



CSCDA
CALIFORNIA STATEWIDE COMMUNITIES
DEVELOPMENT AUTHORITY



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

July 18, 2013

10:00 a.m.

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

County of Monterey
168 West Alisal Street
Salinas, CA 93901

City of Santa Ana
20 Civic Center Plaza
Santa Ana, CA 92701

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

- I. Call the Roll (alternates designate which member they are representing).
- II. Approve the Minutes of the June 27, 2013 Regular Meeting.
- III. Staff Updates.
- IV. Approve Consent Calendar.
- V. Approve the financing; all necessary actions; the execution and delivery of all necessary documents and authorize any member to sign all necessary financing documents for the following:
 - a. Making Waves Foundation, Inc., City of Richmond, County of Contra Costa; up to \$8,500,000 in 501(c)(3) nonprofit revenue bonds.
 - b. Total Road Improvement Program (TRIP) Approval, City of Moreno Valley, County of Riverside; up to \$20,000,000 in Sales Tax Revenue Certificates of Participation.

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

- VI. Discuss and approve in concept Delinquent Tax Funding Program.
- VII. Discuss and approve Housing Delinquency Policy.
- VIII. Discuss and approve City of Bakersfield Continuing Disclosure Agreement with BLX Group.
- IX. Discuss and approve issuance of request for proposals for CSCDA trustee services.
- X. Public Comment.
- XI. Adjourn.

◆ ◆ ◆ ◆ ◆ ◆ ◆

**CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY
CONSENT CALENDAR**

1. Induce the following projects:
 - a. Canoas San Jose AR, LP (Canoas Terrace), City of San Jose, County of Santa Clara; issue up to \$18,000,000 in multi-family housing debt obligations.
 - b. Stoneman Village, LP (Stoneman Village), City of Pittsburg, County of Contra Costa; issue up to \$18,000,000 in multi-family housing debt obligations.
 - c. Rocky Hill Investors, LP (Rocky Hill Apartments), City of Vacaville, County of Solano; issue up to \$7,000,000 in multi-family housing debt obligations.
2. Approve the following invoices for payment:
 - a. David Taussig & Associates Invoice #1305084.
 - b. David Taussig & Associates Invoice #1305064.
 - c. US Bank Invoice #3403817.
 - d. Wells Fargo Invoice #972208.
 - e. Wells Fargo Invoice #972240.
 - f. CSCDA Invoice #2930.
 - g. Fitch Ratings, Inc. Invoice #7119016943.

Thursday, July 18, 2013

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

Item II

Approve the Minutes of the June 27, 2013 Regular Meeting.

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

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

June 27, 2013

MINUTES

Commission Chair Larry Combs called the meeting to order at 10:03 a.m.

I. Roll Call

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

Commission member Terry Schutten arrived in-person following agenda item IV. Alternative Commissioner Holly assumed a non-voting status.

Others present: James Hamill, Scott Carper, Caitlin Lanctot and Brian Shumey, CSCDA staff; Greg Stepanicich, Richards Watson & Gershon; Matt Cate, California State Association of Counties; Nancy Parrish and Laura Labanieh Campbell, CSAC Finance Corporation; Norman Copping and Perry Stottlemeyer, League of California Cities; Mark Paxson, State Treasurer's Office. Others participating by conference telephone: Justin Cooper, CSCDA staff.

II. Approval of Minutes

The commission approved the minutes of the meeting held June 13, 2013.

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

III. Staff Updates.

No updates were provided.

IV. Approval of Consent Calendar

The commission approved by consent:

1. Approval of the following invoices for payment:
 - a. David Taussig & Associates Invoice #1304040

- b. David Taussig & Associates Invoice #1304090
- c. Burke, Williams & Sorensen Invoice #166132
- d. Willdan Financial Services Invoice #010-21114
- e. Willdan Financial Services Invoice #010-21115
- f. Willdan Financial Services Invoice #010-21116
- g. Willdan Financial Services Invoice #010-21117
- h. Willdan Financial Services Invoice #010-21118
- i. Willdan Financial Services Invoice #010-21119
- j. Willdan Financial Services Invoice #010-21120
- k. Willdan Financial Services Invoice #010-21121
- l. Willdan Financial Services Invoice #010-21122
- m. Willdan Financial Services Invoice #010-21123
- n. Willdan Financial Services Invoice #010-21124
- o. Willdan Financial Services Invoice #010-21125
- p. Willdan Financial Services Invoice #010-21126
- q. Willdan Financial Services Invoice #010-21127
- r. Willdan Financial Services Invoice #010-21128
- s. Willdan Financial Services Invoice #010-21129
- t. Willdan Financial Services Invoice #010-21130

2. Approval of the City of Greenfield as a Program Participant

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

V. Financing Approval

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

- a. Plaza Mendoza Housing, L.P. (Plaza Mendoza Apartments), City of Fresno, County of Fresno; up to \$7,480,000 in multifamily housing revenue notes.

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

VI. Loan Agreement and Industrial Revenue Bond Issued for 3450 Vernon Avenue, LLC

The commission approved the Resolution, which approves a First Amendment to Loan Agreement related to Industrial Development Revenue Bonds for the benefit of 3459 Vernon Avenue, LLC, approves the amended Bond, and authorizes any member of the commission or authorized signatory to sign all necessary documents.

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

VII. Supplemental Series Indenture for the Noho Senior Artists Colony

The commission approved the Resolution, which approves a First Supplemental Series Indenture related to the Noho Senior Artists Colony affordable multifamily housing revenue bonds, and authorizes any member of the commission or authorized signatory to sign all necessary documents.

Motion by Stenbakken; second by Schutten; unanimously approved by roll-call vote.

VIII. Ad Hoc Committee Recommendations to Auditor Request For Proposals

The commission approved the ad hoc committee recommendation for auditor services to:

1. Award Macias, Gini & O'Connell the auditor services contract through 2015 and request a change of the existing partner, director and associate on the account since they have all worked on the CSCDA audit;
2. Require a mandatory change in auditor firms after the contract expires in 2015.

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

IX. Public Comments.

Nancy Parrish shared with the commissioners that CSAC used public benefit funds received from CSCDA to conduct training for county executive officers. Twenty-eight individuals attended the training provided through CSAC Institute.

X. Adjournment

Commission Chair Larry Combs adjourned the meeting at 10:17 a.m.

Submitted by: Norman Copping, Assistant to the Secretary

*The next regular meeting of the commission is scheduled for
Thursday, July 18, 2013, at 10:00 a.m.
in the CSAC Office at 1100 K Street, Sacramento, CA.*

**COMMISSIONER WORKSHOP OF THE
CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY**

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

June 27, 2013

MINUTES

A workshop was conducted by staff for the benefit of commissioners. The workshop began at 10:41 a.m.

Commission members present: Larry Combs, Irwin Bornstein, Dan Mierzwa, Terry Schutten, Tim Snellings, Dwight Stenbakken and Alternate Commissioner Ron Holly. Commission members participating by conference telephone: Kevin O'Rourke.

Others present included James Hamill, Scott Carper, Caitlin Lanctot and Brian Shumey, CSCDA staff; Greg Stepanicich, Richards Watson & Gershon; Matt Cate, California State Association of Counties; Nancy Parrish and Laura Labanieh Campbell, CSAC Finance Corporation; Norman Coppinger and Perry Stottlemeyer, League of California Cities; Mark Paxson, State Treasurer's Office. Others participating by conference telephone: none.

No actions were taken by the commission. Presentations and discussion focused on the following matters:

- I. Review of Commissioner Roles
- II. Review CSCDA changes and the appointment of an Executive Director
- III. Review Compliance Software System
- IV. Review New Market Tax Credits
- V. Review CSCDA policies

The workshop adjourned at 12:35 p.m.

Submitted by: Norman Coppinger, Assistant to the Secretary

Item IV

Approve Consent Calendar

1. Induce the following projects:
 - a. Canoas San Jose AR, LP (Canoas Terrace), City of San Jose, County of Santa Clara; issue up to \$18,000,000 in multi-family housing debt obligations.
 - b. Stoneman Village, LP (Stoneman Village), City of Pittsburg, County of Contra Costa; issue up to \$18,000,000 in multi-family housing debt obligations.
 - c. Rocky Hill Investors, LP (Rocky Hill Apartments), City of Vacaville, County of Solano; issue up to \$7,000,000 in multi-family housing debt obligations.

Applicant Information

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

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

TIN or EIN: **27-3320865**

Primary Contact

First Name: **Bill**

Last Name: **Vanderschans**

Title: **Senior Project Manager**

Address:

Street: **330 W. Victoria Street**

Suite:

City: **Gardena**

State: **California**

Zip: **90248**

Phone: **424-258-2820**

Ext:

Fax: **424-258-2821**

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

Borrower Description:

☐ Same as developer ?

Name of Borrowing Entity: **Canoas San Jose AR, L.P.**

Type of Entity:

☐ For-profit Corporation

☐ Non-profit Corporation

☒ Partnership

☐ Other (specify)

☐ Will you be applying for State Volume Cap?

