rehabilitation projects, a minimum of \$10,000 in hard construction costs will be expended for each Project unit.
Not Applicable
16. A minimum of \$0,000 of public funds will be expended for the Project.
Not Applicable

RESOLUTION NO. 14-60

Exhibit A

Page 2 of 4

17. At a minimum, the financing for the Project shall include a Taxable Tail in the amount of \$0,000. Taxable debt may only be utilized for Project related expenses, not for the cost of issuance, for which the Project Sponsor could otherwise have used tax-exempt financing.

Not Applicable

18. If the Project received points for having large family units, for the entire term of the income and rental restrictions, the Project will have at least three-bedroom or larger units.

Not Applicable

19. For a period of ten (10) years after the Project is placed in use, the Project will provide to Project residents high-speed Internet or wireless (WiFi) service in each Project unit.

Not Applicable

20. For a period of ten (10) years after the Project is placed in use, the Project will offer to Project residents an after school programs of an ongoing nature on-site or there must be an after school program available to Project residents within 1/4 mile of the Project. The programs shall include, but are not limited to: tutoring, mentoring, homework club, and art and recreation activities to be provided weekdays throughout the school year for at least 10 hours per week.

Applicable

21. For a period of ten (10) years after the Project is placed in use, the Project will offer to Project residents instructor-led educational, health and wellness, or skill building classes. The classes shall include, but are not limited to: financial literacy, computer training, home-buyer education, GED, resume building, ESL, nutrition, exercise, health information/awareness, art, parenting, on-site food cultivation and preparation and smoking cessation. Classes shall be provided at a minimum of 84 hours per year (drop-in computer labs, monitoring and technical assistance shall not qualify) and be located within 1/4 mile of the Project.

Applicable

22. For a period of ten (10) years after the Project is placed in use, the Project will offer to Project residents 20 hours or more per week of licensed childcare on-site or there must be 20 hours or more per week of licensed childcare available to Project residents within 1/4 mile of the Project.

Not Applicable

23. For a period of ten (10) years after the Project is placed in use, the Project will offer to Project residents health and wellness services and programs within 1/4 mile of the Project. Such services and programs shall provide individualized support for tenants (not group classes) but need to be provided by licensed individuals or organizations. The services shall include, but are not limited to: visiting nurses programs, intergenerational visiting programs, and senior companion programs. Services shall be provided for a minimum of 100 hours per year.

Not Applicable

24. For a period of ten (10) years after the Project is placed in use, the Project will offer to Project residents a bona fide service coordinator. The responsibilities must include, but are not limited to: (a) providing tenants with information about available services in the community, (b) assisting tenants to access services through referral and advocacy, and (c) organizing community-building and/or enrichment activities for tenants (such as holiday events, tenant council, etc.)

Not Applicable

25. All projects that receive points for being a Federally Assisted At-Risk Project will renew all Section 8 HAP Contracts or equivalent Project-based subsidies for their full term, and will seek additional renewals, if available, throughout the Project's useful life.

Not Applicable

26. All projects that receive points for being a Federally Assisted At-Risk Project based on an expiring Low Income Housing Tax Credit Regulatory Agreement or Tax-Exempt Bond Regulatory Agreement shall have a plan in place to re-certify the incomes of the existing tenants and shall not cause involuntary displacement of any tenant whose income may exceed the Project's income limits.

Not Applicable

RESOLUTION NO. 14-60

Exhibit A

Page 3 of 4

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

Applicable

Section Waived:

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

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

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

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

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

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

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

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

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

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

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

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

Not Applicable

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

Not Applicable

RESOLUTION NO. 14H-__

A RESOLUTION OF THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY AUTHORIZING THE EXECUTION AND DELIVERY OF A MULTIFAMILY HOUSING REVENUE NOTE IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$36,000,000 FOR THE FINANCING OF A MULTIFAMILY RENTAL HOUSING PROJECT TO BE GENERALLY KNOWN AS CHARLOTTE DRIVE APARTMENTS; DETERMINING AND PRESCRIBING CERTAIN MATTERS AND APPROVING AND AUTHORIZING THE EXECUTION OF AND DELIVERY OF VARIOUS DOCUMENTS RELATED THERETO; RATIFYING ANY ACTION HERETOFORE TAKEN AND APPROVING RELATED MATTERS IN CONNECTION WITH THE NOTE.

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

WHEREAS, Charlotte Drive Family Apartments, L.P., a California limited partnership, and entities related thereto (collectively, the “Borrower”), has requested that the Authority execute and deliver its California Statewide Communities Development Authority Multifamily Housing Revenue Note (Charlotte Drive Apartments) 2014 Series I-1 and its California Statewide Communities Development Authority Multifamily Housing Revenue Note (Charlotte Drive Apartments) 2014 Series I-2 (collectively, the “Notes”) to assist in the financing of the acquisition, construction and development of a 191-unit multifamily housing rental development to be located in the City of San Jose, California, and to be known as Charlotte Drive Apartments (the “Project”);

WHEREAS, on May 21, 2014, the Authority received an allocation in the amount of \$36,000,000 (the “Allocation Amount”) from the California Debt Limit Allocation Committee in connection with the Project;

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

WHEREAS, the Authority is willing to execute and deliver the Notes in an aggregate principal amount not to exceed \$36,000,000, provided that the portion of such Notes executed and delivered as federally tax-exempt obligations shall not exceed the Allocation Amount, and to loan the proceeds thereof to the Borrower to assist in providing financing for the

Project, which will allow the Borrower to reduce the cost of the Project and to assist in providing housing for low income persons;

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

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

(1) Funding Loan Agreement (the “Funding Loan Agreement”) to be entered into between the Funding Lender and the Authority;

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

(3) Regulatory Agreement and Declaration of Restrictive Covenants (the “Regulatory Agreement”) to be entered into between the Authority and the Borrower;

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

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

Section 2. Pursuant to the JPA Law and the Funding Loan Agreement, and in accordance with the Housing Law, the Authority is hereby authorized to execute and deliver the Notes in one or more series. The Notes shall be designated as “California Statewide Communities Development Authority Multifamily Housing Revenue Note (Charlotte Drive Apartments) 2014 Series I-1” and “California Statewide Communities Development Authority Multifamily Housing Revenue Note (Charlotte Drive Apartments) 2014 Series I-2” including, if and to the extent necessary, one or more sub-series, with appropriate modifications and series and sub-series designations as necessary, in an aggregate principal amount not to exceed \$36,000,000; provided that the aggregate principal amount of any tax-exempt Notes executed and delivered shall not exceed the Allocation Amount. The Notes shall be executed and delivered in the form set forth in and otherwise in accordance with the Funding Loan Agreement, and shall be executed on behalf of the Authority by the manual signature of any Authorized Signatory. The Notes shall be secured in accordance with the terms of the Funding Loan Agreement presented to this meeting, as hereinafter approved. Payment of the principal and purchase price of, and prepayment premium, if any, and interest on, the Notes shall be made solely from amounts pledged thereto under the Funding Loan Agreement, and the Notes shall not be deemed to constitute a debt or liability of the Authority or any Program Participant or Member of the Commission of the Authority (each, a “Member”).

Section 3. The Funding Loan Agreement in the form presented at this meeting is hereby approved. Any Member, or any other person as may be designated and

authorized to sign for the Authority pursuant to a resolution adopted thereby (including, without limitation, the administrative delegates duly authorized pursuant to Resolution No. 14R-4 of the Authority, adopted on February 6, 2014) (together with the Members, each such person is referred to herein individually as an “Authorized Signatory”), acting alone, is authorized to execute by manual signature and deliver the Funding Loan Agreement, with such changes and insertions therein as may be necessary to cause the same to carry out the intent of this Resolution and as are approved by counsel to the Authority, such approval to be conclusively evidenced by the delivery thereof. The date, maturity date or dates (which shall not extend beyond July 1, 2059), interest rate or rates (which shall not exceed 12%), interest payment dates, denominations, form, registration privileges, manner of execution, place of payment, terms of prepayment and other terms of the Notes shall be as provided in the Funding Loan Agreement as finally executed.

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

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

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

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

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

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

[Remainder of Page Intentionally Left Blank]

PASSED AND ADOPTED by the California Statewide Communities Development Authority this June 12, 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 June 12, 2014.

By _____
Authorized Signatory

Item V.

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

- d. Lexington Avenue Family Apartments L.P., (Lexington Avenue Family Apartments), City of San Jose, County of Santa Clara; up to \$25 million in multi-family housing revenue notes. (Staff: Scott Carper)

SUMMARY AND APPROVALS

DATE:	JUNE 12, 2014
APPLICANT:	LEXINGTON AVENUE FAMILY APARTMENTS, L.P. / ROEM DEVELOPMENT CORPORATION
AMOUNT:	UP TO \$25,000,000 OF TAX-EXEMPT MULTI-FAMILY HOUSING REVENUE BONDS
PURPOSE:	FINANCE THE NEW CONSTRUCTION OF 134-UNIT LEXINGTON AVENUE FAMILY APARTMENTS LOCATED AT THE EASTERN TERMINUS OF LEXINGTON AVENUE, AND SOUTH OF GREAT OAKS PARKWAY IN SAN JOSE, CA
CSCDA PROGRAM:	HOUSING

Background:

The proposed project, Lexington Avenue Family Apartments (the “Project”), is a 134-unit proposed new development project located in San Jose, California. The Project application was filed on April 15, 2014 and induced on May 20, 2014.

Summary:

Lexington Avenue Family Apartments, L.P. (the “Borrower”) has requested CSCDA to issue and deliver multifamily housing revenue obligations in the anticipated principal amount of \$25,000,000 (the “Bonds”) for the purpose of financing the ground-up new development of the Project. The Project will provide 74 one-bedroom units and 59 two-bedroom units to low-income families in San Jose.

The 1.58-acre site of the Project will consist of one five story building wrapped around an at-grade parking garage with 149 parking spaces. Lexington Avenue Family Apartments will be built of high-quality Type III residential construction. The community will include a courtyard that has walkable connectivity and will be further enhanced with an outdoor dining area, tot-lot, and lounging areas. In addition, the apartment complex will include a community room with media alcove, kitchen, restrooms, leasing office, homework/computer room, and laundry facilities.

Lexington Avenue Family Apartments is part of a 295-acre Hitachi Master Planned Community which, when complete, will contribute to a large development comprising of condominiums, apartments and townhomes. The master-planned community includes a 10.64-acre park with a baseball field.

Lexington Avenue Family Apartments will represent an environmentally sensitive development while achieving a contemporary design, consistent with the overall style of the master-planned community. Unit amenities will include: blinds, carpet, and coat closets. Appliances will be electrical and will each have a four burner stove/oven and refrigerator. For the convenience of residents, a laundry room with high-capacity washers and dryers will be provided. Lexington Avenue Family Apartments will address several key issues in green building, which are designed to minimize the impact on the

environment. Lexington Avenue Family Apartments will focus on water efficiencies, energy efficiencies, air quality management, and construction and waste management. Water efficiency will include strategies such as: high efficiency irrigation system, specifying limited turf, drought resistant plan palette, efficient showerheads and kitchen faucets, dual flush toilets, roof drainage collection system via down spouts, and a landscaped courtyard. Energy efficiency including better insulation in exterior walls and roofs, insulated windows, high efficiency heating and cooling equipment, and Energy Star refrigerators and dishwashers.

Residents will enjoy access to the interior common area room, including a computer room and multi-purpose recreation room. This space will be integral to the project's on-site resident service program. An emphasis will be placed on providing residents with valuable services and opportunities that enhance their quality of life and promote a safe and stable community. The project will benefit from a full-time property manager who will reside on-site and ensure that the property is maintained to the highest standard. Resident services programs that will be offered to residents include the following:

- After school program and drop-in homework center
- Computer classes for children and adults
- English Instruction Classes
- Children's programs including Summer Program
- Educational, lifestyle, recreational, health and wellness programs
- Activities that build community involvement among residents and the surrounding neighborhood

The anticipated construction start date is August 2014 with a completion date of January 2016.

