



CSCDA
 CALIFORNIA STATEWIDE COMMUNITIES
 DEVELOPMENT AUTHORITY



REGULAR MEETING AGENDA

June 15, 2017 at 2:00 p.m.

**California State Association of Counties
 1100 K Street, 1st Floor, Sacramento, CA 95814**

Telephonic Locations:

709 Portwalk Place
 Redwood City, CA 94061

27788 Hidden Trail Road
 Laguna Hills, CA 92653

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

3252 Southern Hills Drive
 Fairfield, CA 94534

County of Kern
 1115 Truxtun Avenue, Bakersfield, CA 93301

County of Butte
 7 County Drive, Oroville, CA 95965

A. OPENING AND PROCEDURAL ITEMS

1. Roll Call.

<input type="checkbox"/> Dan Harrison, Chair <input type="checkbox"/> Larry Combs, Vice Chair <input type="checkbox"/> Kevin O'Rourke, Treasurer <input type="checkbox"/> Tim Snellings, Secretary	<input type="checkbox"/> Jordan Kaufman, Member <input type="checkbox"/> Dan Mierzwa, Member <input type="checkbox"/> Irwin Bornstein, Member <input type="checkbox"/> Brian Moura, Alt. Member
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2. Consideration of the Minutes of the June 1, 2017 Regular Meeting.
3. Consideration of the Consent Calendar.
4. Public Comment.

This ___ page agenda was posted at 1100 K Street, Sacramento, California on _____, 2017 at ___: __m, Signed _____. Please email signed page to info@cscda.org

B. ITEMS FOR CONSIDERATION

5. Consideration of the issuance of revenue bonds or other obligations to finance or refinance the following projects, the execution and delivery of related documents, and other related actions:
 - a. Community Hospital of the Monterey Peninsula, Cities of Monterey and Marina, County of Monterey; issue up to \$97,000,000 in nonprofit revenue notes and refunding bonds.
 - b. The California School of Mechanical Arts (Lick-Wilmerding High School), City and County of San Francisco; issue up to \$53,300,000 in nonprofit revenue bonds.
 - c. Camellia Place 2, LP (Camellia Place II Apartments), unincorporated County of Kern; issue up to \$5,500,000 in multifamily housing revenue bonds.
 - d. Lilly Affordable Communities, LP (Lilly Gardens Apartments), City of Gilroy, County of Santa Clara; issue up to \$36,070,000 in multifamily housing revenue bonds.
6. Consideration of recommendation for appointment of CSCDA Auditor pursuant to responses to request for proposals.
7. Consideration of CSCDA Marketing and Sponsorship recommendation by Charitable Contributions Ad Hoc Committee.
8. Update regarding PACE and Consideration of Appointment of an Open PACE Advisory Board.
9. Update by Professional Services Ad Hoc Committee regarding annual review of CSCDA Program Manager.

C. STAFF ANNOUNCEMENTS, REPORTS ON ACTIVITIES OR REQUESTS

10. Executive Director Update.
11. Staff Updates.
12. Adjourn.

NEXT MEETING: Thursday, July 6, 2017 at 2:00 p.m.
League of California Cities
1400 K Street, 3rd Floor, Sacramento, CA 95814

CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY

CONSENT CALENDAR

1. Consent Calendar

- a. Inducement of Cienega Gardens Preservation LP (Cienega Gardens Apartments), City of Covina, County of Los Angeles; issue up to \$60 million in multi-family housing revenue bonds.

June 15, 2017



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MINUTES

REGULAR MEETING OF THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY

June 1, 2017

League of Cities
1400 K K Street, 3rd Floor, Sacramento, CA 95814

Commission Chair Dan Harrison called the meeting to order at 2:00pm.

1. Roll Call.

Commission members present: Dan Harrison, Larry Combs, Kevin O'Rourke
Commission members participating via teleconference: Tim Snellings and Dan Mierzwa,

Others present: Cathy Bando, CSCDA Executive Director; James Hamill and Jon Penkower, Bridge Strategic Partners; Carolyn Coleman and Norman Coppinger, League of California Cities; Laura Labanieh and Sendy Young, CSAC Finance Corporation; and Victor Vilaplana, Renovate America.
Others participating via teleconference: Tricia Ortiz, Richards, Watson & Gershon.

2. Consideration of the Minutes of the May 18, 2017 Regular Meeting.

The commission approved the minutes.

Motion to approve by L. Combs. Second by K. O'Rourke. Unanimously approved by roll-call vote.

3. Consideration of the Consent Calendar.

The Commission approved the following items on the Consent Calendar:

- a. Induce TPG (Laguna Niguel – Crowne Valley) LLC (Laguna Niguel Wrap Apartments), City of Laguna Niguel, County of Orange; issue up to \$120 million in multi-family housing revenue bonds.

Motion to approve by L. Combs. Second by J. Kaufman. Unanimously approved by roll-call vote.

4. Public Comment.

There was no public comment.

5. Consideration of the issuance of revenue bonds or other obligations to finance or refinance the following projects, the execution and delivery of related documents, and other related actions:

- a. CHF Irvine, LLC (University of California, Irvine East Campus Apartments), City of Irvine, County of Orange; issue up to \$175,000,000 in nonprofit revenue

Executive Director Bando provided an overview of the project and indicated that the financing complies with CSCDA general and issuance policies. The project is a considerable expansion for UC Irvine. It will be a massive project with slow progress.

Motion to approve by K. Rourke. Second by L. Combs. Unanimously approved by roll-call vote.

- b. Lilly Affordable Communities, LP (Lilly Gardens Apartments), City of Gilroy, County of Santa Clara; issue up to \$36,000,000 in multifamily housing revenue bonds.