Date Organized: **March 19, 2013**

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

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

Primary Billing Contact

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

First Name: **Bill**

Last Name: **Vanderschans**

Title: **Senior Project Manager**

Address

Street: **330 W. Victoria Street**

Suite:

City: **Gardena**

State: **California**

Zip: **90248**

Phone: **424-258-2820**

Ext:

Fax: **424-258-2821**

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

Project Information

Project Information

Project Name: **Canoas Terrace**

New Project Name(optional):

Facility Information

Facility #1

Facility Name: **Canoas Terrace**

Facility Bond Amount: \$15,381,480.00

Project Address:

Street: **300 Sands Drive**

City: **San Jose**

State: **California**

Zip: **95125**

County: **Santa Clara**

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

Total Number of Units:

Market: **0**

Restricted: **112**

Total: **112**

Lot size: **2.6 acres**

Amenities:

Community Room, Courtyard, Subterranean Garage, Manager's office, Playground, Picnic area, Controlled Access, Common Area
Laundry Facilities

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

The development consists of 9 apartment buildings and 1 leasing office/community room constructed utilizing wood-frame with some buildings supported by a post tensioned concrete podium deck and offers 57 two bedroom units, 48 three bedroom units, and 6 four bedroom bath units and 1 four bedroom managers unit

Type of Housing:

☐ New Construction

☒ Acquisition/Rehab

Facility Use:

☒ Family

☐ Senior

Is this an Assisted Living Facility? ☐

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

First Name:

Last Name:

Title:

Phone:

Ext:

Fax:

Email:

Public Benefit Info:

Percentage of Units in Low Income Housing: 100

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

Total Number of Management Units: 1

#	Bedrooms (Unit Size)	%AMI	No. of restricted units	Restricted rent	Market rent	Expected savings
1.	2 bedroom	50	23	1,096.00	1,828.00	-732.00
2.	2 bedroom	60	34	1,324.00	1,828.00	-504.00
3.	3 bedroom	60	2	1,534.00	2,361.00	-827.00

4.	3 bedroom	50	19	1,270.00	2,361.00	-1,091.00
5.	3 bedroom	60	27	1,534.00	2,361.00	-827.00
6.	4 bedroom	50	3	1,396.00	3,234.00	-1,838.00
7.	4 bedroom	60	3	1,690.00	3,234.00	-1,534.00
8.	4 bedroom	60	1		3,234.00	-3,234.00

Note: Restricted Rent must be least 10% lower than Market Rent and must be lower than the HUD Rent limit.

Government Information

Project/Facility is in:

Congressional District #:

16

State Senate District #:

11

State Assembly District #:

24

Financing Information

Financing Information

Maturity **40** Years

Interest Rate Mode:

☒ Fixed

☐ Variable

Type of Offering:

☐ Public Offering

☒ Private Placement

☐ Refunding

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

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

Construction Financing:

☐ Credit Enhancement

☒ None

☐ Letter of Credit

☐ Other (specify)

Name of Credit Enhancement Provider or Private Placement Purchaser:

Permanent Financing:

☐ Credit Enhancement

☐ None

☐ Letter of Credit

☐ Other (specify)

Name of Credit Enhancement Provider or Private Placement Purchaser:

Expected Rating:

☒ Unrated

Moody's:

S&P:

Fitch:

Projected State Allocation Pool:

☒ General ☐ Mixed Income ☐ Rural

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

Sources and Uses

Sources and Uses

Construction Sources:

Tax-Exempt Bond Proceeds:	<u>\$15,381,480.00</u>
Taxable Bond Proceeds:	<u>\$</u>
Tax Credits:	<u>\$5,404,840.00</u>
Developer Equity:	<u>\$</u>
Other Funds (Describe):	
Costs Paid at Conversion	<u>\$2,901,388.00</u>
Seller Note	<u>\$2,766,163.00</u>
Income During Rehabilitation	<u>\$519,568.00</u>
	<u>\$</u>
	<u>\$</u>
Total Sources:	<u>\$26,973,439.00</u>

Uses:

Land Acquisition:	<u>\$</u>
Building Acquisition:	<u>\$21,800,000.00</u>
Construction or Remodel:	<u>\$1,336,160.00</u>
Cost of Issuance:	<u>\$52,000.00</u>
Capitalized Interest:	<u>\$403,764.00</u>
Reserves:	<u>\$388,389.00</u>
Other Uses (Describe):	
Developer Fee	<u>\$2,500,000.00</u>
TCAC Application Fees	<u>\$98,104.00</u>
Lender Fees/Costs	<u>\$276,222.00</u>
Soft Costs	<u>\$118,800.00</u>
	<u>\$</u>
Total Uses:	<u>\$26,973,439.00</u>

Financing Team Information

Bond Counsel

Firm Name: Orrick Herrington and Sutcliffe, LLP

Primary Contact

First Name: Justin

Last Name: Cooper

Title: Bond Counsel

Address:

Street: 405 Howard Street

Suite:

City: San Francisco

State: California

Zip: 94105

Phone: 415-773-5908

Ext:

Fax: 415-773-5759

Email: jcooper@orrick.com

Bank/Underwriter/Bond Purchaser

Firm Name: America First Tax Exempt Investors, LP

Primary Contact

First Name: Robert

Last Name: Schutlz

Title: Senior Vice President

Address:

Street: 9090 S. Ridgeline Boulevard

Suite: 100

City: Highlands Ranch

State: Colorado

Zip: 80129

Phone: 720-219-1112

Ext:

Fax:

Email: rschultz@afreg.com

Financial Advisor

Firm Name:

Primary Contact

First Name:

Last Name:

Title:

Address:

Street:

Suite:

City:

State:

Zip:

Phone:

Ext:

Fax:

Email:

Rebate Analyst

Firm Name:

Primary Contact

First Name:

Last Name:

Title:

Address:

Street:

Suite:

City:

State:

Zip:

Phone:

Ext:

Fax:

Email:

Applicant Information

Primary Contact E-mail: scarper@cacommunities.org

Name of Developer: **Stoneman Village LP**

TIN or EIN:

Primary Contact

First Name: **Karen**

Last Name: **Bodiford**

Title: **Administrator**

Address:

Street: **390 E. Leland**

Suite:

City: **Pittsburg**

State: **California**

Zip: **94565**

Phone: **925-427-1870**

Ext:

Fax: **925-427-1870**

Email: **kbstoneman@sbcglobal.net**

Borrower Description:

☒ Same as developer ?

Name of Borrowing Entity: **Stoneman Village LP**

Type of Entity:

☐ For-profit Corporation

☐ Non-profit Corporation

☒ Partnership

☐ Other (specify)

☐ Will you be applying for State Volume Cap?

Date Organized: January 1, 2013

No. of Multi-Family Housing Projects Completed in the Last 10 Years: **1**

No. of Low Income Multi-Family Housing Projects Completed in the Last 10 Years: **1**

Primary Billing Contact

Organization: **Stoneman Village LP**

First Name: **Karen**

Last Name: **Bodiford**

Title: **Administrator**

Address

Street: **390 E. Leland**

Suite:

City: **Pittsburg**

State: **California**

Zip: **94565**

Phone: **925-427-1870**

Ext:

Fax: **925-427-1870**

Email: **kbstoneman@sbcglobal.net**

Project Information

Project Information

Project Name: **Stoneman Village**

New Project Name(optional):

Facility Information

Facility #1

Facility Name: **Stoneman Village**

Facility Bond Amount: \$15,000,000.00

Project Address:

Street: **390 E. Leland**

City: **Pittsburg**

State: **California**

Zip: **94565**

County: **Contra Costa County**

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

Total Number of Units:

Market:

Restricted: **145**

Total: **145**

Lot size: **116,610**

Amenities:

Property includes a community dining room

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

Steel and wood frame

Type of Housing:

☐ New Construction

☒ Acquisition/Rehab

Facility Use:

☐ Family

☒ Senior

Is this an Assisted Living Facility? ☐

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

First Name: **Garrett**

Last Name: **Evans**

Title: **Assistant City Manager**

Phone: **925-252-4034**

Ext:

Fax:

Email: **geevans@ci.pittsburg.ca.us**

Public Benefit Info:

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

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

Total Number of Management Units: **1**

#	Bedrooms (Unit Size)	%AMI	No. of restricted units	Restricted rent	Market rent	Expected savings
1.	1 Bedroom	60	145	1,004.00	1,730.00	726.00

Note: Restricted Rent must be least 10% lower than Market Rent and must be lower than the HUD Rent limit.