The Borrower has previously constructed or rehabilitated 19 multifamily and senior housing properties throughout the United States. This is their 17th financing with CSCDA.

Public Benefit:

- Project Affordability
 - 100% of the Project's units will be income restricted:
 - 85 units reserved for tenants whose income is at or below 60% AMI
 - 48 units reserved for tenants whose income is at or below 50% AMI
 - 1 manager unit
 - The term of the income and rental restrictions for the Project will be at least 55 years
- Site Amenities
 - The Project is located within ¼ mile of a bus stop
 - The Project is located within ½ mile of a park or recreational facility
 - The Project is located within ½ mile of a full scale grocery store/supermarket of at least 25,000 gross interior square feet
- Economic Benefits
 - Based upon \$34,556,904 Project costs and using a 1.8 multiplier, the Project produces \$62,202,427 in total economic activity, and at 2.1 jobs per unit produces approximately 281 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, City of San Jose, passed and adopted

CDLAC Approval: May 21, 2014

Estimated Sources and Uses:

CONSTRUCTION SOURCES		Total
Investor Capital		4,250,532
Construction Loan		17,660,000
Tranche B Loan		6,000,000
Seller Carry		1,000,000
Accrued Interest - Seller Carry		160,000
Deferred Reserve Funding		392,264
Affordable Fee Contribution		2,000,000
Lease Up Income		0
Deferred Contractor Fee		594,108
Deferred Developer Fee		2,500,000
TOTAL CONS. SOURCES		34,556,903
Land		1,000,000
LAND COSTS TOTAL		1,000,000
Site Improvements & Garage		5,050,000
Construction		15,708,480
General Requirements		1,245,509
Overhead		440,080
Profit		1,320,239
Hard Cost Contingency	5.00%	1,188,215
HARD COSTS TOTAL		24,952,523
Construction/Liability Insurance		311,377
Appraisal/Market Study		25,000
Architect		550,000
Engineering/Consultants		500,000
Permits & Fees		1,876,000
Title / Recording - Construction Loan		50,000
Taxes/Assessment		25,000
Accounting		35,000
Construction Loan Interest		878,676
Lender Inspections		35,000
Tranche B Loan Interest		329,853
Seller Carry Loan Interest		160,000
Borrower Legal		85,000
Bond Costs		185,831
Construction Loan Fee		177,450

Construction Loan Application Fee	15,000
Furniture, Fixtures & Equipment	100,000
Marketing/Lease Up/Start Up	50,000
Title / Recording - Permanent Loan	10,000
Legal - Construction Lender	60,000
Legal - Permanent Lender	30,000
TCAC Application Fee	2,000
TCAC Allocation Fee	10,656
TCAC Monitoring Fee	54,940
Soft Cost Contingency	155,334
Cash Reserves	392,264
SOFT COSTS TOTAL	6,104,381
Developer Fee	2,500,000
DEVELOPMENT TOTAL	34,556,904

Finance Team:

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

Financing Structure:

The construction bonds will have a term of 24 months plus a 6-month extension and will carry a variable interest rate of approximately 2.16%. The Bonds will then convert to the permanent phase for 17 years. The projected true interest cost of the fixed rate loan under current market conditions is estimated to be 5.16%.

By using \$25,000,000 in CSCDA Bonds the Project is able to leverage an additional \$9,556,904 in other resources, for a ratio of 2.61 to 1.

Policy Compliance:

The Project complies with the following policies:

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

Financing Approval:

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

1. Approves the issuance of the Bonds and the financing of the Project;
2. Approves all necessary actions and documents for the financing; and

3. Authorizes any member of the Commission or Authorized Signatory to sign all necessary documents.

Attachments:

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

Applicant Information

Primary Contact E-mail: mpilarczyk@roemcorp.com

Name of Developer: **ROEM Development Corporation**

TIN or EIN: **77-0223174**

Primary Contact

First Name: **Mark**

Last Name: **Pilarczyk**

Title: **Acquisition Manager**

Address:

Street: **1650 Lafayette Street**

Suite:

City: **Santa Clara**

State: **California**

Zip: **95050**

Phone: **408-984-5600**

Ext: **30**

Fax:

Email: **mpilarczyk@roemcorp.com**

Borrower Description:

☐ Same as developer ?

Name of Borrowing Entity: **TBD**

Type of Entity:

☐ For-profit Corporation

☐ Non-profit Corporation

☐ Partnership

☒ Other (specify): **LLC**

☐ Will you be applying for State Volume Cap?

Date Organized: **TBD**

No. of Multi-Family Housing Projects Completed in the Last 10 Years: **22**

No. of Low Income Multi-Family Housing Projects Completed in the Last 10 Years: **22**

Primary Billing Contact

Organization: **ROEM Development Corporation**

First Name: **Mark**

Last Name: **Pilarczyk**

Title: **Acquisition Manager**

Address

Street: **1650 Lafayette Street**

Suite:

City: **Santa Clara**

State: **California**

Zip: **95050**

Phone: **408-984-5600**

Ext: **30**

Fax:

Email: **mpilarczyk@roemcorp.com**

Project Information

Project Information

Project Name: **Lexington Apartments**

New Project Name(optional):

Facility Information

Facility #1

Facility Name: **CITI Community Capital**

Facility Bond Amount: \$22,000,000.00

Project Address:

Street: **Lexington Avenue**

City: **San Jose**

State: **California**

Zip: **95123**

County: **Santa Clara County**

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

Total Number of Units:

Market: **0**

Restricted: **134**

Total: **134**

Lot size: **1.75 acres**

Amenities:

Gym, leasing office, computer room, community room, courtyard/outdoor amenity area

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

Type I concrete wrap style parking garage that is 5-stories tall surrounded by Type III Modified wood framing
5-story residential units, all within one building.

Type of Housing:

☒ New Construction

☐ Acquisition/Rehab

Facility Use:

☒ Family

☐ Senior

Is this an Assisted Living Facility? ☐

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

Name of Agency: **City of San Jose Planning Department**

First Name: John

Last Name: Baty

Title: Senior Planner

Phone: 408-535-7894

Ext:

Fax:

Email: John.Baty@SanJoseCA.gov

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.	1 Bedroom	60	48	1,147.00	2,000.00	853.00
2.	1 Bedroom	50	26	956.00	2,000.00	1,044.00
3.	2 Bedrooms	60	37	1,377.00	2,600.00	1,223.00
4.	2 Bedrooms	50	22	1,147.00	2,600.00	1,453.00

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 #:
19	13	29

Financing Information

Financing Information

Maturity **18** 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: CITI Community Capital

Permanent Financing:

☐ Credit Enhancement

☒ None

☐ Letter of Credit

☐ Other (specify)

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

Expected Rating:

☒ Unrated

Moody's:

S&P:

Fitch:

Projected State Allocation Pool:

☒ General ☐ Mixed Income ☐ Rural

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

Sources and Uses

Sources and Uses

Sources of Proceeds

Tax-Exempt Bond Proceeds:	<u>\$22,000,000.00</u>
Taxable Bond Proceeds:	<u>\$</u>
Tax Credits:	<u>\$4,973,014.00</u>
Developer Equity:	<u>\$2,500,000.00</u>
Other Funds (Describe):	
Deferred Reserve Funding	<u>\$390,134.00</u>
Affordable Fee Contribution (private)	<u>\$2,000,000.00</u>
Lease Up Income	<u>\$604,529.00</u>
Deferred Contractor Fee	<u>\$659,923.00</u>
	<u>\$</u>
Total Sources:	<u>\$33,127,600.00</u>

Uses:

Land Acquisition:	<u>\$100.00</u>
Building Acquisition:	<u>\$</u>
Construction or Remodel:	<u>\$24,945,072.00</u>
Cost of Issuance:	<u>\$198,200.00</u>
Capitalized Interest:	<u>\$927,774.00</u>
Reserves:	<u>\$390,134.00</u>
Other Uses (Describe):	
Other Soft Costs (design, fees, legal, etc.)	<u>\$6,666,320.00</u>
	<u>\$</u>
	<u>\$</u>
	<u>\$</u>
	<u>\$</u>
Total Uses:	<u>\$33,127,600.00</u>

Financing Team Information

Bond Counsel

Firm Name: ORRICK

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: 415-773-5759

Email: jcooper@orrick.com

Bank/Underwriter/Bond Purchaser

Firm Name:

Primary Contact

First Name:

Last Name:

Title:

Address:

Street:

Suite:

City:

State:

Zip:

Phone:

Ext:

Fax:

Email:

Financial Advisor

Firm Name:

Primary Contact

First Name:

Last Name:

Title:

Address:

Street:

Suite:

City:

State:

Zip:

Phone:

Ext:

Fax:

Email:

Rebate Analyst

Firm Name:

Primary Contact

First Name:

Last Name:

Title:

Address:

Street:

Suite:

City:

State:

Zip:

Phone:

Ext:

Fax:

Email:

RESOLUTION NO. 76955

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN JOSE APPROVING THE ISSUANCE OF TAX-EXEMPT REVENUE BONDS BY THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY FOR THE FINANCING OF THE CONSTRUCTION OF THE CHARLOTTE DRIVE APARTMENTS AND THE LEXINGTON APARTMENTS PROJECTS

WHEREAS, the California Statewide Communities Development Authority ("CSCDA") is authorized pursuant to Title 1, Division 7, Chapter 5 of the Government Code of the State of California and the terms of an Amended and Restated Joint Exercise of Powers Agreement, dated as of June 1, 1988 ("Agreement"), among certain local agencies throughout the State of California, City of San José, California ("City"), to issue tax- exempt private activity bonds to promote economic development within the State of California; and

WHEREAS, ROEM Development Corporation ("ROEM") has requested that CSCDA issue tax-exempt bonds in an aggregate principal amount not to exceed \$64,000,000 ("Bonds") and to hold the TEFRA public hearing, to fund the construction of two separate affordable housing projects to be built by ROEM located within the territorial limits of the City; and

WHEREAS, pursuant to Section 147(f) of the Internal Revenue Code of 1986 (the "Code"), prior to their issuance, the Bonds are required to be approved by the "applicable elected representative" of the governmental unit on whose behalf the Bonds are expected to be issued and by a governmental unit having jurisdiction over the entire area in which any facility financed by the Bonds is to be located, after a public hearing held following reasonable public notice; and

WHEREAS, the members of the City Council are the applicable elected representatives of the City; and

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

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

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

WHEREAS, on April 15, 2014, the City Council held a TEFRA public hearing for the issuance of up to \$38,000,000 in tax-exempt private activity bonds by CSCDA for the construction of the proposed 200 unit Charlotte Drive Apartments located at 5600 Charlotte Drive; and

WHEREAS, on April 15, 2014, the City Council held a TEFRA public hearing for the issuance of up to \$26,000,000 in tax-exempt private activity bonds by CSCDA for the construction of the proposed 134 unit Lexington Apartments located at the northeast corner of Lexington Avenue and Great Oaks Parkway; and

WHEREAS, the City desires to approve the issuance of the Bonds by CSCDA in an aggregate principal amount not to exceed \$64,000,000 to be used by ROEM to finance the construction of Charlotte Drive Apartments and Lexington Apartments and to pay certain expenses incurred in connection with the issuance of the bonds;

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

1. The City Council hereby finds and determines that the foregoing recitals are true and correct.
2. The City Council hereby approves the issuance of the Bonds by CSCDA and the Project to be financed thereby. This approval is solely for the purposes of Section 147(f) of the Code and Section 9 of the Agreement. The City shall not have any liability or responsibility for the issuance of the Bonds or payment of principal or interest on the Bonds, the Bonds shall not constitute an obligation or indebtedness of the City and the assets and revenues of the City are not being pledged as security for the payment of principal or interest on the Bonds.
3. The issuance and delivery of the Bonds shall be subject to the approval of and execution by CSCDA of all financing documents relating thereto to which CSCDA is a party and is subject to the sale of the Bonds by CSCDA.
4. This resolution shall take effect immediately upon its adoption.