Executive Director Bando provided an overview of the project and indicated that the financing complies with CSCDA general and issuance policies. The project is the 11th project that CSCDA has finance for this developer.

Motion to approve by J. Kaufman. Second by L. Combs. Unanimously approved by roll-call vote.

6. Consideration of Professional Services Agreement with Renovate America, Inc. for services as an administrator under CSCDA's Open PACE Program.

Executive Director Bando recused herself from this item. The Commission recommended that Renovate America move forward as CSCDA's new PACE Program. Renovate America will only operate in San Bernardino County.

Motion to approve by T. Snellings. Second by K. O'Rourke. Unanimously approved by roll-call vote.

7. Consideration of a resolution ratifying and approving the forms of certain documents to be used in connection with the issuance of CSCDA Open Pace limited obligation bonds not to exceed \$500 million for Renovate America, Inc. and approving related documents and actions.

Executive Director Bando recused herself from this item. The Commission recommends approval of this resolution. James Hamill informed the Board that Renovate America would use all standard finance documents that other PACE providers use.

Motion to approve by L. Combs. Second by T. Snellings. Unanimously approved by roll-call vote.

8. Consideration of sponsorship of the California City Management Foundation.

The Board appointed a special subcommittee made up of Dan Harrison, Larry Combs, and Kevin O'Rourke to bring a recommendation on charitable policies for future use. No action was taken on the sponsorship of the California Management Foundation.

9. Executive Director Update.

Executive Director Bando thanked the Executive Committee and Bridge Strategic Partners for their annual review meeting. She also informed the Board that they are working on the 2017/2018 budget.

10. Staff Updates.

There were no staff updates.

11. Adjourn.

The meeting was adjourned at 2:31pm.

Submitted by: Sedy Young, CSAC Finance Corporation

NEXT MEETING: Thursday, June 15, 2017 at 2:00 p.m.
California State Association of Counties
1100 K Street, 1st Floor, Sacramento, CA 95814

RESOLUTION NO. 17H-__

**A RESOLUTION OF THE CALIFORNIA STATEWIDE
COMMUNITIES DEVELOPMENT AUTHORITY SETTING
FORTH THE AUTHORITY'S OFFICIAL INTENT TO ISSUE
MULTIFAMILY HOUSING REVENUE BONDS TO UNDERTAKE
THE FINANCING OF VARIOUS MULTIFAMILY RENTAL
HOUSING PROJECTS AND RELATED ACTIONS**

WHEREAS, the Authority is authorized and empowered by the Title 1, Division 7, Chapter 5 of the California Government Code to issue mortgage revenue bonds pursuant to Part 5 (commencing with Section 52000) of the California Health and Safety Code (the "Act"), for the purpose of financing multifamily rental housing projects; and

WHEREAS, the borrowers identified in Exhibit A hereto and/or related entities (collectively, the "Borrowers") have requested that the Authority issue and sell multifamily housing revenue bonds (the "Bonds") pursuant to the Act for the purpose of financing the acquisition and rehabilitation or construction as set forth in Exhibit A, of certain multifamily rental housing developments identified in Exhibit A hereto (collectively, the "Projects"); and

WHEREAS, the Authority, in the course of assisting the Borrowers in financing the Projects, expects that the Borrowers have paid or may pay certain expenditures (the "Reimbursement Expenditures") in connection with the Projects within 60 days prior to the adoption of this Resolution and prior to the issuance of the Bonds for the purpose of financing costs associated with the Projects on a long-term basis; and

WHEREAS, Section 1.103-8(a)(5) and Section 1.150-2 of the Treasury Regulations require the Authority to declare its reasonable official intent to reimburse prior expenditures for the Projects with proceeds of a subsequent tax-exempt borrowing; and

WHEREAS, the Authority wishes to declare its intention to authorize the issuance of Bonds for the purpose of financing costs of the Projects (including reimbursement of the Reimbursement Expenditures, when so requested by the Borrower upon such terms and condition as may then be agreed upon by the Authority, the Borrower and the purchaser of the Bonds) in an aggregate principal amount not to exceed the amount with respect to each Project set forth in Exhibit A; and

WHEREAS, Section 146 of the Internal Revenue Code of 1986 limits the amount of multifamily housing mortgage revenue bonds that may be issued on behalf of for-profit borrowers in any calendar year by entities within a state and authorizes the governor or the legislature of a state to provide the method of allocation within the state; and

WHEREAS, Chapter 11.8 of Division 1 of Title 2 of the California Government Code governs the allocation of the state ceiling among governmental units in the State of California having the authority to issue private activity bonds; and

WHEREAS, Section 8869.85 of the California Government Code requires a local agency desiring an allocation of the state ceiling to file an application with the California Debt Limit Allocation Committee (the "Committee") for such allocation, and the Committee has certain policies that are to be satisfied in connection with any such application;

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

Section 1. The above recitals, and each of them, are true and correct.

Section 2. The Authority hereby determines that it is necessary and desirable to provide financing for the Projects (including reimbursement of the Reimbursement Expenditures) by the issuance and sale of Bonds pursuant to the Act, as shall be authorized by resolution of the Authority at a meeting to be held for such purpose, in aggregate principal amounts not to exceed the amounts set forth in Exhibit A. This action is taken expressly for the purpose of inducing the Borrowers to undertake the Projects, and nothing contained herein shall be construed to signify that the Projects comply with the planning, zoning, subdivision and building laws and ordinances applicable thereto or to suggest that the Authority or any program participant, officer or agent of the Authority will grant any such approval, consent or permit that may be required in connection with the acquisition and construction or rehabilitation of the Projects, or that the Authority will make any expenditures, incur any indebtedness, or proceed with the financing of the Project.

