



REGULAR MEETING AGENDA

June 2, 2016 at 2:00 p.m.

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

Telephonic Locations:

County of Monterey
168 Alisal Street, Salinas, CA 93901

3252 Southern Hills Drive
Fairfield, CA 94534

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

A. OPENING AND PROCEDURAL ITEMS

1. Roll Call.

| | |
|---------------------------------|--------------------------------|
| _____ Dan Harrison, Chair | _____ Tim Snellings, Member |
| _____ Larry Combs, Vice Chair | _____ Dan Mierzwa, Member |
| _____ Kevin O'Rourke, Treasurer | _____ Ron Holly, Alt. Member |
| _____ Irwin Bornstein, Member | _____ Brian Moura, Alt. Member |
2. Consideration of the minutes of the May 19, 2016 Regular Meeting.
3. Consideration of the Consent Calendar.
4. Election of Secretary.
5. Public Comment.

B. ITEMS FOR CONSIDERATION

6. 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. John Muir Health, City of Walnut Creek, County of Contra Costa, and City of Concord, County of Contra Costa; issue up to \$100,000,000 in nonprofit revenue bonds.

This ___ page agenda was posted at 1100 K Street, Sacramento, California on _____, 2016 at ___: ___ m, Signed _____. Please email signed page to info@cscda.org

- b. Community Hospital of the Monterey Peninsula, Cities of Monterey and Marina, County of Monterey; issue up to \$35,000,000 in nonprofit revenue refunding bonds.
 - c. Evelyn Avenue Family Apartments, L.P. (Evelyn Family Apartments), City of Mountain View, County of Santa Clara; issue up to \$35,000,000 in multi-family housing revenue bonds.
- 7. Consider the following resolutions for the creation of CFD No. 2016-01 (Napa Pipe), County of Napa:
 - a. Resolution declaring intention to establish the Authority's Community Facilities District No. 2016-01 (Napa Pipe) ("CFD No. 2016-01") and to levy a special tax to finance certain environmental remediation.
 - b. Resolution to incur bonded indebtedness to finance construction for environmental remediation within CFD No. 2016-01 and calling for a public hearing.
- 8. Consider the following resolutions for the creation of CFD No. 2016-02 (Delta Coves), County of Contra Costa:
 - a. Resolution approving joint community facilities agreements and declaring intention to establish the Authority's Community Facilities District No. 2016-02 (Delta Coves) ("CFD No. 2016-02"), to designate two improvement areas therein, and to levy a special tax to finance the acquisition and construction of certain public capital improvements, certain development impact fees and certain services.
 - b. Resolution to incur bonded indebtedness to finance acquisition and construction of certain public capital improvements and certain development impact fees for CFD No. 2016-02 and calling for a public hearing.
- 9. Consider release of litigation reserve funds to CHF Irvine.
- 10. Consider AllianceNRG (Open PACE) Consent to Service Provider and Fee Update.

C. STAFF ANNOUNCEMENTS, REPORTS ON ACTIVITIES OR REQUESTS

- 11. Executive Director Update.
- 12. Staff Updates.
- 13. Adjourn.

NEXT MEETING: Thursday, June 16, 2016 at 2:00 p.m.
 California State Association of Counties
 1100 K Street, 1st Floor, Sacramento, CA 95814

CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY

CONSENT CALENDAR

1. Consent Calendar

- a. Inducement of Premier Associates II, LP (Premier Apartments), City of Los Angeles, County of Los Angeles; issue up to \$18 million in multi-family housing revenue bonds.
- b. Inducement of Cypress Villa 2016 LP (Cypress Villa Apartments), City of La Habra, County of Orange; issue up to \$14 million in multi-family housing revenue bonds.
- c. Inducement of Daly City Pacific Associates, a California Limited Partnership (Brunswick Street Apartments), City of Daly City, County of San Mateo; issue up to \$80 million in multi-family housing revenue bonds.
- d. Inducement of SLTSG Apartment Investors, LP (Sierra Garden Apartments), City of South Lake Tahoe, County of El Dorado; issue up to \$10 million in multi-family housing revenue bonds.

June 2, 2016



TABLE OF CONTENTS

JUNE 2, 2016

| | | |
|---------|--------------------------------------|---------|
| Item 2 | May 19, 2016 Regular Meeting Minutes | Page 5 |
| Item 3 | Consent Calendar | Page 9 |
| Item 6a | John Muir Health | Page 13 |
| Item 6b | CHOMP | Page 21 |
| Item 6c | Evelyn Family Apartments | Page 28 |
| Item 7 | Napa Pipe CFD | Page 36 |
| Item 8 | Delta Coves CFD | Page 50 |
| Item 9 | CHF Irvine Litigation Reserve | Page 61 |
| Item 10 | AllianceNRG Open PACE | Page 62 |

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

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

May 19, 2016

MINUTES

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

1 Roll Call.

Commission members present: Larry Combs. Irwin Bornstein; Alternate commissioner Brian Moura (representing Kevin O'Rourke); Dan Mierzwa; Tim Snellings; and Alternate commissioner Ron Holly (representing the seat vacated by Terry Schutten) participated by conference telephone.

CSCDA Executive Director, Catherine Bando also participated by conference telephone.

Others present included: Norman Coppinger and Perry Stottlemeyer, League of California Cities; Jon Penkower, Bridge Strategic Partners; and Laura Labanieh, CSAC Finance Corporation. James Hamill, Bridge Strategic Partners; Greg Stepanicich, Richards Watson & Gershon; and Patricia Eichar, Orrick Herrington & Sutcliffe participated by conference telephone.

2 Approval of the minutes of the May 5, 2016 regular meeting.

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

3 Approval of consent calendar:

- a Induce Watts Arms I Renewal LP (Watts Arms I Apartments), City of Los Angeles, County of Los Angeles; issue up to \$23 million in multi-family housing revenue bonds.
- b ~~Induce Corporation for Better Housing (Camellia Place Phase II), unincorporated County of Kern; issue up to \$6 million in multi-family housing revenue bonds.~~ **This item postponed until a later date.**
- c Induce National Community Renaissance of California (Cathedral Palms 2), City of Cathedral City, County of Riverside; issue up to \$10 million in multi-family housing revenue bonds.
- d Induce National Community Renaissance of California (Clark Manor 2), City of Downey, County of Los Angeles; issue up to \$5 million in multi-family housing revenue bonds.
- e Induce National Community Renaissance of California (Hawthorne Terrace 2), City of Hawthorne, County of Los Angeles; issue up to \$10 million in multi-family housing revenue bonds.

- f Induce Boyle Terrace Affordable Apartments LP (Boyle Apartments and Jewel Terrace Apartments), City of Los Angeles, County of Los Angeles; issue up to \$11 million in multi-family housing revenue bonds.
- g Induce Princess Affordable Apartments LP (Princess Apartments), City of Los Angeles, County of Los Angeles; issue up to \$10 million in multi-family housing revenue bonds.

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

4 Public comment.

None.

5 Approval 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 John Muir Health, City of Walnut Creek, County of Contra Costa; issue up to \$350 million in nonprofit revenue bonds.

Executive Director Bando explained that this funding will refinance CSCDA's 2006A bonds, as well as finance certain improvements to John Muir's campuses in Walnut Creek and Concord. This is the seventh CSCDA financing for the borrower. The 35-year A1/A+ rated bonds will be offered to the public.

Bando further explained that this project complies with CSCDA's general and issuance policies and she recommends approval.

Motion to approve Executive Director Bando's recommendation by Mierzwa; second by Holly; unanimously approved by roll-call vote.

- b Paramount Family Irvine Housing Partners, LP (ETHIC Paramount Family Apartments), City of Irvine, County of Orange; issue up to \$17.5 million in multi-family housing revenue bonds.

Executive Director Bando explained that Related California (Related) is the developer/borrower for the new construction of an 84-unit affordable rental housing project on 5.8 acres in Irvine. This is Related's sixth financing with CSCDA. The 35-year unrated rated bonds will be privately placed.

Bando further explained that this project complies with CSCDA's general and issuance policies and she recommends approval.

Motion to approve Executive Director Bando's recommendation by Bornstein; second by Snellings; unanimously approved by roll-call vote.

- c El Cazador, LP (El Cazador Apartments), City of Fresno, County of Fresno; issue up to \$15 million in multi-family housing revenue bonds.

Executive Director Bando explained that Redwood Housing Partners (Redwood) is the developer/borrower for the acquisition and rehabilitation of a 100-unit affordable rental housing project on 4.55 acres in San Jose. This is Redwood's first financing with CSCDA. The 18-year unrated rated bonds will be privately placed.

Bando further explained that this project complies with CSCDA's general and issuance policies and she recommends approval.

Motion to approve Executive Director Bando's recommendation by Holly; second by Moura; unanimously approved by roll-call vote.

- 6 Approve the trustee substitution and agreement of removal, appointment and acceptance relating to CSCDA's SCIP program.

Executive Director Bando reported CSCDA staff has determined that Wilmington Trust, NA (Wilmington) is a better fit for the operations and cost structure of the SCIP program than is Wells Fargo Bank. This action will transfer the outstanding SCIP escrow accounts, as well as future financings. Wilmington has provided similar services to CSCDA with regard to CFD transactions, as well as trustee services to the PACE programs.

Bando recommends approval of the resolution.

Motion to approve Executive Director Bando's recommendation by Mierzwa; second by Bornstein; unanimously approved by roll-call vote.

- 7 Approval of a resolution authorizing execution and delivery of a master assignment and assumption agreement, a depository agreement, one or more assessment contracts and one or more assignment instruments for assignment of voluntary contractual assessments. (CaliforniaFIRST-SolarCity)

CaliforniaFIRST is working with SolarCity as part of its commercial PACE program and has proposed a financing program whereby SolarCity would provide financing for installation of distributed generation renewable energy sources that will be attached to nonresidential properties. The proposed financing structure would transfer CSCDA's rights, title and interest in the voluntary contractual assessments to SolarCity. This proposal is similar to existing CSCDA commercial PACE offerings for both CleanFund and CaliforniaFIRST.

Additionally, CaliforniaFIRST and SolarCity are requesting CSCDA to authorize an amount not to exceed \$200,000,000 in financings under this program.

Bando reported that as counsel, Orrick has reviewed and approved the documents. Bando recommends approval.

Motion to approve Executive Director Bando's recommendation by Moura; second by Snellings; unanimously approved by roll-call vote.

8 Executive Director update.

Executive Director Bando expressed thanks to Jon and James for the increase in activity.

She also reported that she and James attended the CSAC legislative conference and received a lot of positive feedback. Finance Corporation meeting and will present a report that was e-mailed to Commissioners last week.

Also, CSAC's executive committee is meeting right now and it is expected that Ron Holly will be appointed as a regular Commissioner, with a new alternate Commissioner is expected to be named and hopefully will be welcomed at CSCDA's next meeting.