ADOPTED this 15th day of April, 2014, by the following vote:

AYES: CAMPOS, CHU, CONSTANT, HERRERA, KALRA,
KHAMIS, LICCARDO, NGUYEN, ROCHA; REED.

NOES: OLIVERIO.

ABSENT: NONE.

DISQUALIFIED: NONE.

ATTEST: 

TONI J. TABER, CMC
City Clerk



CHUCK REED
Mayor

RESOLUTION NO. 14-57
(QUALIFIED RESIDENTIAL RENTAL PROJECT)
EXHIBIT A

1. Applicant: California Statewide Communities Development Authority
2. Application No.: 14-061
3. Project Sponsor: To Be Formed (ROEM Development Corporation and Pacific Housing, Inc.)
4. Project Management Co.: FPI Management
5. Project Name: Lexington Avenue Family Apartments
6. Type of Project: New Construction/Family
7. Location: San Jose, CA
8. Private Placement Purchaser: Citibank, N.A.
9. The Private Placement Purchaser at the time of issuance will be the same as represented in the application.
Applicable
10. Total Number of Units: 133 plus 1 manager unit
11. Total Number of Restricted Rental Units: 133
12. The term of the income and rental restrictions for the Project will be at least 55 years.
13. The Project will utilize Gross Rents as defined in Section 5170 of the Committee's Regulations.
Applicable
14. Income and Rental Restrictions:
For the entire term of the income and rental restrictions, the Project will have:

At least 14 Qualified Residential units rented or held vacant for rental for persons or families whose income is at 50% or below of the Area Median Income.

At least 119 Qualified Residential units rented or held vacant for rental for persons or families whose income is at 60% or below of the Area Median Income.
15. For acquisition and rehabilitation projects, a minimum of \$10,000 in hard construction costs will be expended for each Project unit.
Not Applicable
16. A minimum of \$0,000 of public funds will be expended for the Project.
Not Applicable

RESOLUTION NO. 14-57

Exhibit A

Page 2 of 4

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

RESOLUTION NO. 14-57

Exhibit A

Page 3 of 4

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

Applicable

Section Waived:

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

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

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

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

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

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

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

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

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

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

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

RESOLUTION NO. 14-57

Exhibit A

Page 4 of 4

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

Not Applicable

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

Not Applicable

RESOLUTION NO. 14H-__

A RESOLUTION OF THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY AUTHORIZING THE EXECUTION AND DELIVERY OF A MULTIFAMILY HOUSING REVENUE NOTE IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$25,000,000 FOR THE FINANCING OF A MULTIFAMILY RENTAL HOUSING PROJECT TO BE GENERALLY KNOWN AS CHARLOTTE DRIVE APARTMENTS; DETERMINING AND PRESCRIBING CERTAIN MATTERS AND APPROVING AND AUTHORIZING THE EXECUTION OF AND DELIVERY OF VARIOUS DOCUMENTS RELATED THERETO; RATIFYING ANY ACTION HERETOFORE TAKEN AND APPROVING RELATED MATTERS IN CONNECTION WITH THE NOTE.

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

WHEREAS, Lexington Avenue Family Apartments, L.P., a California limited partnership, and entities related thereto (collectively, the “Borrower”), has requested that the Authority execute and deliver its California Statewide Communities Development Authority Multifamily Housing Revenue Note (Lexington Avenue Apartments) 2014 Series J-1 and its California Statewide Communities Development Authority Multifamily Housing Revenue Note (Lexington Avenue Apartments) 2014 Series J-2 (collectively, the “Notes”) to assist in the financing of the acquisition, construction and development of a 134-unit multifamily housing rental development to be located in the City of San Jose, California, and to be known as Lexington Avenue Apartments (the “Project”);

WHEREAS, on May 21, 2014, the Authority received an allocation in the amount of \$25,000,000 (the “Allocation Amount”) from the California Debt Limit Allocation Committee in connection with the Project;

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

WHEREAS, the Authority is willing to execute and deliver the Notes in an aggregate principal amount not to exceed \$25,000,000, provided that the portion of such Notes executed and delivered as federally tax-exempt obligations shall not exceed the Allocation Amount, and to loan the proceeds thereof to the Borrower to assist in providing financing for the

Project, which will allow the Borrower to reduce the cost of the Project and to assist in providing housing for low income persons;

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

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

(1) Funding Loan Agreement (the “Funding Loan Agreement”) to be entered into between the Funding Lender and the Authority;

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

(3) Regulatory Agreement and Declaration of Restrictive Covenants (the “Regulatory Agreement”) to be entered into between the Authority and the Borrower;

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

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

Section 2. Pursuant to the JPA Law and the Funding Loan Agreement, and in accordance with the Housing Law, the Authority is hereby authorized to execute and deliver the Notes in one or more series. The Notes shall be designated as “California Statewide Communities Development Authority Multifamily Housing Revenue Note (Lexington Avenue Apartments) 2014 Series J-1” and “California Statewide Communities Development Authority Multifamily Housing Revenue Note (Lexington Avenue Apartments) 2014 Series J-2” including, if and to the extent necessary, one or more sub-series, with appropriate modifications and series and sub-series designations as necessary, in an aggregate principal amount not to exceed \$25,000,000; provided that the aggregate principal amount of any tax-exempt Notes executed and delivered shall not exceed the Allocation Amount. The Notes shall be executed and delivered in the form set forth in and otherwise in accordance with the Funding Loan Agreement, and shall be executed on behalf of the Authority by the manual signature of any Authorized Signatory. The Notes shall be secured in accordance with the terms of the Funding Loan Agreement presented to this meeting, as hereinafter approved. Payment of the principal and purchase price of, and prepayment premium, if any, and interest on, the Notes shall be made solely from amounts pledged thereto under the Funding Loan Agreement, and the Notes shall not be deemed to constitute a debt or liability of the Authority or any Program Participant or Member of the Commission of the Authority (each, a “Member”).

Section 3. The Funding Loan Agreement in the form presented at this meeting is hereby approved. Any Member, or any other person as may be designated and

authorized to sign for the Authority pursuant to a resolution adopted thereby (including, without limitation, the administrative delegates duly authorized pursuant to Resolution No. 14R-4 of the Authority, adopted on February 6, 2014) (together with the Members, each such person is referred to herein individually as an “Authorized Signatory”), acting alone, is authorized to execute by manual signature and deliver the Funding Loan Agreement, with such changes and insertions therein as may be necessary to cause the same to carry out the intent of this Resolution and as are approved by counsel to the Authority, such approval to be conclusively evidenced by the delivery thereof. The date, maturity date or dates (which shall not extend beyond July 1, 2059), interest rate or rates (which shall not exceed 12%), interest payment dates, denominations, form, registration privileges, manner of execution, place of payment, terms of prepayment and other terms of the Notes shall be as provided in the Funding Loan Agreement as finally executed.

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

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

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

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

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

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

[Remainder of Page Intentionally Left Blank]

PASSED AND ADOPTED by the California Statewide Communities Development Authority this June 12, 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 June 12, 2014.

By _____
Authorized Signatory

Item V.

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

- e. Kings County Detention Facility, City of Hanford, County of Kings; up to \$7,500,000 in lease revenue bonds. (Staff: Caitlin Lancot)

SUMMARY AND APPROVALS

DATE: JUNE 12, 2014
APPLICANT: KINGS COUNTY, CA
AMOUNT: UP TO \$7.5 MILLION TAX-EXEMPT OBLIGATIONS
PURPOSE: FINANCING FOR THE LOCAL MATCH OF AB900 DETENTION FACILITY EXPANSION PROJECT

Background:

Kings County, CA (the “County”) is requesting CSCDA to issue Lease Revenue Bonds (the “Bonds”) to assist the County in financing a portion of the costs of the construction of the expansion of the County’s existing detention facility (the “Project”). The remaining portion of the costs of construction of the Project will be financed by the State under a program created by Assembly Bill 900, also known as Public Safety and Offender Rehabilitation Services Act of 2007 (“AB900”), to assist counties with the construction approved local detention facilities. The proceeds of the Bonds will constitute a portion of the required cash contribution of the County required by AB900. The total project costs are detailed below:

Source	Amount
AB 900 Grant	\$ 33,000,000
Bond Proceeds	5,550,000
County Cash	2,290,000
Total Project Cost	\$ 40,840,000

The detention facility expansion will include the construction of 69,099 additional square feet of space consisting of 40,071 square feet for housing (252 beds), 16,544 square feet for support functions (including an infirmary), and 5,624 square feet for administration and 6,860 square feet for services space. Construction is expected to commence on July 28, 2014.

Kings County has participated in previous CSCDA financing programs including the TRANS Program, POB Program, Tobacco Securitization Program and the Prop 1-A Securitization Program.

Finance Team:

- Bond Counsel: Orrick, Herrington & Sutcliffe, LLP, Los Angeles
- Financial Advisor: Bando Public Finance, LLC
- Underwriters: Citigroup and Stifel Nicolaus
- Underwriters Counsel: Hawkins Delafield & Wood, San Francisco
- Authority Counsel: Orrick, Herrington & Sutcliffe, LLP, Sacramento
- Trustee: Wilmington Trust Company

Financing Structure:

Because the County's detention facility will become the leased asset for bonds to be issued by the State of California to generate proceeds for the \$33 million AB 900 grant, the County is using an asset transfer as the leased facility for the Bonds. The County is leasing to CSCDA, under the Site Lease, four County government buildings; the Administration, Finance, Engineering and the Services buildings, located on the main governmental complex of the County in Hanford, CA. CSCDA will sublease back to the County, under the Facility Lease, the four buildings. CSCDA will enter into an Indenture, with Wilmington Trust Company and the County, and issue Lease Revenue Bonds secured by Base Rental Payments due to CSCDA under the Facility Lease.

The first principal maturity is scheduled on June 1, 2016. County will pay interest only on the bonds through the end of construction which is expected to be completed in January 2016. Base rental payments and debt service on the bonds will be level after June 1, 2016 until the final maturity of the bonds. The County has targeted annual debt service to be no more than \$500,000 which will result in a final maturity of the bonds to be between 2031 and 2033, depending on market conditions at the time of the Bond sale. The Bonds are scheduled to be publicly offered on Wednesday, June 25th through a negotiated sale with Citigroup and Stifel Nicolaus.

The Bonds have been rated A by Standard and Poor's Corporation. The County has applied to Assured Guaranty and Build America Mutual for municipal bond insurance. If the County decides to insure the bonds, the rating will be AA.