Section 3. This resolution is being adopted by the Authority for purposes of establishing compliance with the requirements of Section 1.103-8(a)(5) and Section 1.150-2 of the Treasury Regulations. In such regard, the Authority hereby declares its official intent to use proceeds of indebtedness to reimburse the Reimbursement Expenditures.

Section 4. The officers and/or the program managers of the Authority are hereby authorized and directed to apply to the Committee for an allocation from the state ceiling of private activity bonds to be issued by the Authority for each of the Projects in an amount not to exceed the amounts set forth in Exhibit A, and to take any and all other actions as may be necessary or appropriate in connection with such application, including but not limited to the payment of fees, the posting of deposits and the provision of certificates, and any such actions heretofore taken by such officers and program managers are hereby ratified, approved and confirmed.

PASSED AND ADOPTED by the California Statewide Communities Development Authority this June 15, 2017.

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 said Authority at a duly called meeting of the Commission of said Authority held in accordance with law on June 15, 2017.

By: _____
Authorized Signatory

EXHIBIT A

Project Name	Project Location	Project Description (units)	New Construction/ Acquisition and Rehabilitation	Legal Name of initial owner/operator	Bond Amount
Cienega Gardens Apartments	City of Covina, County of Los Angeles	180	Acquisition and Rehabilitation	Cienega Gardens Preservation LP	\$60,000,000



Agenda Item No. 5a

Agenda Report

DATE: June 15, 2017

TO: CSCDA COMMISSIONERS

FROM: Cathy Bando, Executive Director

PROJECT: Community Hospital of the Monterey Peninsula

PURPOSE: Authorize the Issuance of Revenue Notes and Refunding Bonds to Finance and Refinance the Construction, Improvement, Renovation and Equipping of Healthcare Facilities located in the Cities of Monterey and Marina, County of Monterey

AMOUNT: Not to Exceed \$97,000,000

EXECUTIVE SUMMARY:

Community Hospital of the Monterey Peninsula, a 501c3 nonprofit organization (“CHOMP”), has requested that CSCDA issue nonprofit revenue notes and refunding bonds in an amount not to exceed \$97,000,000 (the “Bonds”) to finance and refinance the construction, improvement, renovation and equipping of healthcare facilities located in the Cities of Monterey and Marina (the “Project”). The Bonds are being issued to refinance the aggregate principal amount of CSCDA’s Series 2011B bonds previously issued for the benefit of CHOMP (the “2011 Bonds”). In addition to refunding the 2011 Bonds, CHOMP will also be utilizing proceeds from the Bonds to finance the costs of implementing an electronic medical records system. This will be the fifth CSCDA financing for CHOMP.

PROJECT ANALYSIS:

About CHOMP:

CHOMP, a California nonprofit public benefit corporation, owns and operates a 258 licensed-bed acute care hospital (the “Hospital”) located in the Carmel Hill area of the Monterey Peninsula in Northern California. CHOMP also owns and operates Westland House, a 28-bed skilled nursing and hospice facility, and an outpatient hospice facility located in Monterey, California as well as provides outpatient healthcare services at various outpatient facilities throughout Monterey County. CHOMP is the market leader for acute care services in its Primary Service Area, identified as the Monterey Peninsula, which includes the communities of Seaside, Monterey, Carmel Valley, Pacific Grove, Marina, Pebble Beach, Sand City, Del Rey Oaks, Big Sur, and unincorporated areas of Monterey County located on the peninsula. In 2010, the population of the

primary service area was approximately 140,140. CHOMP enjoys a market share of 78% and approximately 80% of CHOMP's patients come from its primary service area.

Public Agency Approvals:

TEFRA Hearing: June 6, 2017 – County of Monterey – unanimous approval

Economic Development:

- CHOMP employs more than 2,000 physicians, nurses and other staff throughout its facilities.
- CHOMP's role in the community has generated the establishment of medical clinics, pharmacies, rehabilitation centers and other medical related businesses to assist children in need of continued medical care. In addition, many CHOMP employees live, eat and shop within the community and support the local economy.

Public Benefit:

- In 2016, CHOMP contributed \$187,425,000 in total community benefits, including quantifiable benefits for the poor and broader community.
- Medi-Cal, Medicaid and Medicare acceptance – CHOMP provides healthcare and helps to subsidize the cost of service for patients that participate in government sponsored programs such as Medi-Cal, Medicaid and Medicare. In 2016, CHOMP subsidized more than \$152 million for the unpaid cost of federal, state, and local programs.
- Non-reimbursed community benefit costs – In 2016, CHOMP provided more than \$2.5 million in traditional charity care charges.
- CHOMP provides family counseling, group therapy, and free educational lectures for the community. Education and wellness programs include the unpaid cost of training health professionals, such as radiology technology and rehabilitation therapy students, firefighters, paramedics, and emergency medical training students. Also included are the costs of educational classes and support groups provided to the community at no charge or for a nominal fee. Educational subjects include Alzheimer's, arthritis, bereavement, cancer, chronic pain, diabetes, mood management, smoking cessation, substance abuse and weight loss surgery.

Sources and Uses:

Sources of Funds:

Series 2017A Fixed Rate:	\$ 41,000,000
Series 2017B Variable Rate:	<u>\$ 56,000,000</u>
Total Sources:	\$ 97,000,000

Uses of Funds:

Refunding 2011A Bonds:	\$ 40,545,000
Project Fund:	\$ 55,605,000
Cost of Issuance	<u>\$ 850,000</u>
Total Uses:	\$ 97,000,000

Finance Partners:

Bond Counsel: Norton Rose Fulbright, LLP, San Francisco
Authority Counsel: Orrick, Herrington & Sutcliffe, LLP, Sacramento
Private Placement Purchasers: Bank of the West & Wells Fargo Bank

Finance Terms:

Rating: Unrated
Term: 16 Years – Fixed & Variable Interest Rates
Structure: Private Placement
Estimated Closing: June 22, 2017

CSCDA Policy Compliance:

The financing for CHOMP complies with CSCDA's general and issuance policies.