Finally, Bando received a tobacco update from Citigroup. Tobacco receipts are up and the market is good for tobacco bonds. Citigroup is hoping to resurrect a financing that was considered a while back (when a financial advisor was appointed). Under this restructuring, it looks like the eleven participating counties will receive payments and the residual payments may be freed up.

9 Staff updates.

Jon Penkower updated the commission about housing and healthcare.

Seven projects received CDLAC allocation at yesterday's meeting with anticipation of submitting an additional five projects tomorrow, with maybe up to a dozen more in July.

Loma Linda closed last week and Rady Childrens Hospital closed yesterday. Also, John Muir was approved today and another John Muir project will be submitted for your approval in two weeks. Community Hospital of the Monterey Peninsula will be forthcoming next month.

10 Commissioner Larry Combs adjourned the meeting at 2:29 pm.

Submitted by: Perry Stottlemeyer, League of California Cities staff

*The next regular meeting of the commission is scheduled for
Thursday, June 2, at 2:00 pm
in the California State Association of Counties' office at 1100 K Street, 1st Floor, Sacramento, California.*

RESOLUTION NO. 16H-__

**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 2, 2016.

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 2, 2016.

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 |
|-----------------------------|--------------------------------------------------|------------------------------------|---------------------------------------------------------|----------------------------------------------------------------|--------------------|
| Premier Apartments | City of Los Angeles, County of Los Angeles | 120 | Acquisition and Rehabilitation | Premier Associates II, LP | \$18,000,000 |
| Cypress Villa Apartments | City of La Habra, County of Orange | 72 | Acquisition and Rehabilitation | Cypress Villa 2016 LP | \$14,000,000 |
| Brunswick Street Apartments | City of Daly City, County of San Mateo | 206 | New Construction | Daly City Pacific Associates, a California Limited Partnership | \$80,000,000 |
| Sierra Garden Apartments | City of South Lake Tahoe, County of El Dorado | 76 | Acquisition and Rehabilitation | SLTSG Apartment Investors | \$10,000,000 |



Agenda Item No. 6a

Agenda Report

DATE: June 2, 2016

TO: CSCDA COMMISSIONERS

FROM: Cathy Bando, Executive Director

PROJECT: John Muir Health

PURPOSE: Authorize the Issuance of Bonds to Finance and Refinance the Acquisition, Construction, Improvement, Renovation and Equipping of Healthcare Facilities located in the Cities of Walnut Creek and Concord, County of Contra Costa

AMOUNT: Not to Exceed \$100,000,000

EXECUTIVE SUMMARY:

John Muir Health, a 501c3 nonprofit organization (“John Muir”), has requested that CSCDA issue nonprofit revenue bonds in an amount not to exceed \$100,000,000 (the “Bonds”) to refinance the acquisition, construction, improvement, renovation and equipping of healthcare facilities located in the Cities of Walnut Creek and Concord (the “Project”). The Bonds are being issued to refinance the aggregate principal amount of CSCDA’s Series 2008A and C bonds previously issued for the benefit of John Muir (the “2008 Bonds”). At the May 19, 2016 CSCDA meeting the Commission approved the refinancing of John Muir’s Series 2006A bonds along with the financing of certain improvements to John Muir’s facilities. Today’s requested approval is the second part of the same transaction. The refinancing of the 2008 Bonds provides a longer tenor of the bonds, no daily put risk and more attractive covenants for John Muir. This combined transaction will be the seventh CSCDA financing for John Muir.

PROJECT ANALYSIS:

About John Muir:

John Muir includes two of the largest medical centers in Contra Costa County: John Muir Medical Center, Walnut Creek, a 572-licensed bed medical center that serves as Contra Costa County's only designated trauma center; and John Muir Medical Center, Concord, a 245-licensed bed medical center in Concord. Together, they are recognized as preeminent centers for neurosciences, orthopedics, cancer care, cardiovascular care and high-risk obstetrics. John Muir Health also offers complete inpatient and outpatient behavioral health programs and services at its Behavioral Health

Center, a fully accredited, 73-bed psychiatric hospital located in Concord. Other areas of specialty include general surgery, robotic surgery, weight-loss surgery, rehabilitation and critical care. All hospitals are accredited by The Joint Commission, a national surveyor of quality patient care. In addition, John Muir provides a number of primary care and outpatient services throughout the community and urgent care centers in Brentwood, Concord, San Ramon and Walnut Creek.

Public Agency Approvals:

TEFRA Hearing: TEFRA was held by the City of Concord on May 10, 2016 and unanimously approved. TEFRA was also held by the City of Walnut Creek on May 17, 2016 and unanimously approved.

Economic Development:

- John Muir employs more than 6,000 physicians, nurses and other staff throughout its facilities.
- John Muir'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 John Muir employees live, eat and shop within the community and support the local economy.

Public Benefit:

- In 2014, John Muir contributed \$101,508,353 in total community benefits, including quantifiable benefits for the poor and broader community.
- Medi-Cal, Medicaid and Medicare acceptance – John Muir 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 2014, John Muir subsidized more than \$64 million for the unpaid cost of federal, state, and local programs.
- Non-reimbursed community benefit costs – In 2015, John Muir provided more than \$18 million in traditional charity care charges.
- John Muir is the community's only Level 1 Trauma Center.
- John Muir provides a wide array of community program for adults, youth and seniors.
- John Muir provides a Beyond Violence program to help mentor vulnerable youth.
- John Muir provides a volunteer driven mobile community healthcare clinic.

Sources and Uses:

Sources of Funds:

| | |
|--------------------------|----------------------|
| Series 2016B Par Amount: | \$ 51,245,000 |
| Series 2016C Par Amount: | <u>\$ 45,065,000</u> |
| Total Sources: | \$ 96,310,000 |

Uses of Funds:

| | |
|------------------------|-----------------|
| Refunding 2008A Bonds: | \$ 50,600,000 |
| Refunding 2008C Bonds: | \$ 44,500,000 |
| Cost of Issuance: | \$ 1,203,875 |
| Additional Proceeds: | <u>\$ 6,125</u> |
| Total Uses: | \$ 96,310,000 |

Finance Partners:

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

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

Private Placement Purchasers: Bank of the West & Northern Trust

Finance Terms:

Rating: Unrated
Term: Series B – 10 Years
Series C – 8 Years
Structure: Private Placements
Estimated Closing: June 9, 2016

CSCDA Policy Compliance:

The financing for John Muir 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. 16NP-__

**CALIFORNIA STATEWIDE COMMUNITIES
DEVELOPMENT AUTHORITY**

A RESOLUTION AUTHORIZING THE ISSUANCE OF REVENUE BONDS OR NOTES IN ONE OR MORE SERIES IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$100,000,000 TO REFUND, ON A CURRENT BASIS, ALL OR A PORTION OF THE OUTSTANDING CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY VARIABLE RATE REVENUE BONDS (JOHN MUIR HEALTH), SERIES 2008A AND 2008C AND OTHER MATTERS RELATING THERETO

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

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

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

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

WHEREAS, the City of Concord and the City of Walnut Creek are each Program Participants, and such cities are authorized to acquire and dispose of property, both real and personal, pursuant to the provisions of Article 1, Chapter 5, Part 2 of Division 3 of Title 4 of the Government Code of the State of California;

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 or notes, rather than certificates of participation, and enter into a loan agreement with the Eligible Organizations;

WHEREAS, John Muir Health, a California nonprofit public benefit corporation (the "Corporation"), wishes to refund, on a current basis, all or a portion of the outstanding California Statewide Communities Development Authority Variable Rate Revenue Bonds (John Muir Health), Series 2008A and Series 2008C (collectively, the "Prior Bonds");

WHEREAS, the Corporation is requesting the assistance of the Authority in refunding all or a portion of the Prior Bonds;

WHEREAS, pursuant to one or more bond or note indentures (the "Indentures"), between the Authority and The Bank of New York Mellon Trust Company, N.A. (the "Trustee"), the Authority will issue the California Statewide Communities Development Authority Variable Rate Revenue Bonds or Notes (John Muir Health), Series 2016 in one or more series (the "Bonds or Notes") for the purpose, among others, of refunding all or a portion of the Prior Bonds;

WHEREAS, pursuant to one or more loan agreements (the "Loan Agreements"), between the Authority and the Corporation, the Authority will loan the proceeds of the Bonds or Notes to the Corporation for the purpose, among others, of refunding all or a portion of the Prior Bonds;

WHEREAS, pursuant to one or more bond or note purchase contracts, to be dated the date of sale of the Bonds or Notes (the "Purchase Contracts"), between the Authority and the purchasers named therein (the "Purchasers") and approved by the Corporation, the Bonds or Notes will be sold to the Purchasers, and the proceeds of such sale will be used as set forth in the Indentures to refund all or a portion of the Prior Bonds and to pay costs incurred in connection with the issuance of the Bonds or Notes;

WHEREAS, the Purchasers will be Approved Institutional Buyers (as defined in the Indentures);

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 Purchase Contracts.

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 bonds or notes designated as the "California Statewide Communities Development Authority Variable Rate Revenue Bonds or Notes (John Muir Health), Series 2016," in one or more series in an aggregate principal amount not to exceed one hundred million dollars (\$100,000,000). The Bonds or Notes 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 or Notes 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. 15R-53 of the Authority, adopted on October 22, 2015 (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 the 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 forms, 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, method of determining rates, tender provisions, interest payment dates, denominations, forms, registration privileges, manner of execution, place or places of payment, terms of redemption and other terms of the Bonds or Notes shall be as provided in the Indentures, as finally executed.

Section 3. The proposed forms of the 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 forms, 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 the Purchase Contracts, 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 Contracts, in substantially said forms, 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 or Notes, 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 or Notes by executing the Trustee's Certificate of Authentication appearing thereon, and to deliver the Bonds or Notes, 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 or Notes 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 or Notes, 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 or Notes 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 City of Walnut Creek and the City of Concord have held the hearings pursuant to Section 147(f) of the Internal Revenue Code of 1986, if required by said Section, and have approved the issuance of the Bonds or Notes as may be required thereby and in accordance with Section 9 of the Agreement to provide for the refunding of all or a portion of the Prior Bonds.

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

PASSED AND ADOPTED by the California Statewide Communities Development Authority this 2nd day of June, 2016.

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 2, 2016.

By: _____

Authorized Signatory

California Statewide Communities

Development Authority



Agenda Item No. 6b

Agenda Report

DATE: June 2, 2016

TO: CSCDA COMMISSIONERS

FROM: Cathy Bando, Executive Director

PROJECT: Community Hospital of the Monterey Peninsula

PURPOSE: Authorize the Issuance of Bonds to 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 \$35,000,000

EXECUTIVE SUMMARY:

Community Hospital of the Monterey Peninsula, a 501c3 nonprofit organization (“CHOMP”), has requested that CSCDA issue nonprofit revenue refunding bonds in an amount not to exceed \$35,000,000 (the “Bonds”) to 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 2011A bonds previously issued for the benefit of CHOMP (the “2011 Bonds”). The refinancing of the 2011 Bonds is expected to produce interest rate savings of \$8.1 Million. This will be the fourth 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: A TEFRA hearing is scheduled for June 7, 2016 at the County of Monterey. CSCDA's approval of the Project will be contingent upon TEFRA approval by the County.