Government Information

Project/Facility is in:

Congressional District #:	State Senate District #:	State Assembly District #:

Financing Information

Financing Information

Maturity **30** Years

Interest Rate Mode:

☒ Fixed

☐ Variable

Type of Offering:

☐ Public Offering

☒ Private Placement

☐ Refunding

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

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

Construction Financing:

☐ Credit Enhancement

☐ None

☐ Letter of Credit

☐ Other (specify)

Name of Credit Enhancement Provider or Private Placement Purchaser:

Permanent Financing:

☐ Credit Enhancement

☒ None

☐ Letter of Credit

☐ Other (specify)

Name of Credit Enhancement Provider or Private Placement Purchaser:

Expected Rating:

☒ Unrated

Moody's:

S&P:

Fitch:

Projected State Allocation Pool:

☒ General ☐ Mixed Income ☐ Rural

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

Sources and Uses

Sources and Uses

Construction Sources:

Tax-Exempt Bond Proceeds:	\$15,000,000.00
Taxable Bond Proceeds:	\$
Tax Credits:	\$
Developer Equity:	\$
Other Funds (Describe):	
	\$
	\$
	\$
	\$
	\$
Total Sources:	\$15,000,000.00

Uses:

Land Acquisition:	\$15,000,000.00
Building Acquisition:	\$
Construction or Remodel:	\$
Cost of Issuance:	\$
Capitalized Interest:	\$
Reserves:	\$
Other Uses (Describe):	
	\$
	\$
	\$
	\$
	\$
Total Uses:	\$15,000,000.00

Financing Team Information

Bond Counsel

Firm Name: Orrick

Primary Contact

First Name: Justin

Last Name: **Cooper**

Title: **Partner**

Address:

Street: **405 Howard Street**

Suite:

City: **San Francisco**

State: **California**

Zip: **94105**

Phone: **415-773-5908**

Ext:

Fax:

Email: **jcooper@orrick.com**

Bank/Underwriter/Bond Purchaser

Firm Name: Red Mortgage Capital

Primary Contact

First Name: Kevin

Last Name: **Korn**

Title: **Advisor**

Address:

Street: **Two Miranova place**

Suite:

City: **Columbus**

State: **Ohio**

Zip: **43215**

Phone: **614- 857-1484**

Ext:

Fax:

Email: **kmkorn@redcapitalgroup.com**

Financial Advisor

Firm Name: Devine

Primary Contact

First Name: **Candy**

Last Name: **Rupp**

Title: **Advisor**

Address:

Street: **101 Montgomery Ave**

Suite: **1350**

City: **San Francisco**

State: **California**

Zip: **94012**

Phone: **415-788-7983**

Ext: **202**

Fax:

Email: **candyr@devinegong.com**

Rebate Analyst

Firm Name:

Primary Contact

First Name:

Last Name:

Title:

Address:

Street:

Suite:

City:

State:

Zip:

Phone:

Ext:

Fax:

Email:

Applicant Information

Primary Contact E-mail: pat@sabelhauslaw.com

Name of Developer: **C.F.Y. Development, Inc.**

TIN or EIN: **68-0182458**

Primary Contact

First Name: **Cyrus**

Last Name: **Youssefi**

Title: **President**

Address:

Street: **1006 4th Street**

Suite: **701**

City: **Sacramento**

State: **California**

Zip: **95814**

Phone: **916-446-4040**

Ext:

Fax: **916-446-4044**

Email: **cfyinc@yahoo.com**

Borrower Description:

☐ Same as developer ?

Name of Borrowing Entity: **Rocky Hill Investors, LP**

Type of Entity:

☐ For-profit Corporation

☐ Non-profit Corporation

☒ Partnership

☐ Other (specify)

☐ Will you be applying for State Volume Cap?

Date Organized: **June 23, 2013**

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

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

Primary Billing Contact

Organization: **C.F.Y. Development, Inc.**

First Name: **Cyrus**

Last Name: **Youssefi**

Title: **President**

Address

Street: **1006 4th Street**

Suite: **701**

City: **Sacramento**

State: **California**

Zip: **95814**

Phone: **916-446-4040**

Ext:

Fax: **916-446-4044**

Email: **cfyinc@yahoo.com**

Project Information

Project Information

Project Name: **Vacaville**

New Project Name(optional): **Rocky Hill Apartments**

Facility Information

Facility #1

Facility Name: **Rocky Hill Apartments**

Facility Bond Amount: **\$6,190,435.00**

Project Address:

Street: **205-255 Bennett Hill Court**

City: **Vacaville**

State: **California**

Zip: **95688**

County: **Solano**

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

Total Number of Units:

Market: **0**

Restricted: **63**

Total: **63**

Lot size: **Scattered site**

Amenities:

Swimming Pool, Rental office, Central Laundry, Community Area

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

Acquisition / Rehabilitation of 10 - 2 story wood frame buildings

Type of Housing:

☐ New Construction

☒ Acquisition/Rehab

Facility Use:

☒ Family

☐ Senior

Is this an Assisted Living Facility? ☐

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

First Name: **Emily**

Last Name: **Cantu**

Title: **Project Coordinator**

Phone: **707-449-5688**

Ext:

Fax: **707-449-5680**

Email: **ecantu@cityofvacaville.com**

Public Benefit Info:

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

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

Total Number of Management Units: **1**

#	Bedrooms (Unit Size)	%AMI	No. of restricted units	Restricted rent	Market rent	Expected savings
1.	1 bedroom	50	2	739.00	1,478.00	739.00
2.	2 bedroom	30	5	532.00	1,774.00	1,242.00
3.	2 bedroom	50	13	887.00	1,774.00	887.00

4.	2 bedroom	55	29	976.00	1,774.00	798.00
5.	2 bedroom	60	14	1,065.00	1,774.00	709.00

Note: Restricted Rent must be least 10% lower than Market Rent and must be lower than the HUD Rent limit.

Government Information

Project/Facility is in:

Congressional District #:	State Senate District #:	State Assembly District #:
7	5	8

Financing Information

Financing Information

Maturity **40** Years

Interest Rate Mode:

☒ Fixed

☐ Variable

Type of Offering:

☐ Public Offering

☒ Private Placement

☐ Refunding

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

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

Construction Financing:

☐ Credit Enhancement

☒ None

☐ Letter of Credit

☐ Other (specify)

Name of Credit Enhancement Provider or Private Placement Purchaser:

Permanent Financing:

☐ Credit Enhancement

☒ None

☐ Letter of Credit

☐ Other (specify)

Name of Credit Enhancement Provider or Private Placement Purchaser:

Expected Rating:

☒ Unrated

Moody's:

S&P:

Fitch:

Projected State Allocation Pool:

☒ General ☐ Mixed Income ☐ Rural

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

Sources and Uses

Sources and Uses

Construction Sources:

Tax-Exempt Bond Proceeds:	<u>\$6,190,435.00</u>
Taxable Bond Proceeds:	<u>\$</u>
Tax Credits:	<u>\$</u>
Developer Equity:	<u>\$</u>
Other Funds (Describe):	
Direct and Indirect Public Funds	<u>\$3,923,186.00</u>
Deferred Developer Fee	<u>\$1,205,631.00</u>
Deferred Operating Reserve	<u>\$142,656.00</u>
	<u>\$</u>
	<u>\$</u>
Total Sources:	<u>\$11,461,908.00</u>

Uses:

Land Acquisition:	<u>\$4,990,266.00</u>
Building Acquisition:	<u>\$1,095,424.00</u>
Construction or Remodel:	<u>\$2,330,686.00</u>
Cost of Issuance:	<u>\$395,000.00</u>
Capitalized Interest:	<u>\$120,000.00</u>
Reserves:	<u>\$142,656.00</u>
Other Uses (Describe):	
Contractor Overhead	<u>\$186,455.00</u>
Architect	<u>\$45,000.00</u>
Developer Fee	<u>\$1,205,631.00</u>
Relocation	<u>\$194,910.00</u>
Soft Costs	<u>\$755,880.00</u>
Total Uses:	<u>\$11,461,908.00</u>

Financing Team Information

Bond Counsel

Firm Name: Orrick Herrington Sutcliffe, LLP

Primary Contact

First Name: Justin

Last Name: Cooper

Title: Attorney

Address:

Street: 405 Howard Street

Suite:

City: San Francisco

State: California

Zip: 94105

Phone: 415-773-5908

Ext:

Fax: 415-773-5759

Email: jcooper@orrick.com

Bank/Underwriter/Bond Purchaser

Firm Name: Chase

Primary Contact

First Name: Shani

Last Name: Searcy

Title: Vice President

Address:

Street: 300 South Grand Ave.

Suite: 400

City: Los Angeles

State: California

Zip: 90071

Phone: 213-621-8391

Ext:

Fax: 213-621-8401

Email: shani.r.searcy@chase.com

Financial Advisor

Firm Name: Law Office of Patrick R. Sabelhaus

Primary Contact

First Name: Patrick

Last Name: Sabelhaus

Title: Attorney

Address:

Street: 1006 4th Street

Suite: 6th Floor

City: Sacramento

State: California

Zip: 95814

Phone: 916-444-0286

Ext: 267

Fax: 916-444-3408

Email: pat@sabelhauslaw.com

Rebate Analyst

Firm Name:

Primary Contact

First Name:

Last Name:

Title:

Address:

Street:

Suite:

City:

State:

Zip:

Phone:

Ext:

Fax:

Email:

Item IV

Approve Consent Calendar

2. Approve the following invoices for payment:
 - a. David Taussig & Associates Invoice #1305084.
 - b. David Taussig & Associates Invoice #1305064.
 - c. US Bank Invoice #3403817.
 - d. Wells Fargo Invoice #972208.
 - e. Wells Fargo Invoice #972240.
 - f. CSCDA Invoice #2930.
 - g. Fitch Ratings, Inc. Invoice #7119016943.