DOCUMENTS: (as attachments)

1. CSCDA Resolution (Attachment A)

COMMISSION ACTION RECOMMENDED BY THE EXECUTIVE DIRECTOR:

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

ATTACHMENT A

RESOLUTION NO. __NP-__

**CALIFORNIA STATEWIDE COMMUNITIES
DEVELOPMENT AUTHORITY**

**A RESOLUTION AUTHORIZING THE ISSUANCE OF ONE OR MORE SERIES OF
REVENUE NOTES AND REVENUE REFUNDING BONDS IN A PRINCIPAL AMOUNT
NOT TO EXCEED \$97,000,000 TO FINANCE AND REFINANCE THE
CONSTRUCTION, IMPROVEMENT, RENOVATION AND EQUIPPING OF HEALTH
FACILITIES FOR COMMUNITY HOSPITAL OF THE MONTEREY PENINSULA AND
AFFILIATED ENTITIES AND OTHER MATTERS RELATING THERETO**

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

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

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

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

WHEREAS, the County of Monterey (the "County") is a Program Participant, and such County is authorized to acquire and dispose of property, both real and personal, pursuant to the provisions of Chapter 1, Division 1 of Title 3 of the Government Code of the State of California;

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

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

WHEREAS, Community Hospital of the Monterey Peninsula, a California nonprofit public benefit corporation (the “Corporation”), wishes to finance and refinance the construction, improvement, renovation and equipping of acute-care hospital and related facilities (the “Project”) owned and operated by the Corporation or affiliated entities and located in the County;

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

WHEREAS, pursuant to two Indentures (the “Indentures”), between the Authority and The Bank of New York Mellon Trust Company, N.A. (the “Trustee”), the Authority will issue the (i) California Statewide Communities Development Authority Health Facility Revenue Notes, Series 2017A (the “2017A Notes”) and (ii) California Statewide Communities Development Authority Health Facility Revenue Refunding Bonds, Series 2017B (the “2017B Bonds,” and, collectively with the 2017A Notes, the “Bonds”) for the purpose, among others, of financing and refinancing the Project;

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

WHEREAS, pursuant to (i) a Purchase Agreement for the 2017A Notes, to be dated the date of sale of the 2017A Notes (the “2017A Purchase Agreement”), among Bank of the West, as the purchaser (the “2017A Purchaser”), the Authority and the Corporation, the 2017A Notes will be sold to the 2017A Purchaser, which is a Qualified Institutional Buyer (as defined in Rule 144A promulgated under the Securities Act of 1933, as amended), and (ii) a Purchase Agreement for the 2017B Bonds, to be dated the date of sale of the 2017B Bonds (the “2017B Purchase Agreement”), among Wells Fargo Bank, National Association, or any subsidiary or affiliate thereof, as the purchaser (the “2017B Purchaser”), the Authority and the Corporation, the 2017B Bonds will be sold to the 2017B Purchaser, which is a Qualified Institutional Buyer (as defined in Rule 144A promulgated under the Securities Act of 1933, as amended), the proceeds of such sales will be used as set forth in the Indentures to finance and refinance the Project and to pay costs incurred in connection with the issuance of the Bonds;

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

- (1) Proposed forms of the Indentures;
- (2) Proposed forms of the Loan Agreements; and
- (3) Proposed forms of the 2017A Purchase Agreement and the 2017B Purchase Agreement (collectively, the “Purchase Agreements”);

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

Section 1. Pursuant to the Act and the Indentures, the Authority is hereby authorized to issue its revenue notes and bonds designated as the “California Statewide Communities Development

Authority Health Facility Revenue Notes (Community Hospital of the Monterey Peninsula), Series 2017A” in an aggregate principal amount not to exceed forty-one million dollars (\$41,000,000) and the “California Statewide Communities Development Authority Health Facility Revenue Refunding Bonds (Community Hospital of the Monterey Peninsula), Series 2017B” in an aggregate principal amount not to exceed fifty-six million dollars (\$56,000,000), or with such other name or names or series thereof as designated in the Indentures pursuant to which the Bonds will be issued. The Bonds shall be issued and secured in accordance with the terms of, and shall be in the form or forms set forth in, the Indentures. The Bonds shall be executed on behalf of the Authority by the manual or facsimile signature of the Chair of the Authority or the manual signature of any member of the Commission of the Authority or their administrative delegates duly authorized pursuant to Resolution No. 17R-4 of the Authority, adopted on March 2, 2017, or any other resolution of the Authority (each, an “Authorized Signatory”), and attested by the manual or facsimile signature of the Secretary of the Authority or the Assistant to the Secretary of the Authority or the manual signature of any Authorized Signatory.

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

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

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

Section 5. The Bonds, when executed as provided in Section 1, shall be delivered to the Trustee for authentication by the Trustee. The Trustee is hereby requested and directed to authenticate the Bonds by executing the Trustee’s Certificate of Authentication appearing thereon, and to deliver the Bonds, when duly executed and authenticated, to the purchaser or purchasers thereof in accordance with written instructions executed on behalf of the Authority by an Authorized Signatory, which any Authorized Signatory, acting alone, is authorized and directed, for and on behalf of the Authority, to execute and deliver to the Trustee. Such instructions shall provide for the delivery of the Bonds to the purchaser or purchasers thereof, upon payment of the purchase price thereof.