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 2015, CHOMP contributed \$165,864,000 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 2015, CHOMP subsidized more than \$128 million for the unpaid cost of federal, state, and local programs.
- Non-reimbursed community benefit costs – In 2015, CHOMP provided more than \$3.5 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 2016 Par Amount: | \$ 32,365,000 |
| Series 2011A Funds: | \$ 151,036 |
| Total Sources: | \$ 32,516,036 |

Uses of Funds:

| | |
|------------------------|---------------|
| Refunding 2011A Bonds: | \$ 32,073,991 |
| Other Proceeds: | \$ 1,973 |
| Cost of Issuance | \$ 440,072 |
| Total Uses: | \$ 32,516,036 |

Finance Partners:

Bond Counsel: Orrick, Herrington & Sutcliffe, LLP, Sacramento
Authority Counsel: Orrick, Herrington & Sutcliffe, LLP, Sacramento
Private Placement Purchaser: Sterling National Bank

Finance Terms:

Rating: Unrated
Term: 17 Years – Fixed Interest Rate
Structure: Private Placement
Estimated Closing: June 15, 2016

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 REVENUE REFUNDING
BONDS IN A PRINCIPAL AMOUNT NOT TO EXCEED \$35,000,000 TO REFINANCE
THE CONSTRUCTION, IMPROVEMENT, RENOVATION AND EQUIPPING OF
HEALTH FACILITIES FOR COMMUNITY HOSPITAL OF THE MONTEREY
PENINSULA AND AFFILIATED ENTITIES AND OTHER MATTERS RELATING
THERE TO**

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 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 refinancing the Project;

WHEREAS, pursuant to a Bond Indenture (the “Indenture”), between the Authority and The Bank of New York Mellon Trust Company, N.A. (the “Trustee”), the Authority will issue the California Statewide Communities Development Authority Health Facility Revenue Refunding Bonds, Series 2016A (the “Bonds”) for the purpose, among others, of refinancing the Project;

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

WHEREAS, pursuant to a Bond Purchase Contract, to be dated the date of sale of the Bonds (the “Purchase Contract”), among Sterling National Bank, as purchaser (the “Purchaser”), the Authority and the Corporation, the Bonds will be sold to the Purchaser, which is a Qualified Institutional Buyer (as defined in Rule 144A promulgated under the Securities Act of 1933, as amended), and the proceeds of such sale will be used as set forth in the Indenture to 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) A proposed form of the Indenture;
- (2) A proposed form of the Loan Agreement; and
- (3) A proposed form of the Purchase Contract;

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

Section 1. Pursuant to the Act and the Indenture, the Authority is hereby authorized to issue its revenue bonds designated as the “California Statewide Communities Development Authority Health Facility Revenue Refunding Bonds (Community Hospital of the Monterey Peninsula), Series 2016A” in an aggregate principal amount not to exceed thirty-five million dollars (\$35,000,000). The Bonds shall be issued and secured in accordance with the terms of, and shall be in the form or forms set forth in, the Indenture. 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. 15R-53 of the Authority, adopted on October 22, 2015 (each, an “Authorized Signatory”), and attested by the manual or facsimile signature of the Secretary of the Authority or the Assistant to the Secretary of the Authority or the manual signature of any Authorized Signatory.

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

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

Section 4. The proposed form of the Purchase Contract, as made available to the Commissioners, is hereby approved. Any Authorized Signatory is hereby authorized and directed, for and on behalf of the Authority, to execute and deliver the Purchase Contract, 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 7. The Chair, the Vice Chair, the Secretary, the Treasurer, any other members of the Commission of the Authority and other appropriate officers and agents of the Authority are hereby authorized and directed, jointly and severally, 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 8. 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 9. 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 refinancing for the Project.

Section 10. This Resolution shall take effect from and after its adoption.

PASSED AND ADOPTED by the California Statewide Communities Development Authority this 2nd day of June, 2016.

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 2, 2016.

By: _____
Authorized Signatory
California Statewide Communities
Development Authority



Agenda Item No. 6c

Agenda Report

DATE: June 2, 2016

TO: CSCDA COMMISSIONERS

FROM: Cathy Bando, Executive Director

PROJECT: Evelyn Family Apartments

PURPOSE: Approve the Financing of Rental Affordable Housing Project Located in the City of Mountain View, County of Santa Clara

AMOUNT: Not to Exceed \$35,000,000

EXECUTIVE SUMMARY:

Evelyn Family Apartments (the “Project”) is the new construction of a 116-unit rental affordable housing project located in the City of Mountain View. 100% of the units will be rent restricted for low-income tenants.

PROJECT DESCRIPTION:

- Construction of 116-unit affordable rental housing facility located at 779 East Evelyn Avenue in the City of Mountain View.
- 1.935 acre site.
- One five-story wood and concrete frame building.
- Consists of 11 studios, 45 one-bedroom units, 44 two-bedroom units, 15 three-bedroom units and a manager unit.
- Construction is anticipated to commence July, 2016 and be completed by August, 2018.

PROJECT ANALYSIS:

Background on Applicant:

ROEM Development Corporation is a full-service development and construction organization that specializes in the acquisition, planning, financing, new construction, renovation, and asset management of affordable housing for families and seniors. As a longstanding developer of multifamily housing, ROEM maintains its commitment to working locally and collaboratively to successfully complete developments with quality control and efficiency. ROEM has previously constructed or rehabilitated 25 multifamily and senior housing properties. This is ROEM’s 11th financing with CSCDA.

Public Agency Approval:

TEFRA Hearing: March 29, 2016 – City of Mountain View – unanimous approval

CDLAC Approval: May 18, 2016

Public Benefits:

- 100% of the units will be rent restricted for 55 years.
 - 10% (12 units) restricted to 50% or less of area median income households.
 - 90% (103 units) restricted to 60% or less of area median income households.
- The Project is in walking distance to recreational facilities, grocery stores, and public K-12 schools.

Sources and Uses:

Sources of Funds:

| | |
|-------------------------|---------------|
| Tax-Exempt Bonds: | \$ 32,000,000 |
| Tax Credits: | \$ 5,639,414 |
| City Loan: | \$ 21,700,000 |
| Solar Tax Credits: | \$ 144,763 |
| Deferred Developer Fee: | \$ 4,668,547 |
| Total Sources: | \$ 64,152,724 |

Uses of Funds:

| | |
|------------------------------|---------------|
| Land Acquisition: | \$ 11,772,393 |
| Construction Costs: | \$ 37,898,205 |
| Architecture & Engineering: | \$ 1,400,000 |
| Costs of Issuance: | \$ 160,000 |
| Capitalized Interest & Fees: | \$ 2,356,983 |
| Developer Overhead/Fee: | \$ 6,040,000 |
| Permits/Marketing/FF&E: | \$ 2,263,730 |
| Reserves: | \$ 374,750 |
| Soft Cost Contingency: | \$ 1,886,662 |
| Total Uses: | \$ 64,152,724 |

Finance Partners:

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

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

Private Placement Purchaser: Citibank

Finance Terms:

Rating: Unrated
Term: 35 years
Structure: Private Placement
Estimated Closing: June 30, 2016

CSCDA Policy Compliance:

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

DOCUMENTS: (as attachments)

1. Graphic Renderings of Project (Attachment A)
2. CSCDA Resolution (Attachment B)

COMMISSION ACTION RECOMMENDED:

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.

NOTE: LANDSCAPE SHOWN FOR CONCEPTUAL PURPOSES



MOUNTAIN VIEW, CALIFORNIA

ARCHITECTS ORANGE
144 NORTH ORANGE ST., ORANGE, CALIFORNIA 92667 (714) 854-0001



NOTE: LANDSCAPE SHOWN FOR CONCEPTUAL PURPOSES



MOUNTAIN VIEW, CALIFORNIA

ARCHITECTS ORANGE
144 NORTH ORANGE ST., ORANGE, CALIFORNIA 92667 (714) 639-8800



ATTACHMENT B

RESOLUTION NO. _____

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 \$35,000,000 FOR THE FINANCING OF A MULTIFAMILY RENTAL HOUSING PROJECT TO BE GENERALLY KNOWN AS EVELYN FAMILY APARTMENTS; DETERMINING AND PRESCRIBING CERTAIN MATTERS AND APPROVING AND AUTHORIZING THE EXECUTION OF AND DELIVERY OF VARIOUS DOCUMENTS RELATED THERETO; RATIFYING ANY ACTION HERETOFORE TAKEN AND APPROVING RELATED MATTERS IN CONNECTION WITH THE NOTE.

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

WHEREAS, Evelyn 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 (Evelyn Family Apartments) 2016 Series H (the “Note”) to assist in the financing of the acquisition, construction and development of a 116-unit multifamily housing rental development located in the City of Mountain View, County of Santa Clara, California, and known as Evelyn Family Apartments (the “Project”);

WHEREAS, on May 18, 2016, the Authority received an allocation in the amount of \$32,000,000 (the “Allocation Amount”) from the California Debt Limit Allocation Committee in connection with the Project;

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

WHEREAS, the Authority is willing to execute and deliver the Note in an aggregate principal amount not to exceed \$35,000,000, provided that the portion of such Note executed and delivered as federally tax-exempt obligations shall not exceed the Allocation Amount, and to loan the proceeds thereof to the Borrower to assist in providing financing for the Project, which will allow the Borrower to reduce the cost of the Project and to assist in providing housing for low income persons;

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

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

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

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

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

(4) Contingency Draw-Down Agreement (the “Contingency Draw-Down Agreement”) to be entered into by the Funding Lender and the Borrower;

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

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

Section 2. Pursuant to the JPA Law and the Funding Loan Agreement, and in accordance with the Housing Law, the Authority is hereby authorized to execute and deliver the Note in one or more series. The Note shall be designated as “California Statewide Communities Development Authority Multifamily Housing Revenue Note (Evelyn Family Apartments) 2016 Series H” 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 \$35,000,000, provided that the aggregate principal amount of any tax-exempt Notes executed and delivered shall not exceed the Allocation Amount. The Note shall be executed and delivered in the form set forth in and otherwise in accordance with the Funding Loan Agreement, and shall be executed on behalf of the Authority by the manual signature of any Authorized Signatory. The Note shall be secured in accordance with the terms of the Funding Loan Agreement presented to this meeting, as hereinafter approved. Payment of the principal and purchase price of, and prepayment premium, if any, and interest on, the Note shall be made solely from amounts pledged thereto under the Funding Loan Agreement, and the Note shall not be deemed to constitute a debt or liability of the Authority or any Program Participant or Member of the Commission of the Authority (each, a “Member”).