DTA DAVID TAUSSIG & ASSOCIATES

Public Finance and Urban Economics

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

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

Project No: 13-0006.000

Invoice No: 1305084

May 31, 2013

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

Project 13-0006.000 CSCDA/CFD 2012-01 Admin

Professional Services through May 31, 2013

Dear Mr. Hamill:

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

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

Professional Services	Hours	Rate	Amount
Vice President			
Perez, Nathan			
04-30-13 Attention to property owner disclosure/MST questions.	1.25	215.00	268.75
05-13-13 Attention to discussions with support staff re: admin needs and timeframe.	.75	215.00	161.25
05-16-13 Attention to N.S.T.L update conversation with Orrick and Mr. Wekwete.	.25	215.00	53.75
Manager			
Wekwete, Kudakwashe			
05-22-13 Review of Notice of Special Tax Lien. Preparing mailing to County.	.75	200.00	150.00
Totals	3.00		633.75

Total this Invoice \$633.75

Outstanding Invoices

Number	Date	Balance
1303105	03-31-13	2,031.25
Total		2,031.25

DTA DAVID TAUSSIG & ASSOCIATES

Public Finance and Urban Economics

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

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

Project No: 12-11980.000

Invoice No: 1305064

May 31, 2013

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

Project 12-11980.000 CSCDA/Orinda Wilder Project-Admin

Professional Services through May 31, 2013

Dear Mr. Hamill:

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

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

Professional Services	Hours	Rate	Amount
Vice President			
Morgan, Shayne			
05-06-13 Downloaded and reviewed April account statement and transactions.	.25	185.00	46.25
05-08-13 Answered title company calls.	.25	185.00	46.25
05-14-13 Answered phone calls from title company and walked through prepayment methodology and approximate amount.	.62	185.00	114.70
05-15-13 Answered prospective homeowner call.	.25	185.00	46.25
05-17-13 Researched 2nd installment delinquencies, corres with County.	.25	185.00	46.25
05-20-13 Reviewed delinquency data from County, corres with S. Lawrence, prepared 2nd installment delinquency report, reconciled remaining uses of funds.	2.00	185.00	370.00
05-31-13 Answered property owner phone call.	.25	185.00	46.25
Totals	3.87		715.95

Additional Fees

3% Administrative Expenses 21.48

Total Additional Fees 21.48

Total this Invoice \$737.43

DTA DAVID TAUSSIG & ASSOCIATES

Public Finance and Urban Economics

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

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

Project	12-11980.000	CSCDA/Orinda Wilder Project-Admin	Invoice 1305064
---------	--------------	-----------------------------------	-----------------

Outstanding Invoices

Number	Date	Balance
1302027	02-28-13	962.67
1303155	03-31-13	310.60
1304090	04-30-13	192.46
Total		1,465.73



Corporate Trust Services
EP-MN-WN3L
60 Livingston Ave.
St. Paul, MN 55107

Invoice Number: 3403817
Account Number: 95436330
Invoice Date: 05/24/2013
Direct Inquiries To: ASHRAF ALMURDAAH
Phone: 213-615-6002

CALIFORNIA STATEWIDE COMM DEV AUTH
CALIFORNIA COMMUNITIES
MR JAMES HAMILL
2033 N MAIN STREET SUITE 700
WALNUT CREEK, CA 94596-3713

CALIFORNIA STATEWIDE COMM DEV AUTH
MULTIFAM COMM FAC DIST 97-1 SALINAS PLAZ

The following is a statement of transactions pertaining to your account. For further information, please review the attached.

STATEMENT SUMMARY

PLEASE REMIT BOTTOM COUPON PORTION OF THIS PAGE WITH CHECK PAYMENT OF INVOICE.

TOTAL AMOUNT DUE

\$2,250.00

All invoices are due upon receipt.

Please detach at perforation and return bottom portion of the statement with your check, payable to U.S. Bank.

CALIFORNIA STATEWIDE COMM DEV AUTH
MULTIFAM COMM FAC DIST 97-1 SALINAS PLAZ

Invoice Number: 3403817
Account Number: 95436330
Current Due: \$2,250.00

Direct Inquiries To: ASHRAF ALMURDAAH
Phone: 213-615-6002

Wire Instructions:

U.S. Bank
ABA # 091000022
Acct # 1-801-5013-5135
Trust Acct # 95436330
Invoice # 3403817
Attn: Fee Dept St. Paul

Please mail payments to:

U.S. Bank
CM-9690
PO BOX 70870
St. Paul, MN 55170-9690



Corporate Trust Services
EP-MN-WN3L
60 Livingston Ave.
St. Paul, MN 55107

Invoice Number: 3403817
Invoice Date: 05/24/2013
Account Number: 95436330
Direct Inquiries To: ASHRAF ALMURDAAH
Phone: 213-615-6002

CALIFORNIA STATEWIDE COMM DEV AUTH
MULTIFAM COMM FAC DIST 97-1 SALINAS PLAZ

Accounts Included	95436330	95436331	95436332	95436334	95436335	95436339
In This Relationship:	95436341	95436342	95436343	95436344	95436345	

CURRENT CHARGES SUMMARIZED FOR ENTIRE RELATIONSHIP

Detail of Current Charges	Volume	Rate	Portion of Year	Total Fees
04200 Trustee	1.00	2,000.00	100.00%	\$2,000.00
04170 Registrar/Transfer Agent	1.00	250.00	100.00%	\$250.00
Subtotal Administration Fees - In Advance 05/01/2013 - 04/30/2014				\$2,250.00
TOTAL AMOUNT DUE				\$2,250.00

The fees shown on this invoice are reflective of the most recent fee schedule or notice of fee adjustment provided by U.S. Bank.

Fee Invoice

Corporate Trust Services

**WELLS
FARGO**

Invoice Number 972208	Billing Date 06/17/2013	Due Date 07/17/2013	Amount Due \$3,000.00 <i>Please mail or wire payment to:</i>
CSCDA Luis Castro 2999 Oak Road Suite 710 Walnut Creek, CA 94597			Mailing Address: Wells Fargo Bank WF 8113 P.O. Box 1450 Minneapolis, MN 55485-8113
			Wire Instructions: ABA #: 121000248 DDA #: 1000031565 Swift Code: WFBUS6S Reference: Invoice #, Acct Name, Attn Name
			ACH Instructions: ABA #: 091000019 DDA #: 1000031565 Memo: Invoice #, Account Name, Attn Name

Please return this portion of the statement with your payment in the envelope provided:

Please retain this portion for your records

Account Number: 22345300
SCIP Revenue Bonds 2007A

Administration Charges

For the Period 06/13/2013 through 06/12/2014

Trustee Fee

\$3,000.00

Total Amount Due:

\$3,000.00

Billings past due are subject to an 18% annual finance charge of the balance due.

Fee Invoice

Corporate Trust Services

**WELLS
FARGO**

Invoice Number 972240	Billing Date 06/17/2013	Due Date 07/17/2013	Amount Due \$3,000.00 <i>Please mail or wire payment to:</i>
California Statewide Communities Development Luis Castro c/o California Communities 2999 Oak Road Suite 710 Walnut Creek, CA 94597			Mailing Address: Wells Fargo Bank WF 8113 P.O. Box 1450 Minneapolis, MN 55485-8113 Wire Instructions: ABA #: 121000248 DDA #: 1000031565 Swift Code: WFBIUS6S Reference: Invoice #, Acct Name, Attn Name ACH Instructions: ABA #: 091000019 DDA #: 1000031565 Memo: Invoice #, Account Name, Attn Name
<i>Please return this portion of the statement with your payment in the envelope provided:</i>			
<i>Please retain this portion for your records</i>			

Account Number: 80437300
SCIP Revenue Bonds 2010A

Administration Charges

For the Period 06/30/2013 through 06/29/2014

Trustee Fee

\$3,000.00

Total Amount Due:

\$3,000.00

Billings past due are subject to an 18% annual finance charge of the balance due.



2999 Oak Road, Suite 710
Walnut Creek, CA 94597

Invoice

Account#	Invoice#	Billing Date	Due Date
767	2930	06/28/2013	08/01/2013

Wells Fargo Bank
Tom Orlina
707 Wilshire Blvd., 17th Floor, MAC# E2818-176
Los Angeles, CA 90017

Amount Due**\$25,317.75****PAYMENT ADDRESS:**

CSCDA
Accounts Receivable
2999 Oak Road, Suite 710
Walnut Creek, CA 94597

WIRE INSTRUCTIONS:

Wells Fargo Bank, N.A.
ABA# 121000248
A/C #1038377
Ref: 20902100 - Annual Fees (Invoice #2930 / Pooled
Tobacco Securitization Program)

Please return this portion of the statement with your payment or include acct#767/inv#2930 on check stub.

Please retain this portion for your records

Account#	Invoice#	Billing Date	Due Date
767	2930	06/28/2013	08/01/2013

Issuer Name: **California Statewide Communities Development Authority**
Pooled Tobacco Securitization Program

App ID / Series	Bonds Outstanding	Payment Obligation	Total Amount
2002080001 / 2002A	\$84,825,000	ANNUAL fee of the Authority: 0.015% of the Bonds Outstanding	\$12,723.75
2002080001 / 2002B	\$83,960,000	ANNUAL fee of the Authority: 0.015% of the Bonds Outstanding	\$12,594.00
Payment Due:			\$25,317.75

All payment obligations are pursuant to the project bonds document(s).