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

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

Section 8. Notwithstanding anything to the contrary in this Resolution, no documents referenced in this Resolution may be executed and delivered until the County has held the hearing pursuant to Section 147(f) of the Internal Revenue Code of 1986, if required by said Section, and has approved the issuance of the Bonds as may be required thereby and in accordance with Section 9 of the Agreement to provide financing and refinancing for the Project.

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

PASSED AND ADOPTED by the California Statewide Communities Development Authority this 15th day of June, 2017.

I, the undersigned, an Authorized Signatory of the California Statewide Communities Development Authority, DO HEREBY CERTIFY that the foregoing Resolution was duly adopted by the Commission of the Authority at a duly called meeting of the Commission of the Authority held in accordance with law on June 15, 2017.

By: _____
Authorized Signatory
California Statewide Communities
Development Authority



Agenda Item No. 5c

Agenda Report

DATE: June 15, 2017

TO: CSCDA COMMISSIONERS

FROM: Cathy Bando, Executive Director

PROJECT: Camellia Place II Apartments

PURPOSE: Approve the Financing of Rental Affordable Housing Project Located in the unincorporated County of Kern

AMOUNT: Not to Exceed \$5,500,000

EXECUTIVE SUMMARY:

Camellia Place II Apartments (the “Project”) is the new construction of a 15-unit rental affordable housing project located in the unincorporated County of Kern. 100% of the units will be rent restricted for low-income tenants.

PROJECT DESCRIPTION:

- New construction of 15-unit affordable rental housing facility located in unincorporated Kern County.
- 2.5 acre site.
- 15 single family style buildings, attached garages, backyards and up-to-date appliances.
- Consists of 4 three-bedroom units and 11 four-bedroom units.

PROJECT ANALYSIS:

Background on Applicant:

Founded in 1995, Corporation for Better Housing (CBH) is a 501(c)(3) nonprofit organization. CBH believes community action changes lives, embodies the spirit of hope, and makes neighborhoods a better place to live. It's the goal of CBH to provide the tools necessary, for these ideas to flourish long after construction is complete. CBH is committed to providing services free of charge to all their residents. Regardless of the nature of the development, CBH remains dedicated to its residents, the public, and the

communities it serves. CBH has on-site staff working with residents in all 60 of the developments that they own. This is CBH's 18th financing with CSCDA.

Public Agency Approval:

TEFRA Hearing: February 7, 2017 – unincorporated Kern County – unanimous approval

CDLAC Approval: March 15, 2017

Public Benefits:

- 100% of the units will be rent restricted for 55 years.
 - 90% (12 units) restricted to 60% or less of area median income households.
 - 10% (3 units) restricted to 50% or less of area median income households.
- The Project is in close proximity to retail shopping, schools, social service facilities, and many employment opportunities in the industries of agriculture, factory production, and retail.

Sources and Uses:

Sources of Funds:

Tax-Exempt Bonds:	\$ 4,700,000
Tax Credit Equity:	\$ 628,425
Seller Carry Back Note:	\$ 430,000
Deferred Costs:	<u>\$ 433,776</u>
Total Sources:	\$ 6,192,201

Uses of Funds:

Acquisition:	\$ 430,000
Construction:	\$ 3,583,083
Contingency:	\$ 179,155
Interest Reserve:	\$ 136,009
Soft Costs:	\$ 1,474,909
Developer Fee:	<u>\$ 389,045</u>
Total Uses:	\$ 6,192,201

Finance Partners:

Bond Counsel: Orrick, Herrington & Sutcliffe, LLP, San Francisco

Authority Counsel: Orrick, Herrington & Sutcliffe, LLP, Sacramento

Private Placement Purchaser: Pacific Western Bank

Finance Terms:

Rating: Unrated
Term: 35 years at a fixed interest rate
Structure: Private Placement
Estimated Closing: June 28, 2017

CSCDA Policy Compliance:

The financing for the Project complies with CSCDA's general and issuance policies.

DOCUMENTS: (as attachments)

1. Photo of Camellia Place Apartments, (Attachment A) *The photos are from the first phase and Camellia Place II will be constructed in the same manner.*
2. CSCDA Resolution (Attachment B)

COMMISSION ACTION RECOMMENDED BY THE EXECUTIVE DIRECTOR:

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

ATTACHMENT A



ATTACHMENT B

RESOLUTION NO. 17H-__

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 \$5,500,000 FOR THE FINANCING OF A MULTIFAMILY RENTAL HOUSING PROJECT GENERALLY KNOWN AS CAMELLIA PLACE II PROJECT; 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 construction and development of multifamily rental housing projects in accordance with Chapter 7 of Part 5 of Division 31 of the California Health and Safety Code (the “Housing Law”);

WHEREAS, Camellia Place 2, L.P., a California limited partnership, and entities related thereto (collectively, the “Borrower”), has requested that the Authority issue and sell revenue bonds to assist in the financing of the construction and development of a 16-unit housing development located on two sites in unincorporated Kern County, California, and generally known as Camellia Place II Project (each such site a “Project Site” and collectively, the “Project”);

WHEREAS, on March 15, 2017, the Authority received an allocation in the amount of \$4,700,000 (the “Allocation Amount”) from the California Debt Limit Allocation Committee in connection with the Project;

WHEREAS, the County of Kern 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 \$5,500,000 aggregate principal amount of its Multifamily Housing Revenue Bonds (Camellia Place II Project), 2017 Series R (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 Pacific Western Bank (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) A proposed form of Regulatory Agreement and Declaration of Restrictive Covenants relating to each Project Site (collectively, the “Regulatory Agreement”) to be entered into by 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 (Camellia Place II Project) 2017 Series R,” 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 \$5,500,000; 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 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. 17R-4 of the Authority, adopted on March 2, 2017) (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 June 1, 2062), 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 15, 2017.

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 15, 2017.