Section 3. The Funding Loan Agreement in the form presented at this meeting is hereby approved. Any Member, or any other person as may be designated and authorized to sign for the Authority pursuant to a resolution adopted thereby (including, without limitation, the administrative delegates duly authorized pursuant to Resolution No. 15R-53 of the Authority, adopted on October 22, 2015) (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 June 1, 2061), interest rate or rates (which shall not exceed 12%), interest payment dates, denominations, form, registration privileges, manner of execution, place of payment, terms of prepayment and other terms of the Note shall be as provided in the Funding Loan Agreement as finally executed.

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

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

Section 6. The Contingency Draw-Down Agreement in the form presented at this meeting is hereby approved.

Section 7. The Authority is hereby authorized to execute and deliver the Note to the Funding Lender pursuant to the terms and conditions of the Funding Loan Agreement.

Section 8. All actions heretofore taken by the officers and agents of the Authority with respect to the financing of the Project and the execution and delivery of the Note are hereby approved, ratified and confirmed, and any Authorized Signatory, acting alone, is hereby authorized and directed, for and in the name and on behalf of the Authority, to do any and all things and take any and all actions and execute and deliver any and all certificates, agreements and other documents, including but not limited to a tax certificate, loan related documents, an assignment of deed of trust, an endorsement, allonge or assignment of any note and such other documents as described in the Funding Loan Agreement and the other documents herein approved, which they, or any of them, may deem necessary or advisable in order to consummate the lawful execution and delivery of the Note and to effectuate the purposes thereof and of the documents herein approved in accordance with this resolution and resolutions heretofore adopted by the Authority and otherwise in order to carry out the financing of the Project.

Section 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 execution and delivery of the Note, including without limitation any of the foregoing that may be necessary or desirable in connection with any default under or amendment of such documents, any transfer or other disposition of the Project, any addition or substitution of security for the Note or any prepayment of the Note, may be given or taken by any Authorized Signatory, as appropriate, without further authorization by the Commission, and each such officer is hereby

authorized and directed to give any such consent, approval, notice, order or request and to take any such action that such officer may deem necessary or desirable to further the purposes of this Resolution and the financing of the Project; provided such action shall not create any obligation or liability of the Authority other than as provided in the Funding Loan Agreement and other documents approved herein.

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

PASSED AND ADOPTED by the California Statewide Communities Development Authority this June 2, 2016.

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 2, 2016.

By _____
Authorized Signatory



Agenda Item No. 7a&b

Agenda Report

DATE: June 2, 2016

TO: CSCDA COMMISSIONERS

FROM: Cathy Bando, Executive Director

PURPOSE: Consider the following resolutions for the creation of CFD No. 2016-01 (Napa Pipe), County of Napa:

- a. Resolution declaring intention to establish the Authority's Community Facilities District No. 2016-01 (Napa Pipe) ("CFD No. 2016-01") and to levy a special tax to finance certain environmental remediation.
- b. Resolution to incur bonded indebtedness to finance construction for environmental remediation within CFD No. 2016-01 and calling for a public hearing.

BACKGROUND AND SUMMARY:

CSCDA has received an application from the Napa Pipe Redevelopment Project (the "Project") to finance environmental remediation for a proposed project in the County of Napa through the establishment of a community facilities district (CFD). The environmental remediation consists of the removal of soil contamination for the development of a 154 acre project that includes high density residential development with open space, neighborhood-servicing retail, restaurants, a hotel and a Costco on the eastern portion of the site. The Project is located in the southern portion of Napa County, just outside the Napa city limits. Attachment A includes photographs of portions of the development site, and artist's renderings of the future development.

On March 22, 2016, the Napa County Board of Supervisors approved the formation of the CFD by CSCDA. Napa County anticipates this project will bring significant economic benefit to the area, in addition to much needed housing.

The amount of bonds to be issued will not exceed \$25 million. The Commission is being requested to approve the following:

- The resolution declaring intention to establish the Authority's Community Facilities District No. 2016-01 (Napa Pipe) ("CFD No. 2016-01") and to levy a special tax to finance certain environmental remediation.

- Resolution to incur bonded indebtedness to finance construction for environmental remediation within CFD No. 2016-01.
- Setting the public hearing of protests for July 7, 2016.

Orrick, Herrington & Sutcliffe and CSCDA staff have reviewed the boundary map and the rate and method of apportionment. The proposed financing complies with the Community Facilities District policies and goals adopted by CSCDA.

All final approvals for the issuance of bonds will be brought back to the Commission after all proceedings have been completed.

RECOMMENDED ACTION:

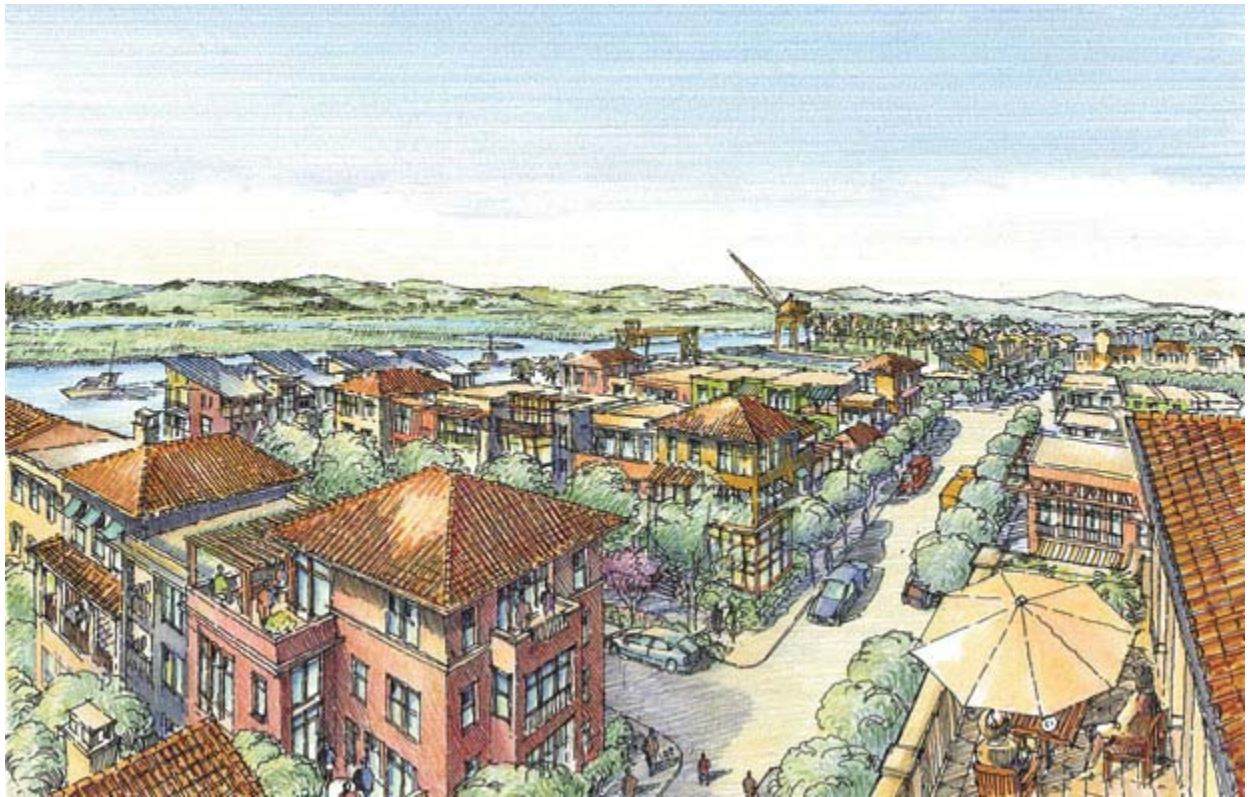
CSCDA's Executive Director recommends the following approvals:

1. Approval of the resolution of intention;
2. Approval of the resolution to incur bonded indebtedness;
3. Authorize any member of the Commission or Authorized Signatory to sign all necessary documents; and
4. Set the public hearing for July 7, 2016 at 2:00 p.m. at the League of California Cities.

ATTACHMENT A







ATTACHMENT B

RESOLUTION NO. 16SCIP-__

CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY

A RESOLUTION DECLARING INTENTION TO ESTABLISH CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY COMMUNITY FACILITIES DISTRICT NO. 2016-01 (NAPA PIPE), COUNTY OF NAPA, STATE OF CALIFORNIA, AND TO LEVY A SPECIAL TAX THEREIN TO FINANCE CERTAIN ENVIRONMENTAL REMEDIATION

WHEREAS, the Commission (the “Commission”) of the California Statewide Communities Development Authority (the “Authority”) has duly considered the advisability and necessity of establishing a community facilities district within the jurisdictional boundaries of Napa County, California, to be designated and known as “California Statewide Communities Development Authority Community Facilities District No. 2016-01 (Napa Pipe), County of Napa, State of California” (the “Community Facilities District”), and levying a special tax therein to finance certain environmental remediation (the “Remediation”), under and pursuant to the terms and provisions of the “Mello-Roos Community Facilities Act of 1982,” being Chapter 2.5, Part 1, Division 2, Title 5 (beginning with Section 53311) of the Government Code of the State of California (the “Act”); and

WHEREAS, the Remediation will assist in mitigating the impact on the public infrastructure systems occasioned by new development that has occurred or is expected to occur within the boundaries of the Community Facilities District; and

WHEREAS, the Commission has determined that the establishment of the Community Facilities District is consistent with and follows the local goals and policies concerning the use of the Act that have been adopted by the Commission and are now in effect; and

WHEREAS, the Commission has reviewed the Resolution No. 2016-35 adopted by the Board of Supervisors of Napa County on March 22, 2016, entitled “Resolution of the Board of Supervisors of Napa County, State of California (1) Authorizing the California Statewide Communities Development Authority (the “Authority”) to Form a Community Facilities District within the Territorial Limits of Napa County to Finance Certain Environmental Remediation; (2) Embodying a Joint Community Facilities Agreement Setting Forth the Terms and Conditions of the Community Facilities District Financing; and (3) Authorizing Staff to Cooperate with the Authority and its Consultants in Connection Therewith” (the “County Resolution”); and

WHEREAS, the County Resolution, a copy of which is attached hereto and marked Exhibit A and incorporated herein by this reference, describe the Remediation and set forth the terms of a joint community facilities agreement under the authority of Section 53316.2 of the Act, and further provide that the adoption of a Resolution of Intention for the Community Facilities District by the Commission will act as an acceptance, by the Authority, of the terms of the joint community facilities agreement embodied in the County Resolution; and

WHEREAS, there has been filed with the Secretary of the Authority (the “Secretary”) a map entitled “Proposed Boundaries of California Statewide Communities Development Authority Community Facilities District No. 2016-01 (Napa Pipe), County of Napa, State of California” (the “Boundary Map”); and