Estimated Sources and Uses:

Sources

Par Amount	\$5,620,000
Premium	664,958
Total Sources	\$6,284,958

Uses

Project Fund	\$5,550,000
Debt Service Reserve Fund	501,000
Cost of Issuance	200,000
Rounding Amount	3,645
Total Uses	\$6,284,958

CSCDA Consideration of Approval:

The Project provides public benefit in the form of providing public protection facilities in Kings County. The proposed Bonds are in compliance with CSCDA's policies and staff recommends¹ approval of the following:

¹ Catherine Bando, Executive Director of CSCDA, is serving as Financial Advisor on the Kings County financing. Prior to her engagement as CSCDA's Executive Director, Ms. Bando disclosed to

1. Resolution authorizing the execution and delivery of a Facility Lease, Site Lease, Assignment Agreement, Indenture, and Purchase Contract in connection with the execution and delivery of not to exceed \$7,500,000 Lease Revenue Bonds, Series 2014
2. Authorizing the execution and delivery of the Lease Revenue Bonds
3. Authorizing the distribution of an Official Statement in connection with the offering and sale of the Lease Revenue Bonds, and
4. Authorizing the execution of the necessary documents and certificates and related actions

Attachments:

Copies of the following proposed form of documents are on file with and available through the Secretary to the Board:

1. an Indenture;
2. a Site Lease;
3. a Facility Lease;
4. an Assignment Agreement;
5. a Purchase Contract; and
6. a Preliminary Official Statement

CSCDA that she had a prior commitment to the County to serve as Financial Advisor in connection with the issuance of the Bonds that were scheduled to be issued through CSCDA in 2014. CSCDA agreed to permit her to fulfill her obligation to the County on the pending Bond issue. CSCDA agreed that, in order to avoid a conflict of interest for Ms. Bando, she will not review, make recommendations or participate in the Kings County's bond issue in any way as Executive Director for CSCDA and its Commission. The County's issue has been reviewed by CSCDA's Program Administrator, HB Capital.

RESOLUTION NO. _____

RESOLUTION OF THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY AUTHORIZING THE EXECUTION AND DELIVERY BY THE AUTHORITY OF A FACILITY LEASE, SITE LEASE, AN ASSIGNMENT AGREEMENT, INDENTURE, AND PURCHASE CONTRACT IN CONNECTION WITH THE EXECUTION AND DELIVERY OF NOT TO EXCEED \$7,500,000 AGGREGATE PRINCIPAL AMOUNT OF CALIFORNIA COMMUNITIES DEVELOPMENT AUTHORITY LEASE REVENUE BONDS, SERIES 2014, AUTHORIZING THE EXECUTION AND DELIVERY OF SUCH BONDS, AUTHORIZING THE DISTRIBUTION OF AN OFFICIAL STATEMENT IN CONNECTION WITH THE OFFERING AND SALE OF SUCH BOND AND AUTHORIZING THE EXECUTION OF NECESSARY DOCUMENTS AND CERTIFICATES AND RELATED ACTIONS

WHEREAS, the California Statewide Communities Development Authority (the “Authority”) is a joint exercise of powers authority duly organized and operating pursuant to Article 1 of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California;

WHEREAS, the Authority was established for the purpose, among others, of providing for the financing of public capital improvements for its members, which include Kings County (the “County”); and

WHEREAS, the County desires to construct an expansion to certain detention facilities to be located in Hanford, California (the “Project”); and

WHEREAS, the County has received an award of funds in the amount of \$33,000,000 pursuant to the second phase of the Public Safety and Offender Rehabilitation Services Act of 2007, as heretofore amended, to finance the cost of the Project; and

WHEREAS, as a condition to the receipt of such funds the County is required to make a minimum contribution toward the cost of the construction of the Project (the “County Contribution”); and

WHEREAS, in order to provide the funds necessary to finance the County Contribution, the County and the Authority will enter into a Site Lease (the “Site Lease”), whereby the County will lease to the Authority certain real property and the improvements located thereon (the “Leased Property”), and the County and the Authority will enter into a Facility Lease (the “Facility Lease”), whereby the County will sublease from the Authority the Leased Property; and

WHEREAS, pursuant to an assignment agreement, the Authority will transfer certain of its rights, title and interests in and to the Site Lease and the Facility Lease, including its right to receive base rental payments due under the Facility Lease, to Wilmington Trust, N.A., a national banking association duly organized and existing under and by virtue of the laws of the United States of America (the “Trustee”); and

WHEREAS, pursuant to an Indenture (the “Indenture”) by and among the County, the Authority and the Trustee, the Authority will issue and deliver its California Statewide Communities Development Authority Lease Revenue Bonds (Facilities Expansion Project), Series 2014 in an aggregate principal amount of not to exceed \$7,500,000 (the “Bonds”), the proceeds of which will be used to finance the County Contribution and related costs of issuance and a reserve fund; and

WHEREAS, the Bonds will be secured by, among other things, the base rental payments made by the County under the Facility Lease; and

WHEREAS, in connection with the issuance and delivery of the Bonds, the Authority also desires to approve the form and distribution of a preliminary official statement (the “Preliminary Official Statement”) and the form of a purchase contract (the “Purchase Contract”) with the County and the underwriter named therein (the “Underwriter”); and

WHEREAS, the County, in consideration of the Authority’s determination to assist with the financing of the Project as described above, has agreed to indemnify and hold harmless the Authority in connection with entering into the Site Lease and the Facility Lease and the Project, as more particularly set forth in the Facility Lease; and

WHEREAS, there have been presented to this meeting proposed forms of the following documents:

- (a) an Indenture;
- (b) a Site Lease;
- (c) a Facility Lease;
- (d) an Assignment Agreement;
- (e) a Purchase Contract; and
- (f) a Preliminary Official Statement;

WHEREAS, the Authority and the County may determine that securing the timely payment of the principal and interest of the Bonds by obtaining a bond insurance policy with respect thereto could be economically advantageous;

WHEREAS, the public improvements to be financed by the County are to be located within the boundaries of the County;

WHEREAS, the financing of the County Contribution will result in significant public benefits in the form of demonstrable efficiencies, economies of scale, savings in effective interest rates and other cost savings for the County; and

WHEREAS, all acts, conditions and things required by the laws of the State of California to exist, to have happened and to have been performed precedent to and in connection

with the consummation of such financing authorized hereby do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the Authority is now duly authorized and empowered, pursuant to each and every requirement of law, to consummate such financing for the purpose, in the manner and upon the terms herein provided;

NOW, THEREFORE, BE IT RESOLVED BY THE COMMISSION OF THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY, as follows:

Section 1. Recitals. All of the recitals herein contained are true and correct and the Commission so finds.

Section 2. Approval of Issuance of Bonds. The issuance of the Bonds by the Authority on the terms and conditions set forth in, and subject to the limitations specified in, the Indenture and this Resolution, is hereby approved; provided, however, that (i) the aggregate principal amount of Bonds shall not exceed \$7,500,000, (ii) the maturity of the Bonds shall not exceed June 1, 2045 and (iii) the true interest cost with respect to the Bonds shall not exceed 6.0% per annum.

Section 3. Approval of Indenture. The form of Indenture to be dated as of the first day of the month preceding the initial execution and delivery of the Bonds (the "Document Date"), presented to the Authority at this meeting and on file with the Secretary, is hereby approved, and any member of the Commission or their administrative delegates duly authorized pursuant to Resolution No. 14R-4 of the Authority, adopted on February 6, 2014 (each, an "Authorized Signatory") is hereby authorized and directed to execute and deliver the Indenture in substantially such 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. Approval of Site Lease. The form of Site Lease to be dated the Document Date, between the County and the Authority, presented to the Authority at this meeting and on file with the Secretary, is hereby approved. Any Authorized Signatory is hereby authorized and directed to execute and deliver the Site Lease in substantially such 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. Approval of Facility Lease. The form of Facility Lease to be dated the Document Date, between the County and the Authority, presented to the Authority at this meeting and on file with the Secretary, is hereby approved. Any Authorized Signatory is hereby authorized and directed to execute and deliver the Facility Lease in substantially such 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 6. Approval of Assignment Agreement. The form of Assignment Agreement to be dated the Document Date, between the Trustee and the Authority, presented to the Authority at this meeting and on file with the Secretary, is hereby approved. Any Authorized Signatory is

hereby authorized and directed to execute and deliver the Assignment Agreement in substantially such 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 7. Approval of Purchase Contract. The form of Purchase Contract pertaining to the Bonds (to be revised as appropriate), presented to the Authority at this meeting and on file with the Secretary, is hereby approved. Any Authorized Signatory is hereby authorized and directed to execute the Purchase Contract in substantially such 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; *provided, however*, that the underwriting fee payable pursuant to the Purchase Contract shall not exceed 1.00% of the aggregate principal amount of the Bonds and the maturity date, the principal amount of the Bonds and the interest rates thereon shall be limited as specified in Section 2 hereof.

Section 8. Approval of Preliminary Official Statement. The form of Preliminary Official Statement relating to the Certificates, presented to the Authority at this meeting and on file with the Secretary, is hereby approved on behalf of the County. Any member of the Commission is hereby authorized and directed, at or after the time of the sale of the Bonds, on behalf of the County, to execute a final Official Statement in substantially the form of the Preliminary Official Statement presented to this meeting, with such additions thereto or changes therein as such member of the Commission may require or approve, with the advice of counsel to the Authority, such approval to be conclusively evidenced by the execution and delivery thereof. The Underwriter is hereby authorized and directed to distribute copies of the Preliminary Official Statement to potential purchasers of the Bonds and the Official Statement, as finally executed, to the purchasers of the Bonds. Any member of the Commission is hereby authorized to certify on behalf of the Authority that the Preliminary Official Statement is deemed final as of its date, within the meaning of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934 (except for the omission of certain final pricing, rating and related information as permitted by such Rule).

Section 9. Other Acts. The officers and agents of the Authority are hereby authorized and directed, jointly and severally, to do any and all things which they may deem necessary or advisable in order to consummate the transactions herein authorized and otherwise to carry out, give effect to and comply with the terms and intent of this Resolution, including, without limitation, negotiating the terms of an insurance policy and/or a reserve surety bond to the extent such insurance and surety bond is determined to be economically advantageous.

Section 10. Ratification of Prior Acts. All actions heretofore taken by the officers and agents of the Authority with respect to the transactions set forth above are hereby approved, confirmed and ratified.

Section 11. Effective Date. This Resolution shall be in full force and effect upon its adoption.

PASSED AND ADOPTED by the California Statewide Communities Development Authority this June 12, 2014.

I, the undersigned, the duly appointed, and qualified Member of the California Statewide Communities Development Authority, DO HEREBY CERTIFY that the foregoing resolution was duly adopted by the Commission of said Authority at a duly called meeting of the Commission of said Authority held in accordance with law on June 12, 2014.

By: _____
Member of the Commission
California Statewide Communities
Development Authority

Item VI.

Consideration of David Taussig & Associates contract as assessment engineer to the PACE Program (Staff: Caitlin Lancotot)

SUMMARY AND APPROVALS

DATE: JUNE 12, 2014
PURPOSE: CONSIDERATION OF CONTRACTS FOR THE PACE PROGRAM
CSCDA PROGRAM: CALIFORNIAFIRST – PROPERTY ASSESSED CLEAN ENERGY PROGRAM

Background:

The CSCDA Commission approved modifications to the CaliforniaFIRST program policies and bond documents on May 22, 2014. In follow-up, CSCDA is finalizing contracts with third parties for the CaliforniaFIRST residential program. Attached are two contracts for consideration:

- An Agreement for Consulting Services with David Taussig & Associates to act as assessment engineer for the PACE Program
- Fee Proposal from Wilmington Trust, N.A. to serve as the Trustee for the program

Additionally, there is a Fee Summary attached to the contracts for further clarification on the proposed fees.

Approvals:

The Commission shall consider approval of the attached Agreements for consulting services with Wilmington Trust and David Taussig & Associates for the CaliforniaFIRST Program.



Public Finance and Urban Economics

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

Phone: 949.955.1500 / Fax: 949.955.1590

AGREEMENT FOR CONSULTING SERVICES

THIS AGREEMENT is made and entered into this ____ day of May 2014, by and between California Statewide Communities Development Authority at 2999 Oak Rd., Suite 710 Walnut Creek, CA 94597, hereinafter called "Client," and David Taussig and Associates, Inc. at 5000 Birch Street, Suite 6000, Newport Beach, CA 92660, hereinafter called "Consultant." The Client and the Consultant in consideration of the mutual promises and conditions herein contained agree as follows.