By _____

Authorized Signatory



Agenda Item No. 6

Agenda Report

DATE: June 15, 2017

TO: CSCDA COMMISSIONERS

FROM: Cathy Bando, Executive Director

PURPOSE: Consideration of recommendation for appointment of CSCDA Auditor pursuant to responses to CSCDA's request for proposals.

EXECUTIVE SUMMARY:

On March 16, 2017, pursuant to CSCDA's Professional Services Policy, the Commission approved the issuance of a request for proposals (RFP) for annual auditing services.

CSCDA received three proposals from the following firms: (1) Macias Consulting; (2) Macias, Gini & O'Connell (MGO); and (3) Mann, Urrutia & Nelson (MUN).

Staff and the Professional Services Ad Hoc Committee reviewed the proposals, and are recommending the approval of MUN. The qualifications and pricing for MUN fit well with the needs of CSCDA. This will be a change from CSCDA's current auditor MGO.

RECOMMENDED ACTION:

CSCDA's Executive Director recommends that the Commission appoint Mann, Urrutia & Nelson as CSCDA's auditor. A contract will be reviewed by CSCDA's General Counsel and brought back to the Commission for approval.



Agenda Item No. 7

Agenda Report

DATE: June 15, 2017
TO: CSCDA COMMISSIONERS
FROM: Cathy Bando, Executive Director
SUBJECT: Marketing & Sponsorships

EXECUTIVE SUMMARY:

At the June 1, 2017 Commission meeting, the Chairman appointed an Ad Hoc Committee to develop policy recommendations regarding Charitable Contributions. The Ad Hoc Committee that was established includes Dan Harrison, Larry Combs and Kevin O'Rourke. Prior to July 1, 2015, 5% of CSCDA's Issuance Fees funded a Charitable Contributions Fund up to \$100,000 annually. The Fund was discontinued under the CSCDA Program Administration Agreement with Bridge Strategic Partners and the Administrative Agreement with the League of California Cities and CSAC dated July 1, 2015.

Beginning in FY 2017 the Commission budgeted \$30,000 for Marketing and Sponsorships in the Professional Services Fund. The Professional Services Fund is funded with 5% of CSCDA's Bond Administration Fees up to \$500,000 annually.

AD HOC COMMITTEE DELIBERATIONS AND RECOMMENDATIONS:

The Charitable Contributions Ad Hoc Committee has several recommendations as follows:

Support for Marketing and Sponsorship Activities

- The ad hoc committee recommends that the term "charitable contributions" be discontinued and that the budget line item for Marketing and Sponsorships be expanded to include support for professional organizations seeking CSCDA's support and to pay marketing expenses incurred by the executive director or commissioners of CSCDA
- The Charitable Contributions Ad Hoc Committee will be renamed the Marketing and Sponsorships Ad Hoc Committee

Sponsorship Approval Guidelines

- Professional organizations that are sponsored by CSCDA must demonstrate a direct relationship to the services CSCDA offers
- The professional organization must provide meaningful exposure and value to CSCDA, and will either provide a spokesperson from CSCDA with speaking time to describe

- CSCDA services, or provide CSCDA representatives with sufficient opportunities for face-to-face time with the organization's members during the sponsored event
- CSCDA will provide professional organizations with a written description of CSCDA's sponsorship requirements which are detailed below:
 - The professional organization must recognize CSCDA as a sponsor in its written program materials for the sponsored event
 - When CSCDA is the sponsor of a speaker, in addition to recognizing CSCDA in program materials, CSCDA must be verbally recognized as the speaker sponsor
 - If CSCDA sponsorships are used to provide scholarship grants, the scholarship recipient must be informed that CSCDA is the sponsor of the scholarship

Marketing Expenses

Expenses will be paid from Marketing and Sponsorships and will include:

- Travel and entertainment expenses incurred by Commissioners or the Executive Director in connection with sponsored events or marketing meetings
- Advertising in publications circulated to individuals/organizations that would benefit from CSCDA's services
- Costs associated with the development and production of written marketing materials
- Costs of engaging public relations professionals to write articles about CSCDA's services

Marketing and Sponsorship Approval Process

- Marketing costs and sponsorships over \$5,000 will be vetted by the Marketing and Sponsorships Ad Hoc Committee and will be submitted to the Commission for approval
- Marketing costs and sponsorships at or under \$5,000 can be approved by the Executive Director in accordance with the approved budget and established approval guidelines
- The Executive Director will provide quarterly reports to the Commission regarding the use of Marketing and Sponsorship funds

Marketing Plan

- The Ad Hoc Committee believes it would be beneficial to CSCDA if meetings were scheduled with senior officials and/or elected officials of certain cities and counties
- The Ad Hoc Committee requests that BSP and the Executive Director identify a list of cities and counties that should be visited
- Meeting dates with targeted cities and counties will be scheduled by BSP and the Executive Director and should include a representative from the Commission

Funding Source

- The amount budgeted for Marketing and Sponsorships will be determined at the end of each fiscal year for the subsequent fiscal year
- Ad Hoc Committee recommends budgeting \$100,000 for Marketing and Sponsorships in the 2017-18 Budget

COMMISSION ACTION RECOMMENDED BY THE EXECUTIVE DIRECTOR:

The Executive Director recommends that the Commission approve the above recommendations of the Ad Hoc Committee regarding Marketing and Sponsorship as a CSCDA policy.



Agenda Item No. 8

Agenda Report

DATE: June 15, 2017

TO: CSCDA COMMISSIONERS

FROM: Cathy Bando, Executive Director

PURPOSE: Update regarding PACE and Consideration of Appointment of an Open PACE Advisory Board.