WHEREAS, Section 53314.9 of the Act further provides that the legislative body may enter into an agreement, by resolution, with the person or entity advancing the funds, to repay all or a portion of the funds advanced, as determined by the legislative body, with or without interest, under all the following conditions: (a) the proposal to repay the funds is included in both the resolution of intention to establish a community facilities district adopted pursuant to Section 53321 of the Act and in the resolution of formation to establish a community facilities district pursuant to Section 53325.1 of the Act, (b) any proposed special tax is approved by the qualified electors of the community facilities district pursuant to the Act, and (c) any agreement shall specify that if the qualified electors of the community facilities district do not approve the proposed special tax, the local agency shall return any funds which have not been committed for any authorized purpose by the time of the election to the person or entity advancing the funds; and

WHEREAS, the Authority and the developer (the “Developer”) of the property within the proposed Community Facilities District entered into a Deposit and Reimbursement Agreement, dated as of November 1, 2015 (the “Deposit Agreement”), that provides for the advancement of funds by the Developer to be used to pay costs incurred in connection with the establishment of the Community Facilities District and the issuance of special tax bonds thereby, and provides for the reimbursement to the Developer of such funds advanced, without interest, from the proceeds of any such bonds issued by the Community Facilities District; and

WHEREAS, the Commission desires to include in this Resolution, in accordance with Section 53314.9 of the Act, the proposal to repay funds pursuant to the Deposit Agreement; and

WHEREAS, the Commission is fully advised in this matter;

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

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

Section 2. It is the intention of the Commission, and the Commission hereby proposes, to establish the Community Facilities District. By adopting this Resolution of Intention, the Commission hereby accepts and agrees to the joint community facilities agreement embodied in the County Resolution. The Commission finds and determines that this resolution and the agreement it embodies are beneficial to the residents of the County of Napa and are in the best interests of the residents of the County of Napa and of the future residents of the area within the Community Facilities District.

Section 3. The boundaries of the territory proposed for inclusion in the Community Facilities District are more particularly described and shown on the Boundary Map now on file in the office of the Secretary, which map is hereby approved by the Commission. A reduced copy of the Boundary Map is marked Exhibit B and is attached hereto, and by this reference is incorporated herein and made a part of this Resolution. The Commission finds that the Boundary Map is in the form and contains the matters prescribed by Section 3110 of the California Streets and Highways Code and directs the Secretary to certify the adoption of this Resolution on the face of the Boundary Map. The Authority’s special tax consultant is hereby authorized and directed to record a copy of the Boundary Map with the County Recorder of Napa County in accordance with the provisions of Section 3111 of the California Streets and Highways Code.

Section 4. It is the intention of the Commission to finance the Remediation described in the County Resolution. Remediation is necessary to meet increased demands placed upon the County as

a result of development which has occurred, is occurring or is expected to occur within the Community Facilities District.

Section 5. The cost of financing the Remediation includes incidental expenses comprising the costs of planning and designing the Remediation, together with the costs of environmental evaluations thereof, and all costs associated with the creation of the Community Facilities District, the issuance of any bonds, the determination of the amount of any special taxes or the collection or payment of any special taxes and costs otherwise incurred in order to carry out the authorized purposes of the Community Facilities District, together with any other expenses incidental to the Remediation. A representative list of incidental expenses proposed to be incurred are set forth on Exhibit C attached hereto, which by this reference is incorporated herein and made a part of this Resolution.

Section 6. It is the intention of the Commission that, except where funds are otherwise available, a special tax shall be annually levied within the Community Facilities District sufficient to finance the Remediation, including but not limited to the payment of interest on and principal of any bonds to be issued to finance the Remediation; the repayment of funds advanced by the County for the Community Facilities District and including the repayment under any agreement (which shall not constitute a debt or liability of the Authority) of advances of funds or reimbursement for the lesser of the value or cost or work in-kind provided by any person for the Community Facilities District.

Section 7. Upon recordation of a Notice of Special Tax Lien pursuant to Section 3114.5 of the California Streets and Highways Code, a continuing lien to secure each levy of the special tax shall attach to all nonexempt real property within the Community Facilities District, and this lien shall continue in force and effect until the special tax obligation is prepaid and permanently satisfied and the lien is cancelled in accordance with law, or until levy of the special tax by the Authority ceases.

Section 8. It is the intention of the Commission that the proposed special tax will be collected through the regular Napa County secured property tax bills, and will be subject to the same enforcement mechanism, and the same penalties and interest for late payment, as regular *ad valorem* property taxes; however, the Commission reserves the right to utilize any other lawful means of billing, collecting and enforcing the special tax, including direct billing, supplemental billing, and, when lawfully available, judicial foreclosure of the special tax lien.

Section 9. The rate and method of apportionment of the special tax (the “RMA”), including the maximum annual special tax, is set forth in Exhibit D attached hereto, which by this reference is incorporated herein and made a part of this Resolution. The RMA provides sufficient detail to allow each landowner or resident within the Community Facilities District to estimate the maximum amount that such person will have to pay, and specifies the conditions under which the obligation to pay the special tax may be prepaid and permanently satisfied. As required by the Act: (1) the maximum authorized special tax for financing the acquisition and construction of facilities that may be levied against any parcel of land used for private residential purposes (which use commences no later than the date on which an occupancy permit for private residential use is issued) is specified as a dollar amount and shall not increase by more than two percent (2%) per year; (2) the special tax shall not be levied for facilities against such property after the time stated in Exhibit D; and (3) under no circumstances shall the special tax be increased on such property, as a consequence of delinquency or default by the owners of any other parcel or parcels of land within the Community Facilities District, by more than ten per cent (10%) above the level that would have been levied had there been no delinquencies.

Section 10. Should any property subject to the special tax be acquired by a public agency and then leased for private purposes, it is the intention of the Commission, pursuant to Section 53340.1 of the California Government Code, to levy the special tax on the leasehold or possessory interests

in property owned by a public agency (which property is otherwise exempt from the special tax), to be payable by the owner of the leasehold or possessory interests in such property.

Section 11. It is the intention of the Commission, pursuant to Section 53325.7 of the California Government Code, to establish the initial appropriations limit, as defined by subdivision (h) of Section 8 of Article XIII B of the California Constitution, for the Community Facilities District in the amount of \$2,500,000.

Section 12. Notice is given that Thursday, the 7th day of July 2016, at the hour of 2:00 o'clock P.M., at the offices of the League of California Cities, at 1400 K Street, 3rd Floor, Sacramento, California 95814, has been fixed by the Commission as the date, time and place for a public hearing to be held by the Commission to consider the establishment of the Community Facilities District, the proposed rate, method of apportionment and manner of collection of the special tax and all other matters as set forth in this Resolution. At the public hearing, any persons interested, including all taxpayers, property owners and registered voters within the Community Facilities District, may appear and be heard, and the testimony of all interested persons or taxpayers for or against the establishment of the Community Facilities District and the levy of the special tax, the extent of the Community Facilities District, the financing of the Remediation, the establishment of the appropriations limit, or on any other matters set forth herein, will be heard and considered.

Section 13. Any protests to the proposals in this Resolution may be made orally or in writing by any interested persons or taxpayers, except that any protests pertaining to the regularity or sufficiency of these proceedings shall be in writing and shall clearly set forth the irregularities and defects to which objection is made. The Commission may waive any irregularities in the form or content of any written protest and at the public hearing may correct minor defects in the proceedings. All written protests not presented in person by the protester at the public hearing must be filed with the Secretary at or before the time fixed for the public hearing in order to be received and considered. Any written protest may be withdrawn in writing at any time before the conclusion of the public hearing.

Section 14. Written protests by a majority of the registered voters residing and registered within the Community Facilities District (if at least six such voters so protest), or by the owners of a majority of the land area within the Community Facilities District not exempt from the proposed special tax will require suspension of these proceedings for at least one year. If such protests are directed only against certain elements of the proposed Remediation or the special tax of the Community Facilities District or the other proposals contained in this Resolution, only those elements need be excluded from the proceedings.

Section 15. The public hearing may be continued from time to time, but shall be completed within thirty (30) days from the date of the initial date set for such public hearing, except that if the Commission finds that the complexity of the Community Facilities District or the need for public participation requires additional time, the public hearing may be continued from time to time for a period not to exceed six (6) months from the date of the initial date set for such public hearing.

Section 16. The Commission may at the public hearing modify this Resolution by eliminating any element of the Remediation, or by changing the method of apportionment of the special tax so as to reduce the maximum special tax for all or a portion of the owners of property within the Community Facilities District or by removing any territory from the Community Facilities District; except that if the Commission proposes to modify this Resolution in a way that will increase the probable (as distinct from the maximum, which may not be increased) special tax to be paid by the owner of any lot or parcel of land in the Community Facilities District, the Commission shall direct that a report be prepared that includes a brief analysis of the impact of the proposed modifications on the probable special tax to be paid by the

owners of such lots or parcels of land in the Community Facilities District, and the Commission shall receive and consider the report before approving any such modifications or any resolution forming the Community Facilities District which includes such modifications.

Section 17. At the conclusion of the public hearing, the Commission may abandon these proceedings or may, after passing upon all protests, determine to proceed with establishing the Community Facilities District. If the Commission determines at the conclusion of the public hearing to proceed with the establishment of the Community Facilities District, it expects that the proposed voting procedure will be by landowners voting in accordance with the Act, as the Commission is informed that during the 90 days prior to the date set for the hearing, there have been zero registered voters residing within the Community Facilities District. The Commission will require this information to be confirmed before ordering the election.

Section 18. The Authority's special tax consultant, David Taussig & Associates, in consultation with and on behalf of the County, is hereby requested to study the Community Facilities District and, at or before the time of the public hearing, to cause to be prepared and filed with the Commission a report which shall contain a brief description of the facilities by type which in its opinion will be required to adequately meet the needs of the new development which has occurred and/or is expected to occur within the Community Facilities District, together with estimates of the cost of financing the Remediation and the incidental expenses related thereto. The report shall, upon its presentation, be submitted to the Commission for review, shall be available for inspection by the public, and shall be made a part of the record of the public hearing.

Section 19. The Remediation has not been and will not be performed by the County; therefore in the opinion of the Commission, the public interest will not be served by allowing the property owners in the Community Facilities District to intervene in a public bidding process pursuant to Section 53329.5(a) of the Act.

Section 20. Notice of the time and place of the public hearing shall be given by Bond Counsel in the following manner:

(a) A Notice of Public Hearing in the form provided by the Act shall be published once in the *NAPA VALLEY REGISTER*, a newspaper of general circulation published in the area of the Community Facilities District, pursuant to Section 6061 of the Government Code of the State of California and shall be completed at least seven (7) days prior to the date set for such public hearing; and

(b) A Notice of Public Hearing in the form provided by the Act shall be mailed, first class postage prepaid, to each owner of land, and to each registered voter residing, within the boundaries of the Community Facilities District (to property owners at their addresses as shown on the last equalized assessment roll, or as otherwise known to Bond Counsel). The mailing shall be completed at least fifteen (15) days prior to the date set for the public hearing.