ARTICLE I **TERM OF CONTRACT**

Section 1.1 This agreement shall become effective on the date stated above and will continue in effect until the earlier of (i) that day when the services provided for herein have been performed or (ii) until terminated as provided in Article 6 below.

ARTICLE II **SERVICES TO BE PERFORMED BY CONSULTANT**

Section 2.1 Consultant agrees to perform assessment district engineering services necessary to establish assessment districts on behalf of the Client, as well as to administer and enroll the special assessments for each of these assessment districts on local County tax rolls annually (the "Project"), in accordance with the applicable professional standard of care and to deliver the work products to the Client as described in the Scope of Work statement attached as Exhibit "A" hereto. Such professional services and work products, as from time to time modified in accordance with Section 2.3 hereof, are collectively referred to as the "Consulting Services."

Section 2.2 Instruments of Service. All computer software (including without limitation financial models, compilations of formulas and spreadsheet models), inventions, designs, programs, improvements, processes and methods (collectively, the "Proprietary Models"), reports, drawings, specifications, computer files, field data, notes and other documents and instruments prepared by Consultant are Instruments of Service of Consultant and shall remain the property of Consultant. Consultant shall likewise retain all common law, statutory and other reserved rights, including the copyright thereto. Client acknowledges and agrees that the consideration paid by Client herein only entitles Client to a license to use the hard copy or electronically transmitted reports generated pursuant to the Consulting Services and that any Proprietary Model that Consultant uses to generate such reports is owned by, or is duly licensed from a third party to Consultant and is not being provided to Client hereunder. The reports and models used to generate such reports are for use on this Project only. The Client shall not reuse or make any modification to the hard copy or electronically transmitted reports generated pursuant to the Consulting Services without the prior written authorization of the Consultant. The Client agrees, to the fullest

extent permitted by law, to indemnify and hold harmless the Consultant, its shareholders, officers, directors, employees and subconsultants (collectively, Consultant's) against any damages, liabilities or costs, including reasonable attorneys' par fees and defense costs, arising from the unauthorized use, reuse or modification of the hard copy or electronically transmitted reports generated pursuant to the Consulting Services or any of Consultant's Instruments of Service, including models, by the Client. Client acknowledges that Consultant may have used reports and analyses that Consultant authored for other Clients as base works or templates for the reports and analyses prepared for Client pursuant to this Agreement, and Client acknowledges and agrees that Consultant has the right to use the reports and analyses that it authors pursuant to this Agreement as base works or templates for reports and analyses that Consultant authors for Consultant's other Clients, provided, however that Consultant shall not use any confidential information provided by Client in such future reports and analyses. Client further acknowledges and agrees that Consultant has spent substantial time and effort in collection and compiling data and information (the "Data Compilations") in connection with the Consulting Services and that such Data Compilations may be used by Consultant for its own purposes, including, without limitation, sale or distribution to third parties; provided, however, that Consultant will not sell or distribute any of Client's confidential information that may be contained in such Data Compilations, unless such confidential information is used only on an aggregated and anonymous basis.

Section 2.3 Any proposed changes in the Consulting Services hereunder shall be submitted to the other party hereto, and any such changes agreed to by the parties shall be reflected in an amendment to Exhibit "A" and Exhibit B in accordance with Section 7.2 hereto.

Section 2.4 Nothing in this Agreement shall give the Consultant possession of authority with respect to any Client decision beyond the rendition of information, advice, recommendation or counsel.

ARTICLE III **COMPENSATION**

Section 3.1 Client agrees to pay Consultant for its Consulting Services in accordance with this Agreement, a professional fee computed according to the Professional Fee Schedule attached as Exhibit "B" hereto and incorporated herein by reference (the "**Fee Schedule**"). Client acknowledges and agrees that portions of Consultant's professional fees and expenses may have been incurred by Consultant prior to the execution of this Agreement (the "**Pre-Agreement Fees**") and Client agrees to pay such Pre-Agreement Fees in accordance with this Agreement.

Section 3.2 In addition to fees for services, Client shall reimburse consultant for out-of-pocket expenses as noted in the attached fee schedule (Exhibit B).

Section 3.3 On or about the first two weeks of each month during which Consulting Services are rendered hereunder, Consultant shall present to Client an invoice covering the current Consulting Services performed and the reimbursable expenses incurred pursuant to this Agreement and exhibits thereto. Payment shall be made by Client within thirty (30) days of the receipt of each invoice. A 1.2% charge may be imposed against accounts which are not paid within 30 days of the date of each invoice. Consultant may suspend all work on the

Project pursuant to Section 6.4 if payment is not received within forty-five (45) days of submittal of an invoice.

Section 3.4 The maximum total fee amount set forth in Exhibit "B" may be increased as a result of any expansion of the Consulting Services to be rendered hereunder pursuant to Section 2.3 or as provided in Exhibit "A" hereto.

Section 3.5 Records of the Consultant's costs relating to (i) Consulting Services performed under this Agreement and (ii) reimbursable expenses shall be kept and be available to the Client or to Client's authorized representative at reasonable intervals during normal business hours.

ARTICLE IV **OTHER OBLIGATIONS OF CONSULTANT**

Section 4.1 Consultant agrees to perform the Consulting Services in accordance with Exhibit "A" and the applicable standard of care. Should any errors caused by Consultant's negligence be found in the Consulting Services, Consultant will correct all errors at no additional charge by revising the Consulting Services.

Section 4.2 Consultant will supply all tools and instrumentalities required to perform the Consulting Services under the Agreement.

Section 4.3 Neither this Agreement nor any duties or obligations under this Agreement may be assigned by Consultant without the prior written consent of Client. However, Consultant may subcontract portions of the work to be performed hereunder to other persons or concerns provided Consultant notifies Client of the name and address of said proposed subcontractor and Client either consents or fails to respond within 30 days of notification with respect to the use of any particular proposed subcontractor.

Section 4.4 In the performance of its Consulting Service hereunder, Consultant is, and shall be deemed to be for all purposes, an independent contractor (and not an agent, officer, employee or representative of Client) under any and all laws, whether existing or future. Consultant is not authorized to make any representation, contract or commitment on behalf of Client.

ARTICLE V **OTHER OBLIGATIONS OF CLIENT**

Section 5.1 The Client shall provide full information in a timely manner regarding requirements for and limitations on the Project. Client agrees to comply with all reasonable requests of Consultant and provide access to all documents reasonably necessary to the performance of Consultant's duties under this Agreement with the exception of those documents which Exhibit "A" calls upon the Consultant to prepare.

Section 5.2 Neither this Agreement nor any duties or obligations under this Agreement may be assigned by Client without the prior written consent of Consultant.

Section 5.3 The Client shall provide prompt written notice to the Consultant if the Client becomes aware of any fault or defect in the Project, including any errors, omissions or inconsistencies in the Consultant's Instruments of Service.

Section 5.4 Client, public agencies, landowners, consultants and other parties dealing with Client or involved in the subject development project referred to in Exhibit "A" will be furnishing to Consultant various data, reports, studies, computer printouts and other information and representations as to the facts involved in the project which Client understands Consultant will be using and relying upon in preparing the reports, studies, computer printouts and other work products called for by Exhibit "A." Consultant shall not be obligated to establish or verify the accuracy of the information furnished by or on behalf of Client, nor shall Consultant be responsible for the impact or effect on its work products of the information furnished by or on behalf of Client, in the event that such information is in error and therefore introduces error into Consultant's work products. Any liability associated with the use of inaccurate data is the responsibility of the party which provided such data to Consultant.

Section 5.5 Except as provided in Section 7.9 in the event that court appearances, testimony or depositions are required of Consultant by Client in connection with the services rendered hereunder, Client shall compensate Consultant at a rate of \$300 per hour and shall reimburse Consultant for out-of-pocket expenses on a cost basis.

ARTICLE VI

TERMINATION OF AGREEMENT

Section 6.1 Either party may terminate or suspend this Agreement upon thirty (30) days written notice. Unless terminated as provided herein, this Agreement shall continue in force until the Consulting Services set forth in Exhibit "A" have been fully and completely performed and all proper invoices have been rendered and paid.

Section 6.2 Should either party default in the performance of this Agreement or materially breach any of its provisions, the other party at its option may terminate this Agreement by giving written notification to the defaulting party. Such termination shall be effective upon receipt by the defaulting party, provided that the defaulting party shall be allowed ten (10) days in which to cure any default following receipt of notice of same.

Section 6.3 In the event that the client terminates this Agreement pursuant to Section 6.1, the Client shall pay the Consultant, in addition to payment for services rendered and reimbursable costs incurred, for all expenses reasonably incurred by the Consultant in connection with the orderly termination of this Agreement, including but not limited to demobilization, reassignment of personnel, associated overhead costs and all other expenses directly resulting from the termination, plus an amount for the Consultant's anticipated profit on the value of the services not performed by the Consultant.

Section 6.4 Suspension and Termination for Non-Payment. (i) If the Client fails to make payments as provided in Section 3.3, the Consultant may suspend performance of services upon ten (10) calendar days' notice to the Client. The Consultant shall have no liability whatsoever to the Client for any costs or damages as a result of such suspension

caused by any breach of this Agreement by the Client. Upon payment in full by the Client, the Consultant shall resume services under this Agreement, and the time schedule and compensation shall be equitably adjusted to compensate for the period of suspension plus any other reasonable time and expense necessary for the Consultant to resume performance. (ii) If the Client fails to make payment to the Consultant following a suspension of services as set forth above, this shall constitute a material breach of this Agreement and shall be cause for termination of this Agreement by the Consultant upon seven (7) days written notice to the Client. (iii) Payment of invoices shall not be subject to any discounts or set-offs by the Client, unless agreed to in writing by the Consultant. Payment to the Consultant for services rendered and expenses incurred shall be due and payable regardless of any subsequent suspension or termination of this Agreement by either party.

Section 6.5 The covenants contained in Sections 3.1, 3.2, 4.4, 5.3, 5.4, and all of Article VII shall survive the termination of this Agreement.

ARTICLE VII

GENERAL PROVISIONS

Section 7.1 Any notices to be given hereunder by either party to the other may be effected either by personal delivery in writing or by mail. Mailed notices shall be addressed to the parties at the addresses appearing in the introductory paragraph of this Agreement, but each party may change the address by written notice in accordance with the first sentence of this Section 7.1. Notices delivered personally will be deemed communicated as of actual receipt. Mailed notices will be deemed communicated as of two (2) days after mailing.

Section 7.2 This Agreement and exhibits hereto supersede any and all agreements, either oral or written, between the parties hereto with respect to the rendering of service by Consultant for Client and contains all of the covenants and agreements between the parties with respect to the rendering of such services. Each party to this Agreement acknowledges that no representations, inducements, promises, or agreements, orally or otherwise, have been made by any party, or anyone acting on behalf of any party, which are not embodied herein, and that no other agreement, statement, or promise not contained in this Agreement shall be valid or binding. Any modification of this Agreement (including any exhibit hereto) will be effective if it is in writing and signed by the party against whom it is sought to be enforced.

Section 7.3 If any provision in this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions will nevertheless continue in full force without being impaired or invalidated in any way.

Section 7.4 The prevailing party in any legal action brought by one party against the other and arising out of this Agreement shall be entitled, in addition to any other rights and remedies it may have, to reimbursement for its expenses, including court costs and reasonable attorneys' fees. The non-prevailing party shall be liable, to the extent allowable under law, for all fees, expenses and costs.