SUMMARY:

As the Commission is aware PACE has recently been in the news and a number of bills are moving through the Legislature relating to PACE. This report is a brief update and steps that are being taken to address concerns.

SB 242 – Senator Skinner introduced this bill to create additional consumer protections supplementing AB 2693 which went into effect January 1, 2017. The additional protections include: (1) homeowner/administrator complaint resolution process; (2) liability provisions to the program administrators; (3) additional underwriting criteria; and (4) forbearance provisions for delinquent PACE assessments. CSAC and the League of are working closely with the Senator’s office, administrators and CSCDA staff to ensure the bill is meeting the needs of homeowners and PACE programs. The bill has passed in the Senate and is now being considered by the Assembly.

AB 271 – Assemblywoman Caballero introduced this bill to address mechanisms associated with the collection of the PACE assessments. The bill will require that if a PACE assessment becomes delinquent the issuer (i.e. CSCDA) will need to remove the PACE assessment from the tax roll. CSCDA already does this with SCIP and has the ability to do this for PACE. The bill has passed in the Assembly and is currently being reviewed by the Government and Finance Committee at the Senate.

PACE Administrator Protections – The PACE providers under the CSCDA Open PACE program are taking steps to address many of the concerns CSCDA and others are hearing. Staff will bring back to a future Commission meeting a detailed presentation of the additional steps that are being considered which include increased contractor oversight, increased follow-up call requirements to homeowners and other improvements.

In addition, Staff is working with CSCDA Open PACE administrators to change the messaging of Open PACE to cities and counties to clarify CSCDA’s role in the Open PACE process. The various Open PACE Administrators currently do not represent CSCDA Open PACE with a uniform message.

Creation of Open PACE Advisory Board – In order to receive direct feedback and recommendations from cities and counties regarding improvements/changes that can be made to Open PACE, staff recommends the creation of an Open PACE Advisory Board. The Open PACE Advisory Board would consist of city and county representatives who have experience or an interest in improving the delivery of PACE to residents in their communities. Staff will consult with the League and CSAC on potential city/county representatives. The representatives would be staff at the city or county who are involved with PACE and are likely to be personnel from sustainability departments. Staff will bring back recommendations for appointments to the Commission. The initial recommendation is a six person advisory board consisting of three city and three county representatives.

RECOMMENDED ACTION:

CSCDA's Executive Director recommends that Staff work with the League and CSAC to establish a six person Open PACE Advisory Board which will consist of three city and three county representatives. Recommendations for appointments to the Open PACE Advisory Board will be brought back to the Commission after the representatives have agreed to serve.



CSCDC
 CALIFORNIA STATEWIDE COMMUNITIES
 DEVELOPMENT CORPORATION



MEETING AGENDA

June 15, 2017

2:15 p.m. or upon adjournment of the regularly scheduled CSCDA Commission Meeting

**California State Association of Counties
 1100 K Street, 1st Floor, Sacramento, CA 95814**

Telephonic Locations:

709 Portwalk Place
 Redwood City, CA 94061

27788 Hidden Trail Road
 Laguna Hills, CA 92653

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

3252 Southern Hills Drive
 Fairfield, CA 94534

County of Kern
 1115 Truxtun Avenue, Bakersfield, CA 93301

County of Butte
 7 County Drive, Oroville, CA 95965

A. OPENING AND PROCEDURAL ITEMS

1. Roll Call.

<input type="checkbox"/> Dan Harrison, President <input type="checkbox"/> Larry Combs, Vice President <input type="checkbox"/> Kevin O'Rourke, Treasurer <input type="checkbox"/> Tim Snellings, Secretary	<input type="checkbox"/> Jordan Kaufman, Member <input type="checkbox"/> Dan Mierzwa, Member <input type="checkbox"/> Irwin Bornstein, Member <input type="checkbox"/> Brian Moura, Alt. Member
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2. Consideration of the minutes of the June 1, 2017 Meeting.
3. Public Comment.

B. ITEMS FOR CONSIDERATION

4. Consideration of resolution approving the filing of an application requesting an allocation of New Markets Tax Credits.

This ___ page agenda was posted at 1100 K Street, Sacramento, California on _____, 2017 at ___: __ __m, Signed _____. Please email signed page to info@cscda.org

C. ANNOUNCEMENTS, REPORTS ON ACTIVITIES OR REQUESTS

5. Executive Director Update.
6. Staff Updates.
7. Adjourn.



CSCDC
CALIFORNIA STATEWIDE COMMUNITIES
DEVELOPMENT CORPORATION



MINUTES

REGULAR MEETING OF THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT CORPORATION

June 1, 2017

League of Cities
1400 K K Street, 3rd Floor, Sacramento, CA 95814

Commission Chair Dan Harrison called the meeting to order at 2:02pm.

1. Roll Call.

Commission members present: Dan Harrison, Larry Combs, Kevin O'Rourke
Commission members participating via teleconference: Dan Mierzwa,

Others present: Cathy Bando, CSCDA Executive Director; James Hamill and Jon Penkower, Bridge Strategic Partners; Carolyn Coleman and Norman Coppinger, League of California Cities; Laura Labanieh and Sendy Young, CSAC Finance Corporation; and Victor Vilaplana, Renovate America.
Others participating via teleconference: Tricia Ortiz, Richards, Watson & Gershon.

2. Consideration of the Minutes of the May 4, 2017 Regular Meeting.

The commission approved the minutes.

Motion to approve by L. Combs. Second by K. O'Rourke. Unanimously approved by roll-call vote.

3. Public Comment.

There was no public comment.

4. Approve all necessary actions; the execution and delivery of all necessary documents; and authorize any signatory to sign all necessary documents in connection with the following:

- a. Approve the making of \$14,500,000 in qualified low income community investments by CSCDC 9 LLC to a nonprofit affiliate of Lao Family Community Development (San Antonio Neighborhood Resource Center, LLC), City of Oakland, California.