Section 21. The Developer has heretofore advanced certain funds, and may advance additional funds, which have been or may be used to pay costs incurred in connection with the establishment of the Community Facilities District and the issuance of special tax bonds thereby. The Commission proposes to repay all or a portion of such funds expended for such purpose, solely from the proceeds of such bonds, pursuant to the Deposit Agreement. The Deposit Agreement is hereby incorporated herein as though set forth in full herein.

Section 22. This Resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED by the California Statewide Communities Development Authority this 2nd day of June 2016.

I, the undersigned, a duly appointed and qualified Authorized Signatory of the Commission of the California Statewide Communities Development Authority, DO HEREBY CERTIFY that the foregoing resolution was duly adopted by the Commission of said Authority at a duly called meeting of the Commission of said Authority held in accordance with law on June 2, 2016.

By: _____
Authorized Signatory
California Statewide Communities
Development Authority

RESOLUTION NO. 16SCIP-____
CALIFORNIA STATEWIDE COMMUNITIES
DEVELOPMENT AUTHORITY

A RESOLUTION TO INCUR BONDED INDEBTEDNESS TO FINANCE THE CONSTRUCTION FOR ENVIRONMENTAL REMEDIATION WITHIN CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY COMMUNITY FACILITIES DISTRICT NO. 2016-01 (NAPA PIPE), COUNTY OF NAPA, STATE OF CALIFORNIA AND CALLING FOR A PUBLIC HEARING

WHEREAS, the Commission (the “Commission”) of the California Statewide Communities Development Authority (the “Authority”) has duly adopted its Resolution No. 16SCIP-____ (the “Resolution of Intention”) this date, wherein it declared its intention to establish a community facilities district under and pursuant to the terms and provisions of the “Mello-Roos Community Facilities Act of 1982,” being Chapter 2.5, Part 1, Division 2, Title 5 (commencing with Section 53311) of the Government Code of the State of California (the “Act”), to be known and designated as “California Statewide Communities Development Authority Community Facilities District No. 2016-01 (Napa Pipe), County of Napa, State of California” (the “Community Facilities District”), and to levy a special tax therein to finance certain environmental remediation (the “Remediation,” as that term is defined in the Resolution of Intention) that will assist in mitigating the impact on the need for public facilities occasioned by new development that has occurred or is expected to occur within the boundaries of the Community Facilities District; and

WHEREAS, the Commission is fully advised in this matter;

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

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

Section 2. The Commission hereby declares that the public convenience and necessity require that a bonded indebtedness be incurred to finance the Remediation. The cost of the Remediation includes incidental expenses for the Remediation comprising the costs of planning and designing the Remediation, together with the costs of environmental evaluations thereof, and all costs associated with the creation of the Community Facilities District, the issuance of bonds, the determination of the amount of any special taxes or the collection or payment of any special taxes and costs otherwise incurred in order to carry out the authorized purposes of the Community Facilities District, together with any other expenses incidental to the Remediation.

Section 3. The amount of the proposed bonded indebtedness to be incurred to finance the Remediation shall not exceed twenty-five million dollars (\$25,000,000), which amount includes all costs and estimated costs incidental to, or connected with, the accomplishment of the purpose for which the bonded indebtedness is proposed to be incurred, including, but not limited to, the estimated costs of acquisition of land, rights-of-way, capacity or connection fees, satisfaction of contractual obligations relating to expenses or the advancement of funds for expenses existing at the time the bonds are issued pursuant to the Act, architectural, engineering, inspection, legal, fiscal, and financial consultant fees, bond and other reserve funds, discount fees, interest on any bonds of the Community Facilities District estimated to be due and payable within two (2) years of issuance of the bonds, election costs, and all costs of issuance of the bonds, including, but not limited to, underwriter’s discount, fees for bond counsel, costs of obtaining credit ratings, bond insurance premiums, fees for letters of credit, and other credit enhancement costs, and printing costs.

Section 4. Notice is given that Thursday, the 7th day of July, 2016, at the hour of 2:00 o'clock P.M., at the offices of the League of California Cities, at 1400 K Street, 3rd Floor, Sacramento, California 95814, has been fixed by the Commission as the time and place for a public hearing to be held by the Commission to consider the incurring of the bonded indebtedness to finance the Remediation. At the public hearing, any persons interested, including all taxpayers, property owners and registered voters within the Community Facilities District, may appear and be heard on the proposed debt issuance or on any other matters set forth herein, and they may present any matters relating to the necessity for incurring the bonded indebtedness to finance the Remediation to be secured by a special tax to be levied within the Community Facilities District.

Section 5. Notice of the time and place of the public hearing shall be given by Bond Counsel in the following manner:

- (a) A Notice of Public Hearing in the form provided by the Act shall be published once in the *NAPA VALLEY REGISTER*, a newspaper of general circulation circulated within the area of the Community Facilities District. The publication shall be made pursuant to Section 6061 of the Government Code of the State of California and shall be completed at least seven (7) days prior to the date set for such public hearing; and
- (b) A Notice of Public Hearing in the form provided by the Act shall be mailed, first class postage prepaid, to each owner of land, and to each registered voter residing, within the boundaries of the proposed Community Facilities District (to property owners at their addresses as shown on the last equalized assessment roll, and to registered voters at their addresses as shown on the records of the Napa County Registrar of Voters, or in either case as otherwise known to Bond Counsel). The mailing shall be completed at least fifteen (15) days prior to the date set for the public hearing.

Section 6. It is the intention of the Commission that any bonds issued shall be callable (may be redeemed prior to their maturity dates) in accordance with the terms of the Act.

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

PASSED AND ADOPTED by the California Statewide Communities Development Authority this 2nd day of June 2016.

I, the undersigned, a duly appointed and qualified Authorized Signatory of the Commission of the California Statewide Communities Development Authority, DO HEREBY CERTIFY that the foregoing resolution was duly adopted by the Commission of said Authority at a duly called meeting of the Commission of said Authority held in accordance with law on June 2, 2016.

By: _____

Authorized Signatory
California Statewide Communities
Development Authority



Agenda Item No. 8a&b

Agenda Report

DATE: June 2, 2016

TO: CSCDA COMMISSIONERS

FROM: Cathy Bando, Executive Director

PURPOSE: Consider the following resolutions for the creation of CFD No. 2016-02 (Delta Coves), County of Contra Costa:

- a. Resolution approving joint community facilities agreements and declaring intention to establish the Authority's Community Facilities District No. 2016-02 (Delta Coves) ("CFD No. 2016-02"), to designate two improvement areas therein, and to levy a special tax to finance the acquisition and construction of certain public capital improvements, certain development impact fees and certain services.
- b. Resolution to incur bonded indebtedness to finance acquisition and construction of certain public capital improvements and certain development impact fees for CFD No. 2016-02 and calling for a public hearing.

BACKGROUND AND SUMMARY:

CSCDA has received an application from the Delta Coves Project (the "Project") to finance the acquisition and construction of certain public improvements, development impact fees and certain services for a proposed project in the County of Contra Costa through the establishment of a community facilities district (CFD). The Project is comprised of 560 single and multifamily units located on Bethel Island. It will offer 494 waterfront residential lots and 66 condominiums built around a man-made lagoon. Attachment A includes photographs of the site.

The CFD will include Joint Facility Agreements ("JCFA") with the East Contra Costa County Fire Protection District, Ironhouse Sanitary District, Bethel Island Municipal Improvement District and the Diablo Water District. The JCFA's are required because the improvements, impact fees and/or services fall within the jurisdiction of the above-referenced agencies.

The amount of bonds to be issued will not exceed \$55 million for Improvement Area 1 and \$7 million for Improvement Area 2. The Commission is being requested to approve the following:

- Resolution approving joint community facilities agreements and declaring intention to establish the Authority's Community Facilities District No. 2016-02 (Delta Coves) ("CFD No. 2016-02"), to designate two improvement areas therein, and to levy a special tax to finance the acquisition and construction of certain public capital improvements, certain development impact fees and certain services.
- Resolution to incur bonded indebtedness to finance acquisition and construction of certain public capital improvements and certain development impact fees for CFD No. 2016-02 and calling for a public hearing.
- Setting the public hearing of protests for July 7, 2016.

Orrick, Herrington & Sutcliffe and CSCDA staff have reviewed the boundary map and the rate and method of apportionment. The proposed financing complies with the Community Facilities District policies and goals adopted by CSCDA.

All final approvals for the issuance of bonds will be brought back to the Commission after all proceedings have been completed.

RECOMMENDED ACTION:

CSCDA's Executive Director recommends the following approvals:

1. Approval of the resolution of intention;
2. Approval of the resolution to incur bonded indebtedness;
3. Authorize any member of the Commission or Authorized Signatory to sign all necessary documents; and
4. Set the public hearing for July 7, 2016 at 2:00 p.m. at the League of California Cities.

ATTACHMENT A



ATTACHMENT B

RESOLUTION NO. 16SCIP-__

CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY

A RESOLUTION APPROVING JOINT COMMUNITY FACILITIES AGREEMENTS AND DECLARING INTENTION TO ESTABLISH CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY COMMUNITY FACILITIES DISTRICT NO. 2016-02 (DELTA COVES), COUNTY OF CONTRA COSTA, STATE OF CALIFORNIA, TO DESIGNATE IMPROVEMENT AREA NO. 1 AND IMPROVEMENT AREA NO. 2 THEREIN AND TO LEVY A SPECIAL TAX THEREIN TO FINANCE THE ACQUISITION AND CONSTRUCTION OF CERTAIN PUBLIC CAPITAL IMPROVEMENTS, CERTAIN DEVELOPMENT IMPACT FEES AND CERTAIN SERVICES

WHEREAS, the Commission (the “Commission”) of the California Statewide Communities Development Authority (the “Authority”) has duly considered the advisability and necessity of establishing a community facilities district within the jurisdictional boundaries of the Diablo Water District, the Ironhouse Sanitary District, the Bethel Island Municipal Improvement District, and the East Contra Costa Fire Protection District (the “Local Agencies”) to be designated and known as “California Statewide Communities Development Authority Community Facilities District No. 2016-02 (Delta Coves), County of Contra Costa, State of California” (the “Community Facilities District”), and levying a special tax therein to finance the acquisition and construction of certain public capital improvements (including improvements financed with development impact fees, the “Improvements”), certain development impact fees (the “Fees”), and certain services (the “Services”), under and pursuant to the terms and provisions of the “Mello-Roos Community Facilities Act of 1982,” being Chapter 2.5, Part 1, Division 2, Title 5 (beginning with Section 53311) of the Government Code of the State of California (the “Act”); and

WHEREAS, the Improvements, Fees and Services will assist in mitigating the impact on the need for public facilities and services occasioned by new development that has occurred or is expected to occur within the boundaries of the Community Facilities District; and

WHEREAS, the Commission has reviewed the resolutions of the Local Agencies (the “Local Agency Resolutions”) attached hereto as Exhibit A and incorporated herein by reference; and