*In order to have available funds, it is necessary that payments made by check
be received three (3) business days prior to the due date.*

Please send the check to CSCDA Accounts Receivable, 2999 Oak Road, Suite 710, Walnut Creek, CA 94597

Please address billing questions to bondinvoice@cacommunities.org, Amy Stoneham at (925) 478-2100 or Huiling Ren at (925) 274-4615

Invoice

Fitch Ratings, Inc.
One State Street Plaza
33 Floor
New York, NY10004
Federal IRS Corporate Tax No. 13-3974563
Phone# (212)908-0500 Toll Free# 1-800-853-4824

Attn: **Gracie R. Cuico**
Wells Fargo Bank, N.A.
707 Wilshire Boulevard, 17th Floor
Los Angeles CA 90017

Billing Information

Terms of Payment	Net due in 30 days
Invoice No.	7119016943
Invoice Date	July 02, 2013
Currency	USD
Accounting Contact email	collections@fitchratings.com

California Statewide Financing Authority 2002 USD 196545000

Surveillance - Recurring	10,000.00
Coverage Period: 07 August 2013 to 06 August 2014	

Invoice Amount	10,000.00
Total Tax	0.00
Total Amount Due (USD)	10,000.00

VIA WIRE:
FITCH RATINGS, INC.
JP Morgan Chase
New York, NY
ABA#021-0000-21
Acct#530-5011-63

VIA CHECK:
FITCH RATINGS, INC.
General Post Office
P.O.Box 26858
New York, NY 10087-6858

Please quote the Invoice Number 7119016943 when making payment

Item V

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

- a. Making Waves Foundation, Inc., City of Richmond, County of Contra Costa; up to \$8,500,000 in 501(c)(3) nonprofit revenue bonds.

SUMMARY AND APPROVALS

DATE: JULY 18, 2013

APPLICANT: MAKING WAVES FOUNDATION, INC.

AMOUNT: UP TO \$8.5 MILLION OF TAX-EXEMPT LOAN OBLIGATION

PURPOSE: FINANCE AND REFINANCE VARIOUS CAPITAL IMPROVEMENTS FOR MAKING WAVES ACADEMY

PRIMARY ACTIVITY: CHARTER SCHOOL

LEGAL STRUCTURE: 501(C)(3) CORPORATION

Background:

For 23 years, Making Waves Foundation, Inc., (“Making Waves”) has provided underserved students with a rigorous academic program and a full array of comprehensive services that include: health and wellness, personal counseling, nutrition education, parent education, financial support, and transportation, all of which assist such students in gaining acceptance to and graduating from four-year colleges and universities.

Making Waves culture includes beliefs, practices, and attitudes that drive its mission and sustain its community. Making Waves skills for success include academic leadership, adaptability, classroom management, communication, independence/autonomy, leadership, planning & organizing, problem solving & decision making, project management, quality of work, relationship building, self development, service orientation, and stewardship.

In November 2009, the building at 2900 Technology Court in Richmond was purchased to become the new Making Waves Academy Middle School (the “Academy”). The renovation process started during that fiscal year, and the new school was completed and opened for the academic year 2012-13.

Making Waves is a charter school designed to serve 400 students in a 5-8 Middle School and 400 students in a 9-12 Upper School. The Academy applies proven techniques to the classroom setting, delivering a comprehensive academic and extra-curricular program in an extended-day format. The Academy immerses its students in rigorous academic courses through instruction that is culturally relevant and responsive to student learning styles. The school features comprehensive student services, modern facility, small class sizes, and a highly skilled team of collaborative, entrepreneurial educators.

Making Waves is seeking up to \$8.5 million in tax-exempt loan obligation (the “Loan”) to finance and refinance various capital improvements made with respect to the Academy facilities located at

3045 Research Drive in Richmond, CA (the “Project”). The original acquisition and rehabilitation of the Project was financed through advances from Making Waves and a taxable construction loan from Mechanics Bank, which will be reimbursed and refinanced, respectively, with a portion of the proceeds of the Loan.

Making Waves’ application was submitted to CSCDA on June 11, 2013. This is Making Waves’ first financing with CSCDA.

Financing Approval:

Based on the overall Project public benefit and finance related considerations detailed on Attachment 1 and CSCDA’s issuance guidelines, the Commission shall approve the Resolution as submitted to the Commission, which:

1. Approves the issuance of the Loan;
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 1

Benefits:

- Making Waves provides a full array of comprehensive services that include: health and wellness, personal counseling, nutrition education, parent education, financial support, and transportation, all of which assist students in gaining acceptance to and graduating from four-year colleges and universities.
- As part of its teaching opportunities, Making Waves connects alumni to the 4th, 5th and 6th graders at a local elementary school where they take the lead in delivering tutoring and enrichment services.
- The college and alumni program has service to the community as its core value, providing volunteer opportunities in tutoring, mentoring and environmental clean-up.

TEFRA Information:

A TEFRA hearing was held by the City of Richmond on July 16, 2013 and staff will update the board at the meeting.

Finance Team:

- | | |
|----------------------|---|
| • Bank Counsel: | Sidley Austin LLP, San Francisco |
| • Authority Counsel: | Orrick, Herrington & Sutcliffe, LLP, Sacramento |
| • Lender: | First Republic Bank, San Francisco |

Financing Structure:

The financing is structured as a back-to-back tax-exempt Loan, in which First Republic Bank will loan up to \$8.5 million to CSCDA, which will in turn loan the same amount to Making Waves, all pursuant to a Master Loan Agreement. The term of the Loan will be approximately 20 years and the obligation will bear a fixed interest rate of 3.00%. Making Waves will apply the proceeds of the Loan to reimburse itself for expenditures related to the acquisition and rehabilitation of the Project, to refinance an approximately \$900,000 taxable bank loan associated with the purchase and rehabilitation of the Project, and to pay costs of issuance of the Loan. The proposed issuance is in accordance with CSCDA's issuance guidelines.

Estimated Sources and Uses:

Sources:

Par Amount	8,000,000
------------	-----------

	Total Sources:	<u>\$ 8,000,000</u>
Uses:		
	Refinancing of Bank Loan	\$ 900,000
	New Money (Reimbursement)	\$ 6,950,000
	Costs of Issuance	<u>\$ 150,000</u>
	Total Uses:	\$ 8,000,000

Attachments:

1. Original application

Applicant Information

Primary Contact E-mail: scarper@cacommunities.org

Organization

Name of Organization: **Making Waves Foundation, Inc.**

TIN or EIN:

Primary Contact

First Name: **Roger**

Last Name: **Contreras**

Title: **Chief Financial Officer**

Street: **3045 Research Drive**

Suite:

City: **Richmond**

State: **California**

Zip: **94806**

Phone: **510-237-6027**

Ext: **229**

Fax: **510-237-6538**

Email: **rcontreras@making-waves.org**

Primary Billing Contact

Organization: **Making Waves Foundation, Inc.**

First Name: **Roger**

Last Name: **Contreras**

Title: **Chief Financial Officer**

Address:

Street: **3045 Research Drive**

Suite:

City: **Richmond**

State: **California**

Zip: **94806**

Phone: **510-237-6027**

Ext: **229**

Fax: **510-237-6538**

Email: **rcontreras@makingwaves.org**

Project Information

Project type: **Education: K-12**

Other:

Project Name: **Making Waves Foundation**

Facility #1

Facility Name: **Making Waves Foundation**

Facility Bond Amount: **\$8,000,000.00**

Project Address:

Street: **3045 Research Drive**

City: **Richmond**

State: **California**

Zip: **94806**

County: **Contra Costa**

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

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

First Name:

Last Name:

Title:

Phone:

Ext:

Fax:

Email:

Public Benefit Info

For Private School Facility Only:

Tuition assistance K-8:

Tuition assistance 9-12:

Total tuition K-8:

Total tuition 9-12:

Part reimbursed K-8:

Part reimbursed 9-12:

% students receiving 50% tuition assistance:

Government Information

Project/Facility is in:

Congressional District #:

State Senate District #:

State Assembly District #:

Financing Information

Financing Information

Tax Exempt: \$ 8,000,000.00
Taxable: \$
Total Principal Amount: \$ 8,000,000.00
Maturity 20 Years

Interest Rate Mode:

☒ Fixed ☐ Variable

Denominations: \$5,000

Type of Offering:

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

Financing:

☐ Credit Enhancement ☐ Letter of Credit
☒ None
☐ Other

Name of Credit Enhancement Provider or Private Placement Purchaser:

Expected Rating:

☒ Unrated

Moody's:

S&P:

Fitch:

Financing Team Information

Bond Counsel

Firm Name: Sidley Austin LLP

Primary Contact

First Name: **Gisele**

Last Name: **Rainer**

Title: **Esq.**

Address:

Street: **555 California St**

Suite: **2000**

City: **San Francisco**

State: **California**

Zip: **94104**

Phone: **(415) 772-7426**

Ext:

Fax:

Email: **grainer@sidley.com**

Bank/Underwriter/Bond Purchaser

Firm Name:First Republic Bank

Primary Contact

First Name: **Dirk**

Last Name: **A. ten Grotenhuis**

Title: **Managing Director**

Address:

Street: **111 Pine Street**

Suite: **9th Floor**

City: **San Francisco**

State: **California**

Zip: **94111**

Phone: **(415) 262-2428**

Ext:

Fax: **(415) 262-2570**

Email: **dteng@firstrepublic.com**

Financial Advisor

Firm Name:

Primary Contact

First Name:

Last Name:

Title:

Address:

Street:

Suite:

City:

State:

Zip:

Phone:

Ext:

Fax:

Email:

Rebate Analyst

Firm Name:

Primary Contact

First Name:

Last Name:

Title:

Address:

Street:

Suite:

City:

State:

Zip:

Phone:

Ext:

Fax:

Email:

RESOLUTION NO. __NP-__

**CALIFORNIA STATEWIDE COMMUNITIES
DEVELOPMENT AUTHORITY**

**A RESOLUTION AUTHORIZING THE ISSUANCE OF AN OBLIGATION IN A
PRINCIPAL AMOUNT NOT TO EXCEED \$8,500,000 TO FINANCE AND REFINANCE
THE CONSTRUCTION, IMPROVEMENT AND EQUIPPING OF CERTAIN
EDUCATIONAL FACILITIES FOR MAKING WAVES FOUNDATION, INC. 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 Richmond (the "City") is a Program Participant, and such City 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, Making Waves Foundation, Inc., a California nonprofit public benefit corporation (the "Corporation"), wishes to finance and refinance the construction, improvement

and equipping of certain educational facilities (the “Project”) owned by the Corporation and located in the City;

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

WHEREAS, pursuant to a Master Loan Agreement to be executed by First Republic Bank (the “Lender”), the Authority and the Corporation (the “Master Loan Agreement”), the Authority will grant a tax-exempt loan to the Corporation in an aggregate principal amount not exceeding \$8,500,000 (the “Obligation”), for the purpose of financing the Project;

WHEREAS, pursuant to the Master Loan Agreement, the Corporation is requesting the Authority to assign all of Authority’s rights (except certain reserved rights) in relation to the Obligation to the Lender;

WHEREAS, pursuant to the policies of the Authority, the Obligation may only be assigned to Qualified Institutional Buyers (as defined in the Master Loan Agreement) and the Lender will sign an investor letter confirming that it is a Qualified Institutional Buyer and certain other related matters;

WHEREAS, there have been made available to the Commissioners of the Authority the proposed form of the Master Loan Agreement.

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

Section 1. Pursuant to the Act and the Master Loan Agreement, the Authority is hereby authorized to issue the Obligation in an aggregate principal amount not to exceed Eight Million [Five Hundred Thousand] dollars (\$8,500,000). The Obligation shall be issued and secured in accordance with the terms of the Master Loan Agreement presented at this meeting.

Section 2. The proposed form of Master Loan Agreement, as made available to the Commissioners, is hereby approved. Any member of the Commission of the Authority or their administrative delegates duly authorized pursuant to Resolution No. 13R-12 of the Authority, adopted on May 30, 2013 (each, an “Authorized Signatory”) is hereby authorized and directed, for and on behalf of the Authority, to execute and deliver the Master 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. The dated date, maturity date or dates, interest rate or rates, methods of determining rates, interest payment dates, denominations, forms, registration privileges, manner of execution, place or places of payment, terms of redemption and other terms of the Obligation shall be as provided in the Master Loan Agreement, as finally executed.

Section 3. 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 Obligation, 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 4. 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 Obligation are hereby ratified, confirmed and approved.

Section 5. Notwithstanding anything to the contrary in this Resolution, no documents referenced in this Resolution may be executed and delivered until the City 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 Obligation as may be required thereby and in accordance with Section 9 of the Agreement to provide financing and refinancing for the Project.

Section 6. This Resolution shall take effect from and after its adoption.

PASSED AND ADOPTED by the California Statewide Communities Development Authority this 18th day of July, 2013.

I, the undersigned, an Authorized Signatory of the California Statewide Communities Development Authority, DO HEREBY CERTIFY that the foregoing resolution was duly adopted by the Commission of the Authority at a duly called meeting of the Commission of the Authority held in accordance with law on July 18, 2013.

By: _____
Authorized Signatory
California Statewide Communities
Development Authority

Item V

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

- b. Total Road Improvement Program (TRIP) Approval, City of Moreno Valley, County of Riverside; up to \$20,000,000 in Sales Tax Revenue Certificates of Participation.

SUMMARY AND APPROVALS

DATE: JULY 18, 2013

APPLICANT: CITY OF MORENO VALLEY

AMOUNT: UP TO \$20,000,000 OF LOCAL MEASURE A SALES TAX REVENUE (INSTALLMENT SALE)
CERTIFICATES OF PARTICIPATION

PURPOSE: FINANCE THE IMPROVEMENT OF STREET INFRASTRUCTURE

PROGRAM: TOTAL ROAD IMPROVEMENT PROGRAM (TRIP)

Background:

In 2008 the Commission approved the ability of the Authority to offer a program to cities and counties to finance street improvement projects by a pledge of local sales tax revenues, with the Authority entering into Installment Sale Agreements with such cities and counties which are members of the Authority. The payments under which would represent payments on Certificates of Participation (“COPs”) to be executed and delivered on a pooled or stand-alone basis.

Riverside County Transportation Commission (RCTC) collects a ½ cent sales tax (“Measure A”) within the county to pay for regional and local transportation projects. In November 2002, Riverside County voters approved an extension of the Measure A sales tax to 6/30/2039. RCTC member agencies (e.g. Riverside County cities) are allocated a portion of annual Measure A revenues to pay for local street projects allowed under the Measure A sale tax ordinance. Measure A funds are apportioned based on proportionate shares of dwelling units, sales tax generated and other factors.

Many cities within Riverside County have under-funded street maintenance and reconstruction resulting in a large project backlog. Many Riverside County cities have relied on funding projects on a pay-as-you-go basis using Measure A funds.

Summary:

On April 4, 2012, the Commission approved a not-to-exceed amount of \$20 million of Transportation Revenue Certificates of Participation (COPs) secured by Measure A sales tax revenues and Gas Tax revenues. The City has informed the Commission that the financing will now involve a sole pledge of local Measure A sales tax revenues and will not include a pledge of Gas Tax revenues.

The City of Moreno Valley (the “City”) received approval of the issuance a not-to-exceed amount of \$20 million of Transportation Revenue Certificates of Participation (COPs) on January 10, 2012.

The COPs are scheduled to be issued in August 2013 if approved by the Commission.

Project Update:

The California Communities financings which involve the pledge of gas tax revenues and/or local sales tax revenues devoted to transportation purposes raise legal issues which bond counsel requires be validated under Section 860 et seq. of the Code of Civil Procedure. In every other instance involving other local agencies participating in this program, validation action have been filed and uncontested judgments have been obtained. The action filed on behalf of the City of Moreno Valley was, however, challenged by a local resident based upon her objection to the street improvement project, not based upon any of the issues raised in the validation action. The Riverside County Superior Court ruled in favor of the City, however, this resident appealed that decision to the Court of Appeals. The City was again successful on appeal and the resident did not elect to appeal further to the California Supreme Court. The City and bond counsel are now ready to proceed with the financing of this important street improvement project for the City.

Revenues for FY 2012:

\$2,621,025 - Local Measure A revenues from RCTC

The proposed COPs will be secured solely by a pledge of Moreno Valley's apportionment of Local Measure A revenues. The City has 26 more years to receive the sales tax revenue. Based on current interest rates, the maximum annual COP payment will be approximately \$1,745,000. The all-in interest rate is currently estimated to be 5.85%. Based on Moreno Valley's FY 2012 Local Measure A Revenues, the COPs will have maximum annual payment coverage of over 1.50 times.

The City of Moreno Valley is undertaking financing as part of the City's ongoing effort to accelerate street system improvements within its jurisdiction. The financing is comprised of facilities that are eligible for expenditure of Measure A Receipts under applicable laws of the State.

Public Benefit:

- The issuance of the certificates on behalf of the City of Moreno Valley will allow the City to make much needed improvements to their street infrastructure that would otherwise have been deferred due to lack of sufficient funds.
- The program will provide the ability to catch up on backlog repairs; increase the service level of the street network; and lower maintenance costs long term.
- The issuance will call for Certificates of Participation under an installment sale structure. No lease of assets would be required, wherein past transactions of this nature have required a lease of city/county assets.

Approvals:

Based on the overall public benefit, conformance to the California Communities Issuance Policies, and the City of Moreno Valley's approval of the financing the Commission shall approve the Resolution which:

1. Approves the issuance of the certificates of participation through the Total Road Improvement Program;
2. Approves all necessary actions and documents for the financing; and
3. Authorizes any member of the Commission or Authorized Signatory to sign all necessary documents.