This is CSCDC's first investment of the \$70 million allocation of New Markets Tax Credits.

Motion to approve by K. O'Rourke. Second by J. Kaufman. Unanimously approved by roll-call vote.

5. Executive Director Update

There was no update.

6. Staff Updates.

Jon Penkower informed the Board that there will more regular scheduled CSCDC meetings. There will be 5 more projects coming before the Board.

7. Adjourn.

The meeting was adjourned at 2:31pm.

Submitted by: Sendy Young, CSAC Finance Corporation



Agenda Report

DATE: June 15, 2017

TO: CSCDC BOARD OF DIRECTORS

FROM: Cathy Bando, Executive Director

PURPOSE: Consideration of resolution approving the filing of an application requesting an allocation of New Markets Tax Credits

SUMMARY:

On April 24, 2013, CSCDC was awarded \$35,000,000 in New Markets Tax Credit (NMTC) allocation during Round 10; on June 5, 2014, CSCDC was awarded \$38,000,000 in NMTC allocation during Round 11; and on November 17, 2016, CSCDC was awarded \$70,000,000 in NMTC allocation during Round 13. The next round of allocation availability (Round 14) has commenced and the U.S. Treasury Department's CDFI Fund will be receiving applications from community development entities seeking NMTC allocation. Staff has been working diligently on the Round 14 application and a brief overview of the Round 14 application can be found in Attachment A. If the resolution is adopted, the application will be submitted on or before June 20, 2017 and awards are expected in winter, 2018.

RECOMMENDED ACTION:

CSCDC's Executive Director recommends that the directors of CSCDC approve the Resolution (in the form of Attachment B) as submitted to the directors, which:

1. Approves the filing of an application for an allocation of New Markets Tax Credits; and
2. Authorizes any member of the Board of Directors or a designated agent of the Board of Directors (each, an "Authorized Officer") to do any and all things and to execute and deliver any and all documents which such Authorized Officer may deem necessary or appropriate to complete the allocation application.

Attachment A

Overview of Allocation Application

CSCDA created a Community Development Entity (“CDE”), California Statewide Communities Development Corporation (“CSCDC”), to provide below-market rate “gap financing” to communities throughout the State of California, enhancing the subsidized financing programs already offered by CSCDA (such as industrial development bonds, affordable housing bonds, nonprofit bonds and other tax-exempt bonds for over 530 cities, counties and special districts. CSCDC will be seeking a \$72 Million allocation of New Markets Tax Credits from the U.S. Treasury’s CDFI Fund.

Similarly to its Round 10, 11 and 13 Applications, CSCDC will focus on communities that traditionally lack access to capital in both minor urban areas, such as cities throughout the Central Valley, as well as major urban areas where vulnerable populations are in need of services. CSCDC will target communities that suffer chronic underinvestment due to perceptions of poor credit worthiness. CSCDC will have a special emphasis on projects that have difficulty attracting sufficient financing and create public benefit by providing critical community services that promote economic development, health, and education.

The focus of CSCDC is driven by that of the founding members of the League and CSAC, which are the leading advocates for the interests of California’s cities and counties, and the enhancement of the quality of life and welfare of citizens. CSCDC anticipates that it will be able to access high impact projects that uniquely cater to the provision of public benefits for communities, through leveraging the deep existing networks of relationships of the CSCDA, the League, and CSAC in small cities and districts that receive fewer public resources and investment.

CSCDC will provide NMTC financing for businesses and facilities that promote public benefit through: 1) economic development through creating jobs, technologies, and goods and services with an emphasis on benefits for Low Income Persons; 2) health and social welfare and healthy living; 3) education and job training. Such businesses and projects are particularly challenged to fund capital gaps, as the State’s poor credit and finances have made raising conventional debt and equity financing more expensive, and made government subsidies even scarcer. CSCDC anticipates that it will be able to access high impact projects that uniquely cater to the provision of public benefits for communities, through leveraging the deep existing networks of relationships of CSCDA in small cities and districts that receive fewer public resources and investment.

Attachment B

RESOLUTION NO. 17-01

A RESOLUTION OF THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT CORPORATION APPROVING THE FILING OF AN APPLICATION REQUESTING AN ALLOCATION OF NEW MARKETS TAX CREDITS AND APPROVING SUCH OTHER ACTIONS AS NECESSARY OR APPROPRIATE THERETO

WHEREAS, on May 25, 2011, the California Statewide Communities Development Corporation (the "Corporation") approved the filing of an application for certification as a Community Development Entity (the "Certification Application"); and

WHEREAS, the Corporation now desires to approve the filing of an application with the U.S. Treasury for an allocation of New Markets Tax Credits.

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

Section 1. The Board of Directors of the Corporation hereby approves the filing of an application for an allocation of New Markets Tax Credits and hereby authorizes any member of the Board of Directors or a designated agent of the Board of Directors (each, an "Authorized Officer") to do any and all things and to execute and deliver any and all documents which such Authorized Officer may deem necessary or appropriate to complete the application for such allocation of New Markets Tax Credits, and any such actions previously taken by an Authorized Officer are hereby ratified and confirmed.

PASSED AND ADOPTED by the California Statewide Communities Development Corporation this 15th day of June, 2017.

I, the undersigned, the duly appointed and qualified member of the Board of Directors or Authorized Signatory of the California Statewide Communities Development Corporation, DO HEREBY CERTIFY that the foregoing resolution was duly adopted by the Board of Directors of the California Statewide Communities Development Corporation at a duly called meeting of the Board of said Corporation held in accordance with law on June 15, 2017.

By: _____
Authorized Signatory