Section 7.5 This Agreement will be governed by and construed in accordance with the laws of the State of California.

Section 7.6 Nothing contained in this Agreement shall create a contractual relationship with or a cause of action in favor of a third party against either the Client or the Consultant. The Consultant's services under this Agreement are being performed solely for the Client's benefit, and no other party or entity shall have any claim against the Consultant because of this Agreement or the performance or nonperformance of services hereunder.

Section 7.7 Notwithstanding any other provision of this Agreement, and to the fullest extent permitted by law, neither the Consultant nor the Client, their respective officers, directors, partners, employees, contractors or subconsultants shall be liable to the other for, or shall make, any claim for any incidental, indirect or consequential damages arising out of or connected in any way to the Project or to this Agreement. This mutual waiver of consequential damages shall include, but is not limited to, loss of use, loss of profit, loss of business, loss of income, loss of reputation or any other consequential damages that either party may have incurred from any cause of action including negligence, strict liability, breach of contract and breach of strict or implied warranty.

Section 7.8 It is intended by the parties to this Agreement that the Consultant's services in connection with the Project shall not subject the Consultant's individual shareholders, officers, directors, members, managers or employees to any personal legal exposure for the risks associated with this Project. Therefore, and notwithstanding anything to the contrary contained herein, Client agrees that as Client's sole and exclusive remedy, any claim, demand or suit shall be directed and/or asserted only against Consultant and not against any of the individual shareholders, officers, directors, members, managers or employees.

Section 7.9 (a.) INDEMNIFICATION. To the fullest extent permitted by law, Consultant will defend, indemnify, and hold the Client, its officials, and every officer, employee, agent and contractor of the Client (collectively "the Client indemnitees"), free and harmless from any and all claims, demands, causes of actions, expenses, liabilities, losses, damages, injuries of any kind to property or persons, including wrongful death ("Claims") in any manner arising out of or incident to any negligent acts, errors, omissions or willful or wrongful misconduct by Consultant, Consultant's officials, officers, employees, agents or contractors in connection with the performance of Consultant's services, including without limitation the payment of all consequential damages, attorneys' fees, and other related costs and expenses. With respect to any Claim that may be brought or instituted against the Client indemnitees, Consultant will defend the Client indemnitees, with counsel of the Client's choice, at Consultants own cost, expense, and risk and will pay and satisfy any judgment, award, or decree that may be rendered against the Client indemnitees. Consultant will reimburse the Client indemnitees, promptly upon demand, any and all legal expenses and costs incurred by each of them in connection therewith or in enforcing this indemnification provision.

(b.) INSURANCE. Consultant shall at all times during the term of this Agreement, carry, maintain, and keep in full force and effect, insurance as follows:

1. A policy or policies of commercial general liability insurance against claims for injuries to persons, monetary or financial loss, or damages to property which may arise from or in connection with performance of Consulting Services.

Such coverage shall have limits no less than \$1,000,000 per occurrence and \$2,000,000 aggregate.

2. A policy or policies of comprehensive vehicle liability insurance covering personal injury and property damage, with minimum limits of \$1,000,000 per occurrence combined single limit, covering any vehicle utilized in performing Consultant's services.

3. Workers' compensation insurance and employers liability insurance as required by the State of California.

4. A policy or policies of professional liability insurance (errors and omissions) with minimum limits of \$1,000,000 per claim and in the aggregate. Any deductibles or self-insured retentions attached to such policy or policies must be declared to and be approved by the Client. Further, Consultant agrees to maintain in full force and effect such insurance for one year after performance of services is completed.

The policy or policies of the aforesaid insurance shall be issued by an insurer admitted in the State of California and with a rating of at least a B+;VII in the latest edition of Best's Insurance Guide.

Consultant agrees that if Consultant does not keep the aforesaid insurance in full force and effect the Client may either immediately terminate this Agreement or, if insurance is available at a reasonable cost, the Client may take out the necessary insurance and pay, at Consultant's expense, the premium thereon.

At all times during the term of this Agreement, Consultant will maintain on file with the Client a certificate or certificates of insurance on the form approved by the Client, showing that the aforesaid policies are in effect in the required amounts. Consultant will, prior to commencement of Consulting Services, file with the Client such certificate or certificates. The general liability insurance and vehicle insurance shall contain an endorsement naming the Client as an additional insured. All of the aforesaid policies shall contain an endorsement providing that the policies cannot be canceled or reduced except on 30 days prior written notice to the Client, and specifically stating that the coverage contained in the policies affords insurance pursuant to the aforesaid terms and conditions.

The aforesaid insurance shall be primary to any coverage available to the Client and such policies shall include provisions for waiver of subrogation.

Any deductibles or self-insured retentions must be declared to and approved by the Client. At the option of the Client, Consultant will either reduce or eliminate the deductibles or self-insured retentions with respect to the Client, or Consultant will procure a bond guaranteeing payment of losses and expenses.

Limitation of Liability – for available insurance: In recognition of the relative risks and benefits of the Project to both the Client and the Consultant, the risks have been allocated such that the Client agrees, to the fullest extent permitted by law, to limit the liability of the

Consultant to the Client for any and all claims, losses, costs, damages of any nature whatsoever or claims expenses from any cause or causes, including attorneys' fees and costs and expert-witness fees and costs, so that the total aggregate liability of the Consultant to the Client shall not exceed the sum of insurance coverage available at the time of settlement or judgment. It is intended that this limitation apply to any and all liability or cause of action however alleged or arising, except for Consultant's willful misconduct or unless otherwise prohibited by law.

IN WITNESS WHEREOF, this Agreement has been executed on the date and year first above written.

CONSULTANT:
David Taussig & Associates, Inc.

CLIENT:
California Statewide Communities Development Authority

By: _____
David Taussig, President

By: _____

Date: _____

Date: _____

SECTION I SCOPE OF WORK – RESIDENTIAL PROGRAM

Tasks completed by DTA for each program shall include the following:

Bond Issuance

- Review assessment documentation for each parcel.
- Each year, DTA will add new parcels to our database as bonds are issued for such parcel based on data provided by the Agency. Such data will include, but is not limited to, the APN, owner, County, total principal amount, and all relevant bond data and other relevant data.
- Participate on conference calls and provide verbal consulting services and advice to CSCDA project team.

New County Fee

- DTA will coordinate the request for a new fund number in order to enroll the assessment on the tax roll for each new County. This includes the preparation and submittal of any documentation required by such County in order to obtain a new fund number.

Basic Tasks

- DTA shall maintain a database of the parcels within the program, which will include the APN, annual assessment amount, and all other relevant data.
- DTA will submit the annual assessment levy on or before August 10 of each year, or such other date specified by the County to the Auditor-Controller, for inclusion on the consolidated property tax bills.
- DTA shall review County records to determine which parcels are delinquent in the payment of taxes after each installment. DTA shall prepare a delinquency report and will send reminder letters to delinquent property owners. DTA shall track delinquencies to confirm if any parcels exceed the established foreclosure covenants.
- DTA shall review documentation from the County in order to reconcile apportionments and paid parcels for the Trustee.
- Respond to property owner questions.
- DTA shall prepare an annual administration report, which will also include an exhibit to show the current year assessment to be levied on each parcel.

Extra Tasks

- Any work related to delinquencies and/or foreclosure proceedings following the removal of the charge from the County's tax roll will be charged an additional fee. DTA shall work with CSCDA and bond counsel on any necessary foreclosure proceedings.
- Preparation of prepayment calculations as requested by the district, property owner, or other interested party. Following each prepayment, DTA will prepare the appropriate bond call documents for the Trustee and coordinate the preparation and recordation of the notice of cancellation with the County.
- Any work related to bond exchanges or bond refundings including the preparation of parcel summaries, bond reconciliations, review of legal documents, etc.

SECTION II FEE SCHEDULE – RESIDENTIAL PROGRAM

DTA's total compensation (including expenses) for completion of the tasks under the Scope of Work is shown in the table below:

Tasks	Fee
Bond Issuance Fee	0.525% of the amount of each project
New County Fee	New County Fee of \$1,000 per County *
Basic Tasks	Fixed fee of \$1,750 per County per year plus \$8.50 per parcel per year **
Prepayment Calculations	Fixed fee of \$500 per calculation ***
Additional Delinquency/Foreclosure Work following the removal of the charge from the tax roll	Time and Materials
Other tasks as requested by the Agency	Time and Materials
<p>* Fee would only be charged once per County under either the Residential Program or Commercial Program. Fee will be applied to the program which first funds in a County.</p> <p>** To the extent that new bond issuance volume is less than \$50 million in any one year, then DTA reserves the right to re-evaluate our other annual fees for "Basic Tasks." In addition, DTA will waive the annual fixed fee of \$1,750 for a particular County if the total number of participating parcels in such County exceeds 4,000 parcels.</p> <p>*** To be paid by property owner prior to the calculation.</p>	

Please note that our fees shown above are estimates only based on our actual experience with the implementation of the WRCOG HERO Program which is similar in nature to the Agency's proposed district. Actual budget amounts could vary based on the program size.

Any additional tasks assigned by the Agency shall be charged at the hourly rates listed in the table below.

David Taussig & Associates, Inc. 2014 Fee Schedule	
Managing Director	\$210/Hour
Manager	\$170/Hour
Senior Associate	\$160/Hour
Associate	\$150/Hour
Senior Analyst	\$140/Hour
Analyst	\$130/Hour
Research Assistant	\$105/Hour

All budgets and hourly rates are subject to a cost of living increase every 12 months, not to exceed 5% per year.

SECTION I SCOPE OF WORK – BOUNDARY MAPS

Tasks completed by DTA for the preparation of program boundary maps shall include the following:

- DTA shall prepare a statewide map indicating the boundaries for each of the 40 new counties (not including County of Los Angeles) participating in the CaliforniaFIRST program.
- DTA shall prepare a map for the County of Los Angeles indicating the boundaries for each city in the county participating in the CaliforniaFIRST program.
- DTA shall prepare the maps pursuant to instructions provided by Renewable Funding 4/25/14.

Extra Tasks

- Any work related to additional maps including the preparation of parcel lists, ownership, etc.

SECTION II FEE SCHEDULE – BOUNDARY MAPS

DTA's total compensation (including expenses) for completion of the tasks under the Scope of Work shall be equal to \$3,500. Extra Tasks as indicated in the Scope of Work will be charged at the hourly rates listed in the table below.

David Taussig & Associates, Inc. 2014 Fee Schedule	
Managing Director	\$210/Hour
Manager	\$170/Hour
Senior Associate	\$160/Hour
Associate	\$150/Hour
Senior Analyst	\$140/Hour
Analyst	\$130/Hour
Research Assistant	\$105/Hour

All budgets and hourly rates are subject to a cost of living increase every 12 months, not to exceed 5% per year.

Renewable Funding California FIRST Fee Responsibility:

On behalf of CSCDA for the California FIRST Program, Renewable Funding will be responsible for the 1) program set-up fees and 2) short fall in up-front or on-going fees for service providers during the Program's implementation and operations. Renewable Funding will deliver a quarterly report to CSCDA for all fees paid on behalf of the Program.

Renewable Funding may also advance fees on behalf of CSCDA for the California FIRST Program in the event that 1) the timing of administrative expenses collected on assessments and invoicing of fees are not aligned or 2) CSCDA does not have sufficient funds in the administrative expense fund held by the Trustee. In the event that Renewable Funding advances fees, CSCDA will direct administrative expenses collected on assessments, when received, to the reimbursement of Renewable Funding. Renewable Funding will deliver a quarterly report to CSCDA for any advance of fees on behalf of the Program.

In order to support the payment or advance of fees, Renewable Funding should be copied on all invoices to CSCDA from service providers. Below establishes Renewable Funding's responsibility for fees.