Attachment A – Total Road Improvement Program

Local Approval Information and Projects:

On January 10, 2012, the City of Moreno Valley approved a resolution authorizing the issuance of TRIP COPs. The following projects* are those anticipated to be partially funded by the financing:

<u>Name of Project Component</u>	<u>Description of Project Component</u>	<u>Estimated Cost</u>
Nason Street Improvement (Fir Avenue to Cactus Avenue)	The improvement of Nason Street between Fir Avenue and Cactus Avenue. Improvements are planned to include the construction of one additional travel lane in each direction to meet the ultimate 4-lane roadway section with center turn lanes.	\$15,000,000
Reche Vista Drive Realignment	The realignment of Reche Vista Drive between the Perris Boulevard/Heacock Street Intersection and the northerly City limits	300,000
Rehabilitation of arterial and collector streets	The rehabilitation, including curb ramp upgrades, curb and gutter repairs, and failing drainage spandrel repairs, of specified arterial and collector streets within the City	<u>3,000,000</u>
Total		\$18,300,000*

Finance Team:

- Bond Counsel: Orrick, Herrington & Sutcliffe, LLP, Los Angeles
- Authority Counsel: Orrick, Herrington & Sutcliffe, LLP, Sacramento
- Underwriter: De La Rosa & Co., Los Angeles
- Underwriter's Counsel: Goodwin Proctor LLP, Los Angeles
- Financial Advisors: Urban Futures, Inc, Orange
- Trustee: Wells Fargo Bank, Los Angeles

Financing Structure:

The COPs will mature no later than 6/1/2039 and will be issued as fixed rate tax-exempt obligations. The bonds will be publicly offered by the Underwriter in minimum denominations of \$5,000. The COPs are expected to receive an "A" rating from Standard & Poor's. If the COPs qualify for Assured Guaranty insurance ("AA-" rating) and there is an economic benefit, the COPs may be issued with Assured Guaranty

insurance. The proposed sale of bonds will comply with the Authority's policies for the issuance of publicly offered securities.

Estimated Sources and Uses:

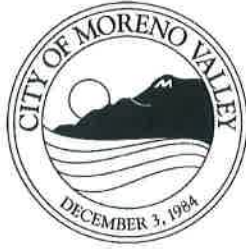
Sources:

Bond Proceeds	<u>\$ 20,000,000</u>
Total Sources	\$ 20,000,000*

Uses:

Project Fund	\$ 17,950,000
Debt Service Reserve Fund	\$ 1,585,000
Cost of Issuance	<u>\$ 465,000</u>
Total Uses	\$ 20,000,000*

*Sources and uses are estimates and will depend on where interest rates are set the day of pricing



Financial & Management Services Department

14177 Frederick Street

P. O. Box 88005

Moreno Valley, CA 92552-0805

Telephone: 951.413.3021

FAX: 951.413.3096

July 12, 2013

James Hamill
California Communities
2033 N Main Street, Suite 700
Walnut Creek CA 94596

Re: Moreno Valley Participation in the California Communities Total Road Improvement Program

Dear Mr. Hamill:

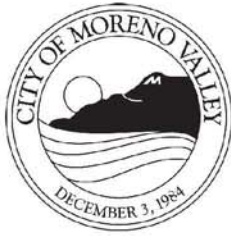
As you know, pursuant to Resolution No. 12R-3, adopted by the Commission of the California Statewide Communities Development Authority (the "Authority") at a meeting on April 5, 2012, the Authority previously determined that the City of Moreno Valley (the "City") would participate in the California Communities Total Road Improvement Program (TRIP) (the "Program") established by the Authority to finance street improvement projects. Pursuant to that Program the Authority was to acquire and construct certain roadway improvements and street resurfacing for the City (the "Project"), and sell the Project to, the City, pursuant to an Installment Sale Agreement between the City and the Authority (the "Installment Sale Agreement").

The City initially informed the City that the amounts payable by the City under the Installment Sale Agreement would be paid from Gas Tax Revenues and possibly Measure A Revenues, as those terms are defined in the Installment Sale Agreement. Because of the uncertainty presently existing with respect to the ability of the City to pledge Gas Tax Revenues under the Installment Sale Agreement, the City has determined not to pledge Gas Tax revenues and to pledge only Measure A Revenues to the payments due under the Installment Sale Agreement. The modification of the Installment Sale Agreement reflecting this change will be sent to you by Orrick, Herrington & Sutcliffe LLP, as your bond counsel.

We greatly appreciate your assistance in this matter.

Sincerely,

Rick Teichert
Chief Financial Officer
City of Moreno Valley



APPROVALS	
BUDGET OFFICER	<i>caf</i>
CITY ATTORNEY	<i>gmb</i>
CITY MANAGER	<i>ms</i>

Report to City Council

TO: Mayor and City Council

FROM: Richard Teichert, Financial & Administrative Services Director
Ahmad Ansari, P.E., Public Works Director/City Engineer

AGENDA DATE: January 10, 2012

TITLE: PUBLIC HEARING AND AUTHORIZING RESOLUTION FOR
EXECUTION AND DELIVERY OF CALIFORNIA COMMUNITIES
GAS TAX REVENUE CERTIFICATES OF PARTICIPATION,
SERIES 2012_ TOTAL ROAD IMPROVEMENT PROGRAM (TRIP)

RECOMMENDED ACTION

Staff recommends that the City Council, after conducting the public hearing:

Adopt Resolution No. 2012-03 approving the sale, execution, and delivery of not more than \$20 million in principal amount of California Communities Gas Tax Revenue Certificates of Participation, Series 2012_ (TRIP–Total Road Improvement Program) (the “COPs” or “Certificates”) and approving certain actions in connection therewith, and authorizing judicial validation proceedings relating thereto.

RECAP OF RECENT GAS TAX FINANCING ACTIONS

The City Council conducted a public hearing and adopted Resolution No. 2011-81 approving the sale, execution, and delivery of not more than \$20 million in principal amount of California Communities Gas Tax Revenue Certificates of Participation (COPS), Series 2011B (TRIP- Total Road Improvement Program). The City Council also authorized the addition of the Nason Street Project from Cactus Avenue to Fir Avenue in the FY 2011-12 CIP and the appropriation of up to \$15 million for the project. The City Council’s actions also detailed the impacts of approving the project and the funding to repay the approved financing.

On October 25, 2011 the City Council approved the dismissal of the validation action related to the California Communities Gas Tax Revenue Certificates of Participation,

Series 2011B Total Road Improvement Program, thereby terminating the City's participation in the TRIP Financing Program. The dismissal was solely due to the viable threat of a challenge to the validation action filed in Riverside Superior Court on behalf of the City of Moreno Valley. A challenge to the validation action would have held up the financing for the entire pool, which included the cities of Menifee and Desert Hot Springs. The validation actions were successfully upheld in Riverside Superior Court in November 2011. City of Moreno Valley staff now recommend conducting a public hearing and approving the same actions that the City Council approved on July 26, 2011, to allow the City to proceed with the Gas Tax Financing as originally proposed. The budget actions and appropriations approved in July 2011 are valid and do not need to be changed at this time. Staff will work with California Communities to identify other potential partners to pool the TRIP Gas Tax Financing Program as the City's validation process is progressing. The documents are presented to allow this partnership as the opportunity may arise prior to issuing the approved COPs.

BACKGROUND

On June 14, 2011 the City Council approved the FY 2011-12 Capital Improvement Plan (CIP). Part of that approval included the resequencing of projects and monies to fund improvements to Nason Street and Cactus Avenue. These improvements are integral elements of the recently adopted Economic Development Action Plan focused on building a medical corridor in this area to facilitate and attract development and create jobs for Moreno Valley residents. The Nason Street improvements approved as part of the CIP do not include that section of street between Fir and Cactus. The actions proposed in this staff report identify a funding vehicle necessary to adequately address the needed widening of this section of Nason. While this is the intended purpose of the anticipated proceeds from the proposed Certificates of Participation, there is flexibility within this process to redirect funding to alternative projects should Council direction change or circumstances warrant in the future.

DISCUSSION

FINANCING PLAN

Article 19 of the California Constitution authorizes the collection of the Motor Vehicle Fuel Tax (the "Gas Tax") to be used for operation, construction, or maintenance of public streets and highways. The Gas Tax is an 18 cent per gallon state fuel excise tax. The California State Controller allocates the Gas Tax to cities and counties on a monthly basis based on factors such as population according to Section 2103, 2105, 2106, and 2107 of the California Streets & Highway Codes. The City of Moreno Valley collected \$4.96 million of gas tax revenue for FY 2010-11 and is projected to collect \$5.20 million in FY 2011-12.

The California Statewide Communities Development Authority ("California Communities") is a joint powers authority that was co-founded by the League of California Cities and California State Association of Counties to provide California local

governments and private entities access to low-cost, tax-exempt financing programs. The City of Moreno Valley is a member of California Communities.

In 2008, California Communities implemented a street financing pool program known as the Total Road Improvement Program (“TRIP” or “Program”) to assist cities and counties in their efforts to finance larger scale street improvement projects. Participating in the Program is beneficial because the documentation is standardized and the overall process is very efficient and cost effective. Under the Program, California Communities would cause the execution and delivery of Certificates on behalf of the City of Moreno Valley and potentially any other local participants. Each local agency participant would be responsible for installment payments relating to their pro-rata portion of the Certificates. Local agency payments are made under individual Installment Sale Agreements. No agency is responsible for any other agency’s obligations under the Program.

Staff is proposing the execution and delivery of the Gas Tax Revenue Certificates of Participation in an amount not to exceed \$20 million for the initial Certificate series. The Certificates will be secured solely by Gas Tax revenues that the City receives from the State of California and potentially other transportation related revenue sources eligible to fund local street projects (e.g. Moreno Valley’s share of Measure “A” Local Streets and Roads Revenue). The table below outlines the proposed projects that may be fully or partially funded from proceeds of the proposed Series 2012B Gas Tax Revenue COPs.