WHEREAS, each Local Agency Resolution describes the project within the proposed Community Facilities District and approves a joint community facilities agreement under the authority of Section 53316.2 of the Act and the forms of such joint community facilities agreements are attached to or embodied in such Local Agency Resolutions; and

WHEREAS, the Diablo Water District’s Local Agency Resolution embodies a joint community facilities agreement and further provides that the adoption of a Resolution of Intention for the Community Facilities District by the Commission will act as an acceptance, by the Authority, of the terms of the joint community facilities agreement embodied in the Diablo Water District’s Local Agency Resolution; and

WHEREAS, there has been filed with the Commission a map entitled “Proposed Boundaries of California Statewide Communities Development Authority Community Facilities District No. 2016-02 (Delta Coves), County of Contra Costa, State of California” (the “Boundary Map”); and

WHEREAS, pursuant to Section 53350 of the Act, it is proposed to designate two improvement areas within the Community Facilities District (each, an “Improvement Area”); and

WHEREAS, the names of the Improvement Areas shall be “California Statewide Communities Development Authority Community Facilities District No. 2016-02, Improvement Area No. 1 (Delta Coves), County of Contra Costa, State of California” (“Improvement Area No. 1”) and “California Statewide Communities Development Authority Community Facilities District No. 2016-02, Improvement Area No. 2 (Delta Coves), County of Contra Costa, State of California” (“Improvement Area No. 2”); and

WHEREAS, the Commission has determined that the establishment of the Community Facilities District is consistent with and follows the local goals and policies concerning the use of the Act that have been adopted by the Commission and are now in effect; and

WHEREAS, Section 53314.9 of the Act further provides that the legislative body may enter into an agreement, by resolution, with the person or entity advancing the funds, to repay all or a portion of the funds advanced, as determined by the legislative body, with or without interest, under all the following conditions: (a) the proposal to repay the funds is included in both the resolution of intention to establish a community facilities district adopted pursuant to Section 53321 of the Act and in the resolution of formation to establish a community facilities district pursuant to Section 53325.1 of the Act, (b) any proposed special tax is approved by the qualified electors of the community facilities district pursuant to the Act, and (c) any agreement shall specify that if the qualified electors of the community facilities district do not approve the proposed special tax, the local agency shall return any funds which have not been committed for any authorized purpose by the time of the election to the person or entity advancing the funds; and

WHEREAS, the Authority and SDC Delta Coves LLC, the developer (the “Developer”) of the property within the proposed Community Facilities District, entered into a Deposit and Reimbursement Agreement, dated as of December 1, 2015 (the “Deposit Agreement”), that provides for the advancement of funds by the Developer to be used to pay costs incurred in connection with the establishment of the Community Facilities District and the issuance of special tax bonds thereby, and provides for the reimbursement to the Developer of such funds advanced, without interest, from the proceeds of any such bonds issued by the Community Facilities District; and

WHEREAS, the Commission desires to include in this Resolution, in accordance with Section 53314.9 of the Act, the proposal to repay funds pursuant to the Deposit Agreement; and

WHEREAS, the Commission is fully advised in this matter;

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

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

Section 2. It is the intention of the Commission, and the Commission hereby proposes, to establish the Community Facilities District and each Improvement Area therein. By adopting this Resolution of Intention, the Commission hereby accepts and agrees to the joint community facilities agreement embodied in the Diablo Water District's Local Agency Resolution. The forms of joint community facilities agreements attached to the other Local Agency Resolutions are hereby approved in substantially the forms attached to the Local Agency Resolutions. Any member of the Commission of the Authority or their duly authorized designees is authorized and directed to execute each joint community facilities agreement in substantially said forms. The Commission finds and determines that this resolution and the agreement it embodies and each other joint community facilities agreement are beneficial to the residents of the Local Agencies and are in the best interests of the residents and customers of the Local Agencies and of the future residents of the area within the Community Facilities District.

Section 3. The boundaries of the territory proposed for inclusion in the Community Facilities District and each Improvement Area are more particularly described and shown on the Boundary Map now on file in the office of the Secretary, which map is hereby approved by the Commission. A reduced copy of the Boundary Map is marked Exhibit B and is attached hereto, and by this reference is incorporated herein and made a part of this Resolution. The Commission finds that the Boundary Map is in the form and contains the matters prescribed by Section 3110 of the California Streets and Highways Code and directs the Secretary or the Assistant to the Secretary to certify the adoption of this Resolution on the face of the Boundary Map. The Authority's special tax consultant is hereby authorized and directed to record a copy of the Boundary Map with the County Recorder of Contra Costa County in accordance with the provisions of Section 3111 of the California Streets and Highways Code.

Section 4. It is the intention of the Commission to finance the Improvements and Fees described in the Local Agency Resolutions and more particularly described in Exhibit C. All of the Improvements to be financed directly or through Fees have an estimated useful life of five (5) years or longer. They are public facilities that a Local Agency or another governmental entity is authorized by law to construct, own or operate, or to which they may contribute revenue, and that are necessary to meet increased demands placed upon the Local Agencies or upon other local government agencies as a result of development occurring and anticipated to occur within the Community Facilities District. The Improvements to be financed directly or through Fees need not be physically located within either Improvement Area.

Section 5. The cost of financing the Improvements and Fees includes incidental expenses comprising the costs of engineering, planning, design, construction staking, materials testing and coordination of the Improvements (including the Improvements to be financed by Fees), together with the costs of environmental evaluations thereof, and all costs associated with the creation of the Community Facilities District and designation of the Improvement Areas therein, the issuance of any bonds, the determination of the amount of any

special taxes or the collection or payment of any special taxes and costs otherwise incurred in order to carry out the authorized purposes of the Community Facilities District, together with any other expenses incidental to the Improvements and Fees. A representative list of incidental expenses proposed to be incurred are set forth on Exhibit D attached hereto, which by this reference is incorporated herein and made a part of this Resolution.

Section 6. It is also the intention of the Commission to finance the governmental services described in the Local Agency Resolutions and more particularly described in Exhibit C, referred to herein as the Services. The Services to be financed will be in addition to similar services currently being provided outside the area of the proposed Community Facilities District, will not supplant the similar services currently being provided within the area of the proposed Community Facilities District, and are necessary to meet increased demands placed upon the Local Agencies or upon other local government agencies as a result of development occurring and anticipated to occur within the Community Facilities District.

Section 7. It is the intention of the Commission that, except where funds are otherwise available, a special tax shall be annually levied within each Improvement Area sufficient to finance the Improvements, Fees and Services, including but not limited to the payment of interest on and principal of any bonds to be issued to finance the Improvements and Fees; the repayment of funds advanced by the Local Agencies or the Developer for the Community Facilities District and including the repayment under any acquisition, deposit or other agreement (which shall not constitute a debt or liability of the Authority) of advances of funds or reimbursement for the lesser of the value or cost or work in-kind provided by any person for the Community Facilities District.

Section 8. Upon recordation of a Notice of Special Tax Lien pursuant to Section 3114.5 of the California Streets and Highways Code, a continuing lien to secure each levy of the special tax shall attach to all nonexempt real property within each respective Improvement Area, and this lien shall continue in force and effect until the special tax obligation is prepaid and permanently satisfied and the lien is cancelled in accordance with law, or until levy of the special tax by the Authority ceases.

Section 9. It is the intention of the Commission that the proposed special tax will be collected through the regular Contra Costa County secured property tax bills, and will be subject to the same enforcement mechanism, and the same penalties and interest for late payment, as regular *ad valorem* property taxes; however, the Commission reserves the right to utilize any other lawful means of billing, collecting and enforcing the special tax, including direct billing, supplemental billing, and, when lawfully available, judicial foreclosure of the special tax lien.

Section 10. The rate and method of apportionment of the special tax for Improvement Area No. 1 (the "Improvement Area No. 1 RMA") and for Improvement Area No. 2 (the "Improvement Area No. 2 RMA" and, together with the Improvement Area No. 1 RMA, the "RMAs"), including the maximum annual special tax for the respective Improvement Area, are set forth in Exhibits E-1 and E-2, respectively, attached hereto, which by this reference are incorporated herein and made a part of this Resolution. The RMAs provide sufficient detail to allow each landowner or resident within the respective Improvement Area to estimate the

maximum amount that such person will have to pay, and specifies the conditions under which the obligation to pay the special tax may be prepaid and permanently satisfied. As required by the Act: (1) the maximum authorized special tax for financing the acquisition and construction of the Improvements and the financing of the Fees that may be levied against any parcel of land used for private residential purposes (which use commences no later than the date on which an occupancy permit for private residential use is issued) is specified as a dollar amount and shall not increase by more than two percent (2%) per year; (2) the special tax shall not be levied for Improvements and Fees against such property after the time stated in Exhibits E-1 and E-2; and (3) under no circumstances shall the special tax be increased on such property, as a consequence of delinquency or default by the owners of any other parcel or parcels of land within the Community Facilities District, by more than ten per cent (10%) above the level that would have been levied had there been no delinquencies.

Section 11. Should any property subject to the special tax be acquired by a public agency and then leased for private purposes, it is the intention of the Commission, pursuant to Section 53340.1 of the California Government Code, to levy the special tax on the leasehold or possessory interests in property owned by a public agency (which property is otherwise exempt from the special tax), to be payable by the owner of the leasehold or possessory interests in such property.

Section 12. It is the intention of the Commission, pursuant to Section 53325.7 of the California Government Code, to establish the initial appropriations limit, as defined by subdivision (h) of Section 8 of Article XIII B of the California Constitution, for Improvement Area No. 1 in the amount of \$5,000,000 and for Improvement Area No. 2 in the amount of \$600,000.

Section 13. Notice is given that Thursday, the 7th day of July 2016, at the hour of 2:00 o'clock P.M., at the offices of the League of California Cities, at 1400 K Street, 3rd Floor, Sacramento, California 95814, has been fixed by the Commission as the date, time and place for a public hearing to be held by the Commission to consider the establishment of the Community Facilities District, the designation of each Improvement Area, the proposed rate, method of apportionment and manner of collection of the special tax and all other matters as set forth in this Resolution. At the public hearing, any persons interested, including all taxpayers, property owners and registered voters within each Improvement Area, may appear and be heard, and the testimony of all interested persons or taxpayers for or against the establishment of the Community Facilities District and the levy of the special tax, the extent of the Community Facilities District, the designation of each Improvement Area, the financing of the Improvements, Fees or Services, the establishment of the appropriations limits, or on any other matters set forth herein, will be heard and considered.

Section 14. Any protests to the proposals in this Resolution may be made orally or in writing by any interested persons or taxpayers, except that any protests pertaining to the regularity or sufficiency of these proceedings shall be in writing and shall clearly set forth the irregularities and defects to which objection is made. The Commission may waive any irregularities in the form or content of any written protest and at the public hearing may correct minor defects in the proceedings. All written protests not presented in person by the protester at the public hearing must be filed with the Commission at or before the time fixed for the public

hearing in order to be received and considered. Any written protest may be withdrawn in writing at any time before the conclusion of the public hearing.