Jones Hall: Program Formation Services

Publication Fees

Renewable Funding will be responsible for the payment of publications in local agency newspapers required for program formation.

Orrick Herrington and Sutcliffe: Validation Services

Publication Fees

Renewable Funding will be responsible for the payment of publications in local agency newspapers required for judicial validation.

Validation Fees

Renewable Funding will be responsible for the payment of legal services required for the judicial validation.

David Taussig Associates (DTA): Special Tax Administration Services

Boundary Map Fee

Renewable Funding will be responsible for the boundary map fee as established in the DTA agreement.

New County Fee

Renewable Funding will be responsible for the new county fee as established in the DTA agreement.

Basic Fee

Renewable Funding will be responsible for the annual fixed county fees as established in the DTA agreement until there are sufficient participating parcels in the programs to cover the annual fixed county fees.

Wilmington Trust: Trustee Services

Initial Fee/Acceptance Fee

Renewable Funding will be responsible for the initial fee associated with the Master Indenture as defined in the Wilmington Trust Fee Proposal. In addition, Renewable Funding will be responsible for the acceptance fee associated with each Supplemental Indenture as established in the Wilmington Trust Fee Proposal.

Annual Administration Fee

Renewable Funding will be responsible for the annual administration fees as established in the Wilmington Trust Fee Proposal until there are sufficient participating parcels in the programs to cover the annual administration fee.

Item VII.

Consideration of Wilmington Trust contract as Trustee to the PACE Program (Staff: Caitlin Lancot)

Fee Proposal (Revised 6/3/14)

California Statewide Community Development Authority
CaliforniaFIRST Limited Obligation Improvement Bonds
Trustee Services

This Fee Proposal describes the compensation you have agreed to pay Wilmington Trust, N.A. for its services in connection with the above transaction or that Wilmington Trust, N.A. is entitled to collect if paid from cash flows.

Trustee Fees	
Initial/Acceptance Fee	\$4,000.00**
	\$750.00/Per Supplement***
Annual Administration Fee (all inclusive) *	\$10,000.00**
Counsel Fees	\$1,000.00

*Our annual Administration Fees includes all expenses including:

- Investment transaction fees and sweep account fees
- Wire transfer charges and
- Dissemination service fees

** Based upon 4 different bond maturities

*** Supplemental Fee may be discounted as appropriate during Alpha/Beta stages

1. Payment of Fees

The initial fee and first year's annual administration fee (or upfront fee for life of transaction, if applicable) and our closing attendance fee (only if incurred) are due at closing. Other fees are due on receipt of our invoice. Please transmit your payment by wire transfer:

Manufacturers & Traders Trust Co. /1100 North Market Street, Rodney Square North, Wilmington, DE 19890
ABA Number: 031100092
Account Number: 1001
Ref: CSCDA /CalFIRST

2. Payment of Expenses

If this transaction does not close, Wilmington Trust, N.A. reserves the right to be paid its Initial Fee, if any, and outside counsel's fees and expenses. Out-of-pocket expenses, including our attorney's fees and expenses (if any), in connection with closing, post-closing matters and terminations will be billed separately and are due upon receipt of the invoice.

3. Adjustments to Fees

All fees are non-refundable and will not be prorated in the event of an early termination. Once the fees are agreed to in writing, we agree that any changes to those fees will also be in writing. You will be notified at least 30 days in advance of any general fee increase, following 3 years after the initial closing date. The fees as quoted and the acceptance of our duties as Trustee are subject to satisfactory review and acceptance of all related financing documents by the Trustee and our counsel. Our fees may also be adjusted at any time if there is a significant change in our responsibilities under the governing documents including foreclosures and defaults (maybe at an hourly rate). In the event the financing structure is modified prior to closing, we reserve the right to review and renegotiate our fees accordingly.

4. **Billing Contact**

Please let us know the contact details for the Client and/or recipient of our invoice(s):

Renewable Funding LLC
Attention: Mimi Frusha
500 12th Street
Oakland, CA 94607

California Communities
Attention: Caitlan Lancot
2033 N. Main Street, Ste 700
Walnut Creek, CA 94596

5. **Signatures**

By signing below, you represent that you are authorized to sign this Fee Proposal and that you understand and accept the terms of this Fee Proposal.

Agreed and Accepted By:

Authorized Signatory

If you have questions about your fees, contact John Deleray at 714.384.4154 or Brian Buchanan at 714.384.4152

Wilmington Trust, N.A. ~ 650 Town Center Drive-Suite 600, Costa Mesa CA 92626

We reserve the right to impose an interest charge at the rate of 18% annually on fees and expenses not paid within 60 days of the due date.



CSCDA
CALIFORNIA STATEWIDE COMMUNITIES
DEVELOPMENT AUTHORITY



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

June 12, 2014

**10:15 a.m. or upon adjournment of the regularly scheduled CSCDA Board meeting
League of California Cities
1400 K Street, 3rd Floor
Sacramento, California**

27788 Hidden Trail Road
Laguna Hills, CA 92653

709 Portwalk Place
Redwood City, CA 94065

County of Monterey
168 West Alisal Street
Salinas, CA 93901

7 County Center Drive
Oroville, CA 95965

- I. Call the Roll (alternates designate which member they are representing).
- II. Consideration and possible action regarding the CSCDA Commission taking a position on AB2046 (Gomez).
- III. Public Comment
- IV. Adjourn

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



TO: CSCDA Commission

FROM: League of California Cities and California State Association of Counties

RE: AB 2046 (Gomez), Concerning Multi-State Financings by JPAs

DATE: June 11, 2014

SUMMARY: This memo reports on the League's and CSAC's advocacy on behalf of CSCDA regarding AB 2046 (Gomez) that is sponsored by CMFA to authorize any California Joint Powers Authority (JPA) that provides conduit bond financing services to finance capital projects for eligible private borrowers in other states. This report summarizes the legislation and our conversations with CMFA's representatives on behalf of CSCDA.

RECOMMENDED ACTION: Discuss and provide direction to the League and CSAC.

BACKGROUND: In 2006 CSCDA was approached by a California nonprofit corporation providing health care services that expressed interest in financing multiple capital projects inside and outside of California. The company was interested in financing multiple projects with one financing. Subsequently, CSCDA sponsored during the 2007 legislative session SB 188 (Negrete McLeod) of 2007 that declared that a JPA formed by an existing JPA with more than 450 members and any public agency in another state has the same powers as a JPA under the Act, including Marks-Roos. SB 188 also declared that any provisions of the Act that limit the location of projects, financing, or other activities to California do not apply to this type of JPA.

SB 188 required, before this type of JPA could issue bonds for a project or other activity, the governmental agency with primary responsibility over land use project approval to approve the project and the use of this JPA to finance the project. SB 188 also required this type of JPA to submit an annual report to CDIAC detailing its projects, financings, and activities.

An analysis of SB 188 by the Senate Local Government Committee notes, "The public finance industry is becoming a nationwide enterprise and CSCDA wants to maintain its leadership position by becoming a multi-state bond issuer and lender. Although the Joint Exercise of Powers Act already allows other states' public agencies to join a JPA, the Marks-Roos Act imposes additional limits on membership and the location of projects...SB 188 exempts this type of JPA from any provision of the Joint Exercise of Powers Act that might limit its activities to California."

SB 188 was held in the Senate Appropriations Committee and died and CSCDA took no further action to seek such authority.

AB 2046 (Gomez) Introduced: Seven years after the death of SB 188, AB 2046 was introduced by Assembly Member Gomez to accomplish much the same thing. It is sponsored by the California Municipal Finance Agency (CMFA) to authorize it to finance projects in other states much like the CSDCA sought in 2007. Since 2007, the number of states that have authorized this multi-state financing has increased, with Arizona, Colorado, Illinois, Texas and others. CSCDA's current program manager, HB Capital Resources Ltd, acts as contract staff for the Wisconsin-based Public Finance Authority, one of several out-of-state conduit issuers that operate nationwide.

Status of the Bill: The bill was approved in the Assembly a few weeks ago and has been assigned to the Senate Governance and Finance Committee and is set for hearing Wednesday, June 25, 2014. Current CSCDA Position: No position.

Author's Statement Regarding the Bill. According to the author, "Today, some JPAs) perform beyond the local community, and their activities transcend state lines. To best assist these organizations in achieving their financing goals, JPA's need the ability to finance projects on a nationwide basis through the issuance of taxable and/or tax-exempt bonds. These projects may be located partially in our state and partially in another state (multi-state projects), or wholly in one or more other states (out-of-state projects).

"Beyond our state's boundaries, the practice of issuing debt for multi-state and out-of-state projects is already a reality. In recent years, municipal issuers located in Arizona, Colorado, Florida, Illinois, Texas and Wisconsin, among other states, have already issued bonds to finance multi-state and out-of-state projects. These projects provide cost and time savings to borrowers, an improved public finance process and economies of scale. Some of those projects are located in California, however companies and non-profit organizations seeking to develop their multi-state projects may look beyond California for cost effective bond financings.

"The public benefits to California for assisting in the financing of multi-state and out-of-state projects can include, among others, (i) time, efficiency and transaction cost benefits to private enterprises with substantial operations, employment or headquarters in California, (ii) creating the perception that California is friendly to private enterprise, (iii) putting California based public finance professionals (including commercial lenders, underwriters, financial advisors, attorneys and others) on an even footing with their competitors in other states, and (iv) in the case of certain JPA's, generating substantial contributions to California charitable organizations for the purpose of benefitting California communities."

Status of Discussions with Sponsor. While CSCDA has been generally supportive in the past of such authority being granted as evidenced by our 2007 legislation discussed above, over the last month the League, CSAC and Roger Davis have met with CMFA to discuss certain issues in connection with AB 2046, including the potential increase in new JPA issuers without any established track record in the state to issue this type of debt that could tarnish the reputation of other JPAs, the types of private entities should be eligible for a state tax exemption, and the nexus and benefit to California that could justify such an exemption. These discussions have been substantive, respectful and cordial. We will fill the Commission on the status of the discussions at the meeting and provide any additional information we may have by the time of the meeting.

AMENDED IN ASSEMBLY MAY 15, 2014

AMENDED IN ASSEMBLY MARCH 24, 2014

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

ASSEMBLY BILL

No. 2046

Introduced by Assembly Member Gomez

February 20, 2014

An act to amend Section 6588 of the Government Code, relating to joint exercise of powers, ~~and declaring the urgency thereof, to take effect immediately.~~ *powers.*

LEGISLATIVE COUNSEL'S DIGEST

AB 2046, as amended, Gomez. Joint exercise of powers: financing.

The Joint Exercise of Powers Act authorizes the legislative or other governing bodies of 2 or more public agencies to jointly exercise by agreement any power common to the contracting parties, as specified, and authorizes a joint powers authority to exercise various powers, including, among others, the power to issue bonds, including bonds bearing interest, to pay the cost of any public capital improvement, working capital, or liability or other insurance program, as specified.

This bill would authorize a joint powers authority to issue or cause to be issued bonds and enter into a loan agreement for the financing or refinancing of a project that is situated in another state, including working capital related to that project, if the project and its financing meets certain conditions.

~~This bill would declare that it is to take effect immediately as an urgency statute.~~

Vote: $\frac{2}{3}$ -majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

SECTION 1. Section 6588 of the Government Code is amended to read:

6588. In addition to other powers specified in an agreement pursuant to Article 1 (commencing with Section 6500) and Article 2 (commencing with Section 6540), the authority may do any or all of the following:

(a) Adopt bylaws for the regulation of its affairs and the conduct of its business.

(b) Sue and be sued in its own name.

(c) (1) Issue bonds, including, at the option of the authority, bonds bearing interest, to pay the cost of any public capital improvement, working capital, or liability or other insurance program.

(2) (A) In addition to paragraph (1), for any purpose for which an authority may execute and deliver or cause to be executed and delivered certificates of participation in a lease or installment sale agreement with any public or private entity, the authority, at its option, may issue or cause to be issued bonds, rather than certificates of participation, and enter into a loan agreement with the public or private entity.

(B) Notwithstanding Sections 6586 and 6586.5 or any other law, an authority may issue or cause to be issued bonds and enter into a loan agreement, pursuant to subparagraph (A), for the financing or refinancing of a project that is situated in another state, including working capital related to that project, if all of the following apply:

(i) The project is owned, developed, or operated by a private entity.

(ii) The issuance of bonds by the authority and the financing of the project is approved by resolution, order, or other official action of the city, county, or other public body with land use planning authority over the project, or of the state in which the project is situated. This clause does not apply to the issuance of refunding bonds if a prior financing or refinancing of the project was approved by the city, county, public body, or state.

(iii) The authority finds, based on the facts and circumstances attendant to the project or the financing or refinancing of the project, that the issuance of the bonds or the financing or

1 refinancing of the project will result in a substantial public benefit
2 to, and are for a public purpose of, the citizens of this state.

3 (d) Engage the services of private consultants to render
4 professional and technical assistance and advice in carrying out
5 the purposes of this article.

6 (e) As provided by applicable law, employ and compensate
7 bond counsel, financial consultants, and other advisers determined
8 necessary by the authority in connection with the issuance and sale
9 of any bonds.

10 (f) Contract for engineering, architectural, accounting, or other
11 services determined necessary by the authority for the successful
12 development of a public capital improvement.

13 (g) Pay the reasonable costs of consulting engineers, architects,
14 accountants, and construction, land-use, recreation, and
15 environmental experts employed by any sponsor or participant if
16 the authority determines those services are necessary for the
17 successful development of public capital improvements.

18 (h) Take title to, sell by installment sale or otherwise, or lease
19 lands, structures, real or personal property, rights, rights-of-way,
20 franchises, easements, and other interests in lands that are located
21 within the state that the authority determines are necessary or
22 convenient for the financing of public capital improvements, or
23 any portion thereof.

24 (i) Receive and accept from any source, loans, contributions,
25 or grants, in either money, property, labor, or other things of value,
26 for, or in aid of, the construction financing, or refinancing of public
27 capital improvement, or any portion thereof or for the financing
28 of working capital or insurance programs, or for the payment of
29 the principal of and interest on bonds if the proceeds of those bonds
30 are used for one or more of the purposes specified in this section.

31 (j) Make secured or unsecured loans to any local agency in
32 connection with the financing of capital improvement projects,
33 working capital or insurance programs in accordance with an
34 agreement between the authority and the local agency. However,
35 no loan shall exceed the total cost of the public capital
36 improvements, working capital or insurance needs of the local
37 agency as determined by the local agency and by the authority.

38 (k) Make secured or unsecured loans to any local agency in
39 accordance with an agreement between the authority and the local
40 agency to refinance indebtedness incurred by the local agency in

1 connection with public capital improvements undertaken and
2 completed.

3 (l) Mortgage all or any portion of its interest in public capital
4 improvements and the property on which any project is located,
5 whether owned or thereafter acquired, including the granting of a
6 security interest in any property, tangible or intangible.

7 (m) Assign or pledge all or any portion of its interests in
8 mortgages, deeds of trust, indentures of mortgage or trust, or
9 similar instruments, notes, and security interests in property,
10 tangible or intangible, of a local agency to which the authority has
11 made loans, and the revenues therefrom, including payment or
12 income from any interest owned or held by the authority, for the
13 benefit of the holders of bonds issued to finance public capital
14 improvements. The pledge of moneys, revenues, accounts, contract
15 rights, or rights to payment of any kind made by or to the authority
16 pursuant to the authority granted in this part shall be valid and
17 binding from the time the pledge is made for the benefit of the
18 pledgees and successors thereto, against all parties irrespective of
19 whether the parties have notice of the claim.

20 (n) Lease the public capital improvements being financed to a
21 local agency, upon terms and conditions that the authority deems
22 proper; charge and collect rents therefor; terminate any lease upon
23 the failure of the lessee to comply with any of the obligations of
24 the lease; include in any lease provisions that the lessee shall have
25 options to renew the lease for a period or periods, and at rents as
26 determined by the authority; purchase or sell by an installment
27 agreement or otherwise any or all of the public capital
28 improvements; or, upon payment of all the indebtedness incurred
29 by the authority for the financing or refinancing of the public
30 capital improvements, the authority may convey any or all of the
31 project to the lessee or lessees.

32 (o) Charge and apportion to local agencies that benefit from its
33 services the administrative costs and expenses incurred in the
34 exercise of the powers authorized by this article. These fees shall
35 be set at a rate sufficient to recover, but not exceed, the authority's
36 costs of issuance and administration. The fee charged to each local
37 obligation acquired by the pool shall not exceed that obligation's
38 proportionate share of those costs. The level of these fees shall be
39 disclosed to the California Debt and Investment Advisory
40 Commission pursuant to Section 6599.1.

1 (p) Issue, obtain, or aid in obtaining, from any department or
2 agency of the United States or of the state, or any private company,
3 any insurance or guarantee to, or for, the payment or repayment
4 of interest or principal, or both, or any part thereof, on any loan,
5 lease, or obligation or any instrument evidencing or securing the
6 same, made or entered into pursuant to this article.

7 (q) Notwithstanding any other provision of this article, enter
8 into any agreement, contract, or any other instrument with respect
9 to any insurance or guarantee; accept payment in the manner and
10 form as provided therein in the event of default by a local agency;
11 and assign any insurance or guarantee that acts as security for the
12 authority's bonds.

13 (r) Enter into any agreement or contract, execute any instrument,
14 and perform any act or thing necessary, convenient, or desirable
15 to carry out any power authorized by this article.

16 (s) Invest any moneys held in reserve or sinking funds, or any
17 moneys not required for immediate use or disbursement, in
18 obligations that are authorized by law for the investment of trust
19 funds.

20 (t) At the request of affected local agencies, combine and pledge
21 revenues to public capital improvements for repayment of one or
22 more series of bonds issued pursuant to this article.

23 (u) Delegate to any of its individual parties or other responsible
24 individuals the power to act on its behalf subject to its general
25 direction, guidelines, and oversight.

26 (v) Purchase, with the proceeds of its bonds or its revenue, bonds
27 issued by any local agency at public or negotiated sale. Bonds
28 purchased pursuant to this subdivision may be held by the authority
29 or sold to public or private purchasers at public or negotiated sale,
30 in whole or in part, separately or together with other bonds issued
31 by the authority.

32 (w) Purchase, with the proceeds of its bonds or its revenue, VLF
33 receivables sold to the authority pursuant to Section 6588.5. VLF
34 receivables so purchased may be pledged to the payment of bonds
35 issued by the authority or may be resold to public or private
36 purchasers at public or negotiated sale, in whole or in part,
37 separately or together with other VLF receivables purchased by
38 the authority.

39 (x) (1) Purchase, with the proceeds of its bonds or its revenue,
40 Proposition 1A receivables pursuant to Section 6588.6. Proposition

1 1A receivables so purchased may be pledged to the payment of
2 bonds issued by the authority or may be resold to public or private
3 purchasers at public or negotiated sales, in whole or in part,
4 separately or together with other Proposition 1A receivables
5 purchased by the authority.

6 (2) (A) All entities subject to a reduction of ad valorem property
7 tax revenues required under Section 100.06 of the Revenue and
8 Taxation Code pursuant to the suspension set forth in Section
9 100.05 of the Revenue and Taxation Code shall be afforded the
10 opportunity to sell their Proposition 1A receivables to the authority.

11 (B) If these entities offer Proposition 1A receivables to the
12 authority for purchase and duly authorize the sale of the Proposition
13 ~~1A-receivable~~ *receivables* pursuant to documentation approved
14 by the authority, the authority shall purchase all Proposition 1A
15 receivables so offered to the extent it can sell bonds therefor. If
16 the authority does not purchase all Proposition 1A receivables
17 offered, it shall purchase a pro rata share of each entity's offered
18 Proposition 1A receivables.

19 (C) The authority may establish a deadline, no earlier than
20 November 3, 2009, by which these entities shall offer their
21 Proposition 1A receivables for sale to the authority and complete
22 the application required by the authority.

23 (3) For purposes of meeting costs incurred in performing its
24 duties relative to the purchase and sale of Proposition 1A
25 receivables, the authority shall be authorized to charge a fee to
26 each entity from which it purchases a Proposition 1A receivable.
27 The fee shall be computed based on the percentage value of the
28 Proposition 1A receivable purchased from each entity, in relation
29 to the value of all Proposition 1A receivables purchased by the
30 authority. The amount of the fee shall be paid from the proceeds
31 of the bonds and shall be included in the principal amount of the
32 bonds.

33 (4) Terms and conditions of any and all fees and expenses
34 charged by the authority, or those it contracts with, and the terms
35 and conditions of sales of Proposition 1A receivables and bonds
36 issued pursuant to this subdivision, including the terms of optional
37 early redemption provisions, if any, shall be approved by the
38 Treasurer and the Director of Finance, who shall not unreasonably
39 withhold their approval. The aggregate principal amount of all
40 bonds issued pursuant to this subdivision shall not exceed two

1 billion two hundred fifty million dollars (\$2,250,000,000), and the
2 rate of interest paid on those bonds shall not exceed 8 percent per
3 annum. The authority shall exercise its best efforts to obtain the
4 lowest cost financing possible. Any and all premium obtained shall
5 be used for either of the following:

6 (A) Applied to pay the costs of issuance of the bonds.

7 (B) Deposited in a trust account that is pledged to bondholders
8 and used solely for the payment of interest on, or for repayment
9 of, the bonds.

10 (5) (A) In connection with any financing backed by Proposition
11 1A receivables, the Treasurer may retain financial advisors, legal
12 counsel, and other consultants to assist in performing the duties
13 required by this chapter and related to that financing.

14 (B) Notwithstanding any other law, none of the following shall
15 apply to any agreements entered into by the Treasurer pursuant to
16 subparagraph (A) in connection with any Proposition 1A financing:

17 (i) Section 11040 of the Government Code.

18 (ii) Section 10295 of the Public Contract Code.

19 (iii) Article 3 (commencing with Section 10300) and Article 4
20 (commencing with Section 10335) of, Chapter 2 of Part 2 of
21 Division 2 of the Public Contract Code, except for the authority
22 of the Department of Finance under Section 10336 of the Public
23 Contract Code to direct a state agency to transmit to it a contract
24 for review, and except for Section 10348.5 of the Public Contract
25 Code.

26 (C) Any costs incurred by the Treasurer in connection with any
27 Proposition 1A financing shall be reimbursed out of the proceeds
28 of the financing.

29 (y) Set any other terms and conditions on any purchase or sale
30 pursuant to this section as it deems by resolution to be necessary,
31 appropriate, and in the public interest, in furtherance of the
32 purposes of this article.

33 ~~SEC. 2. This act is an urgency statute necessary for the~~
34 ~~immediate preservation of the public peace, health, or safety within~~
35 ~~the meaning of Article IV of the Constitution and shall go into~~
36 ~~immediate effect. The facts constituting the necessity are:~~

37 ~~In order to timely provide essential bonding authority for the~~
38 ~~funding of multi-state, public-private projects that are necessary~~
39 ~~to ensure California's national and international competitiveness~~

- 1 ~~and public benefits in this state, it is necessary that this act take~~
- 2 ~~effect immediately.~~

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