Section 15. Written protests by a majority of the registered voters residing and registered within an Improvement Area (if at least six such voters so protest), or by the owners of a majority of the land area within the Community Facilities District not exempt from the proposed special tax will require suspension of these proceedings for at least one year. If such protests are directed only against certain elements of the proposed Improvements, Fees, or Services, or the special tax of an Improvement Area or the other proposals contained in this Resolution, only those elements need be excluded from the proceedings.

Section 16. The public hearing may be continued from time to time, but shall be completed within thirty (30) days from the date of the initial date set for such public hearing, except that if the Commission finds that the complexity of the Community Facilities District or the need for public participation requires additional time, the public hearing may be continued from time to time for a period not to exceed six (6) months from the date of the initial date set for such public hearing.

Section 17. The Commission may at the public hearing modify this Resolution by eliminating any element of the Improvements, Fees or Services, or by changing the method of apportionment of the special tax for an Improvement Area so as to reduce the maximum special tax for all or a portion of the owners of property within such Improvement Area or by removing any territory from an Improvement Area; except that if the Commission proposes to modify this Resolution in a way that will increase the probable (as distinct from the maximum, which may not be increased) special tax to be paid by the owner of any lot or parcel of land in the Community Facilities District, the Commission shall direct that a report be prepared that includes a brief analysis of the impact of the proposed modifications on the probable special tax to be paid by the owners of such lots or parcels of land in the Community Facilities District, and the Commission shall receive and consider the report before approving any such modifications or any resolution forming the Community Facilities District and designating the Improvement Areas which includes such modifications.

Section 18. At the conclusion of the public hearing, the Commission may abandon these proceedings or may, after passing upon all protests, determine to proceed with establishing the Community Facilities District. If the Commission determines at the conclusion of the public hearing to proceed with the establishment of the Community Facilities District, it expects that the proposed voting procedure will be by landowners of each Improvement Area voting in accordance with the Act, as the Commission is informed that during the 90 days prior to the date set for the hearing, there have been zero registered voters residing within each Improvement Area of the Community Facilities District. The Commission will require this information to be confirmed before ordering the election.

Section 19. The Authority's special tax consultant, David Taussig & Associates, in consultation with and on behalf of the County, is hereby requested to study the Community Facilities District and each Improvement Area and, at or before the time of the public hearing, to cause to be prepared and filed with the Commission a report which shall contain a brief description of the facilities by type which in its opinion will be required to

adequately meet the needs of the new development which has occurred and/or is expected to occur within the Community Facilities District, together with estimates of the cost of financing the Improvements, Fees and Services and the incidental expenses related thereto. The report shall, upon its presentation, be submitted to the Commission for review, shall be available for inspection by the public, and shall be made a part of the record of the public hearing.

Section 20. To the extent the Improvements will not be constructed by the Local Agencies, in the opinion of the Commission, the public interest will not be served by allowing the property owners in the Community Facilities District to intervene in a public bidding process pursuant to Section 53329.5(a) of the Act.

Section 21. Notice of the time and place of the public hearing shall be given by Bond Counsel in the following manner:

(a) A Notice of Public Hearing in the form provided by the Act shall be published once in the *OAKLEY PRESS* or the *CONTRA COSTA TIMES*, a newspaper of general circulation published in the area of the Community Facilities District, pursuant to Section 6061 of the Government Code of the State of California and shall be completed at least seven (7) days prior to the date set for such public hearing; and

(b) A Notice of Public Hearing in the form provided by the Act shall be mailed, first class postage prepaid, to each owner of land, and to each registered voter residing, within the boundaries of the Community Facilities District (to property owners at their addresses as shown on the last equalized assessment roll, or as otherwise known to Bond Counsel). The mailing shall be completed at least fifteen (15) days prior to the date set for the public hearing.

Section 22. The Developer has heretofore advanced certain funds, and may advance additional funds, which have been or may be used to pay costs incurred in connection with the establishment of the Community Facilities District and the issuance of special tax bonds thereby. The Commission proposes to repay all or a portion of such funds expended for such purpose, solely from the proceeds of such bonds, pursuant to the Deposit Agreement. The Deposit Agreement is hereby incorporated herein as though set forth in full herein.

Section 23. This Resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED by the California Statewide Communities Development Authority
this 2nd day of June 2016.

I, the undersigned, a duly appointed and qualified Authorized Signatory of the Commission of
the California Statewide Communities Development Authority, DO HEREBY CERTIFY that
the foregoing resolution was duly adopted by the Commission of said Authority at a duly called
meeting of the Commission of said Authority held in accordance with law on June 2, 2016.

By: _____
Authorized Signatory
California Statewide Communities Development Authority



Agenda Item No. 9

Agenda Report

DATE: June 2, 2016
TO: CSCDA COMMISSIONERS
FROM: Cathy Bando, Executive Director
PURPOSE: Consider release of litigation reserve funds to CHF Irvine

BACKGROUND & SUMMARY:

On March 31, 2016, CSCDA issued \$282,555,000 in nonprofit revenue bonds (the “2016 Bonds”) on behalf of CHF Irvine, LLC (“CHF”), the proceeds of which were used to refinance CSCDA’s Series 2004, 2006 and 2008 bonds (collectively, the “Prior Bonds”). The Prior Bonds were originally issued to finance student housing facilities located at the University of California, Irvine.

In connection with the issuance of each of the Prior Bonds, CSCDA agreed to an issuance policy exception in exchange for CHF contributing funds into a litigation reserve held by CSCDA (the “Reserve Fund”). Contributions to the Reserve Fund were made in conjunction with annual administration fees paid to CSCDA until the Reserve Fund achieved an aggregate balance of \$500,000. The Reserve Fund was never utilized by CSCDA during the life of the Prior Bonds and the current balance of the Reserve Fund is \$500,146.71.

The 2016 Bonds were issued in compliance with CSCDA’s issuance policies for investment grade bonds and the 2016 Bonds refunded the Prior Bonds in their entirety. Given that the Prior Bonds are no longer outstanding, the Reserve Fund can be terminated and its proceeds can now be released to CHF.

RECOMMENDED ACTION:

CSCDA’s Executive Director recommends that all funds held in the Reserve Fund be released to CHF.



Agenda Item No. 10

Agenda Report

DATE: June 2, 2016
TO: CSCDA COMMISSIONERS
FROM: Cathy Bando, Executive Director
PURPOSE: Consider AllianceNRG (Open PACE) Consent to Service Provider and Fee Update.

BACKGROUND & SUMMARY:

Service Provider

Pursuant to the Master Services Agreement (the “Agreement”) entered into between CSCDA and AllianceNRG (ANRG) for the Open PACE program, ANRG is required to obtain written consent from CSCDA if it delegates or subcontracts any portion of its obligations under the Agreement. ANRG is requesting to enter into an agreement with Service Finance Company, LLC (SFC) to market its Open PACE offering to residential property owners. SFC is a consumer finance company focused on the residential property marketplace. (Attachment A)

CSCDA staff has reviewed SFC’s offerings and history and recommend consent to ANRG to enter into an agreement with SFC.

Fee Update

ANRG’s fee arrangement in the Agreement does not match the current fee structure being offered for residential and commercial PACE. The attached language updates the fee agreement to match the CSCDA fee schedule and arrangements with the other Open PACE providers. (Attachment B)

RECOMMENDED ACTION:

CSCDA’s Executive Director recommends the consent of Service Finance Company, LLC as a service provider to AllianceNRG, and approval of the amendment to the AllianceNRG fee schedule in the Master Services Agreement.

ATTACHMENT A

CONSENT

This Consent is provided as of June 2, 2016, pursuant to Section 9.10 of the Program Administration Agreement, dated as of May 7, 2015, as amended (the “Agreement”), between California Statewide Communities Development Authority, a public entity of the State of California (the “Authority”), and CounterPointe Energy Solutions (CA) LLC, a Delaware limited liability company (the “Master Program Administrator”). All capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the Agreement.

WHEREAS, the Master Program Administrator desires to expand its origination of residential PACE assessments through a strategic referral relationship with Service Finance Company, LLC (“SFC”), a consumer finance company and third party servicer licensed or approved to conduct its business in all fifty states and the District of Columbia, for the purpose marketing the Master Program Administrator’s Open PACE Program (AllianceNRG Program™) to SFC’s contractor network catering to the residential property owner;

WHEREAS, in order to facilitate such strategic referral relationship, SFC will enter into a referral agreement with an Affiliate of the Master Program Administrator, CounterPointe Energy Solutions Residential, LLC (“CESR”), and the Master Program Administrator will enter into an agreement with CESR pursuant to which the Master Program Administrator, pursuant to Section 9.10(b) of the Agreement, will delegate to CESR that portion of the Services related to the origination of residential PACE assessments under the AllianceNRG Program, including, without limitation, contractor participation, contractor services, application and underwriting services, and closing and improvement verification services, and, pursuant to Section 2.2 of the Agreement, will assign to CESR the exclusive right to purchase at issuance all of the Bonds secured by the residential PACE assessments under the AllianceNRG Program;

WHEREAS, Section 9.10(b) of the Agreement provides that “the Master Program Administrator may delegate or subcontract all or a portion of its obligations to provide or cause to be provided the Services ... with the consent of the Authority, which consent shall not be unreasonably withheld, conditioned or delayed, to any other Person;”

WHEREAS, under Section 2.2 of the Agreement, the Master Program Administrator may assign its exclusive right to purchase the Bonds in whole or in part, to third parties without the consent of the Authority, subject to applicable law; and

WHEREAS, Master Program Administrator hereby requests the Authority to consent to such delegation of duties in conjunction with the strategic referral agreement described above;

NOW, THEREFORE, the Authority hereby consents to such strategic referral relationship as described above pursuant to Section 9.10 of the Agreement.

IN WITNESS WHEREOF, the Authority has caused this Consent to be executed as of the day and year first above written.

CALIFORNIA STATEWIDE COMMUNITIES
DEVELOPMENT AUTHORITY

By: _____
Name:
Title:

ATTACHMENT B

Exhibit A

To the Program Administration Agreement

Except as set forth in this Exhibit A, the Master Program Administrator has no obligation to pay any fees to the Authority.

The Master Program Administrator will be paid a Fee computed as the amount of charges that the Master Program Administrator imposes on a property owner for each assessment contract that is funded, less an amount paid to the Authority based on the following schedule (expressed as a percentage of the project costs financed by the assessment contract):

| |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Residential PACE: 0.875% at the issuance of the Bond* |
| Commercial PACE: 0.75% at the issuance of the Bond* |
| Alternatively, if an assignment structure is used at origination: At initial assignment of the assessment, 0.25%; and at issuance thereafter of a Bond secured by such assessment, 0.50% with a minimum of \$10,000 and a maximum of \$250,000* |

*Subject to change by resolution of CSCDA Commission.