Table 1

DESCRIPTION OF PROJECT COMPONENTS AND ESTIMATED COSTS

Nason Street Improvement (Fir Avenue to Cactus Avenue)	
Estimated Project Costs:	\$15.0 M (Total)
-Project Limit #1	\$11.4 M (Fir to Alessandro)
-Project Limit # 2	\$3.6 M (Alessandro to Cactus)
List of Improvements Assumed	Construct one additional travel lane in each direction to meet the ultimate 4-lane roadway section with center turn lanes
	Right-of-way acquisition
	Traffic signal modifications
	Sidewalks, curb & gutter, catch basins, and miscellaneous storm drains
	Relocate EMWD booster station
	Relocation of existing electric distribution power poles (assume City has prior rights) with option for attached street lights
Estimated Project Timeline	60 months to completion

In the past, there has been a certain degree of risk that the State could delay the payment of Gas Tax revenues - which it has done twice in the last three years (April-August 2008 payments were delayed until September 2008; and January-April 2009 payments were delayed until May 2009). The passage of Proposition 22 in November 2010 currently prohibits the State from borrowing transportation funds from Local Agencies which should mitigate any risks associated with further payment delays by the State. However, a future ballot measure can modify or eliminate these Prop. 22 protections which would allow the State to reduce the amount or eliminate Gas Tax Revenues paid to the City. The City will mitigate this risk by pledging the City of Moreno Valley's share of Measure "A" funds as an additional eligible source of payments under its Installment Sale Agreement.

RCTC requires all local jurisdictions to submit an annual five-year CIP for receipt of Measure "A" Local Streets and Roads funds. Council approved the City of Moreno Valley's FY 2012-2016 Measure "A" Local Streets and Roads CIP on April 26, 2011. Although the Measure "A" CIP was approved by RCTC on July 13, 2011, the program is subject to amendment. The City Council may make any changes to the Measure "A" funded projects as part of the City's reprioritization process. The revised program was submitted to RCTC for approval by the Public Works Director/City Engineer and was administratively approved by RCTC on October 19, 2011.

The Certificates are expected to garner an "A" underlying rating from S&P and may potentially qualify for "AA-" municipal bond insurance. The Certificates will be repaid over 30 years with level annual payments. As to the City's Installment Payments for the Certificates, annual Gas Tax revenues as compared to Installment Payments will be structured to provide an estimated 3.54 times coverage from the City's Gas Tax revenues. Stated differently, the City anticipates using only about 28.3% of its Gas Tax revenues for Certificate payments (based on FY 2011 revenues). The remaining Gas Tax revenue may continue to be used for ongoing street operations and maintenance. The Certificate payments are projected to be about \$1,256,000 annually. Based on a 6.4% interest rate and a 30-year financing term, the amount of Certificates to be issued is projected to be \$16.575 million, which is projected to net the City approximately \$15.0 million in project proceeds after setting aside money for the reserve fund and paying costs of issuance. The estimated reserve fund is \$1,256,000 and the estimated costs of issuance are \$319,000. The proposed not-to-exceed amount of this series of Certificates to be allocated to the City is conservatively set at \$20 million which provides the City flexibility to take advantage of favorable interest rates and raise additional proceeds at the same level of Certificate payments or modify the plan of finance prior to the pricing.

THE JUDICIAL VALIDATION PROCESS

Prior to the execution and delivery of the Certificates, the financing structure and pledge of Gas Tax revenues will be judicially validated pursuant to proceedings to be commenced in the Superior Court of the County of Riverside, pursuant to the provisions of Section 860 et. seq. of the California Code of Civil Procedure. The Gas Tax revenue

pledge and financing structure was successfully validated under the same Program in the Superior Court of the County of Riverside on behalf of the cities of Indio and Coachella in 2008. Recently, the same court validated the same Program in November 2011 for the Cities of Menifee and Desert Hot Springs. If unchallenged, the Superior Court of the County of Riverside is expected to enter a default judgment to the effect that the Installment Payments are valid, legal, and binding obligations of the City and that the City has the legal ability to pledge Gas Tax revenues and potentially other transportation revenues (for example, Moreno Valley's share of Measure "A" Local Streets and Roads Revenue) toward the repayment of Installment Sale Agreement. Judicial validation is required so that bond counsel can opine that the Certificates are valid and legal.

The City will be responsible for paying a \$7,500 legal fee to Orrick Herrington & Sutcliffe (bond & special counsel handling the validation proceedings) in the case that the validation package is filed, but not successful. If the validation package is filed and the proceedings are successful, but the City chooses to otherwise not move forward with the Program, the City will be responsible for paying \$15,000 to Orrick to cover legal fees incurred on its behalf. These fees can be paid from the Certificate proceeds; otherwise they must be paid out-of-pocket by the City.

City Council is being asked to authorize the sale, execution and delivery of the Certificates, as well as the commencement of the judicial validation process. The validation process involves several steps that allow public response and takes several months.

EXPLANATION OF RECOMMENDED ACTIONS:

Resolution No. 2012-03 (Attachment No. 1) will accomplish the following:

- Approves the form of the following documents:
 - Installment Sale Agreement (Attachment No. 2)
 - Trust Agreement (Attachment No. 3)
 - Preliminary Official Statement (Attachment No. 4)
 - Certificate Purchase Agreement (Attachment No. 5)
- Approves the sale of the Certificates in an amount not to exceed \$20 million.
- Authorizes the Mayor, Mayor Pro-Tem, City Clerk, City Manager, Assistant City Manager and Financial and Administrative Services Director, as applicable, to execute all of the above documents, and such other documents and certifications that may be necessary to consummate the transaction.
- Approves the sale of the Certificates to the underwriter, E. J. De La Rosa & Co., Inc. on a pooled or stand-alone basis at a net interest cost of not more than 8.00 percent and an underwriter's discount of not more than 1.00 percent.
- Authorizes the commencement and completion of proceedings required for the judicial validation of the validity of the foregoing documents and the pledge of Gas Tax revenues to the payment of Installment Payments (as defined below).

The documents presented for approval pursuant to the attached resolution are as follow:

Installment Purchase Agreement. The Installment Purchase Agreement between the City and California Communities to transfer the Project to the City, in consideration of which the City will obligate itself to make installment payments for the Project for California Communities in the amounts and on the dates set forth in the Installment Purchase Agreement (the “Installment Payments”).

Trust Agreement. The Trust Agreement defines the terms and conditions of the Certificates, the rights and obligations of the City, California Communities, the municipal bond insurer, if any, the trustee (Wells Fargo Bank, N.A.), and the certificate holders.

Preliminary Official Statement. The Preliminary Official Statement provides disclosure on California Communities, the Certificates, the City and other pertinent information to potential investors needed prior to making an investment decision. The Preliminary Official Statement will also provide disclosure on other participants which may become part of the offering of the Series 2012B Gas Tax Revenue COPs.

Certificate Purchase Agreement. The Certificate Purchase Agreement among California Communities, E. J. De La Rosa & Co. and the City defines the terms and conditions under which the Certificates will be purchased by the underwriter.

ESTIMATED FINANCING SCHEDULE

The following is the anticipated financing schedule. Dates are subject to change.

<u>Date</u>	<u>Description of Activity</u>
January 10, 2012	City Council adopts Resolution Approving Execution and Delivery Of California Communities Gas Tax Revenue Certificates of Participation, Series 2012B or such other series designation as appropriate
January 11, 2012	Judicial validation filed with Superior Court
April 12, 2012	End of validation proceedings and appeal period
April 2012	Print and mail Preliminary Official Statement
April 2012	Sale of Certificates through California Communities
May 2012	Certificate closing; funds available to City

ADJUSTMENTS TO GAS TAX AND MEASURE A BUDGETS

The required changes to the Gas Tax and Measure A Program Budgets were approved on July 26, 2011. These changes were approved for the FY 2011-12 and FY 2012-13 Operating Budget and FY 2011-12 Capital Improvement Plan.

A summary of the major impacts resulting from these budget modifications is detailed below:

- Funding level for Citywide Annual Pavement Resurfacing Program Capital Project reduced to \$600,000 annually
- Funding level for Surface Recycling Capital Project (In-House) reduced from \$120,000 annually to \$70,000 annually
- Funding level for Pavement Rehabilitation Program (formerly Slurry Seal Program) Capital Project (In-House) reduced from \$130,000 annually to \$60,000 annually eliminating the ability to complete in-house pavement overlay projects
- Funding level for Residential Traffic Management Program (Speed Hump Program) Capital Project reduced from \$100,000 annually to \$50,000 annually
- Funding level for Street Improvement Program (SIP) Capital Project reduced from \$250,000 annually to \$200,000 annually

ALTERNATIVES

1. Adopt Resolution No. 2012-03 approving the sale, execution, and delivery of not more than \$20 million in principal amount of California Communities Gas Tax Revenue Certificates of Participation, Series 2012 (TRIP – Total Road Improvement Program) (the “Certificates”) and approving certain actions in connection therewith, and authorizing judicial validation proceedings relating thereto. This option provides the project funding to proceed with the improvements to widen Nason Street from Fir to Cactus, while deferring street maintenance and overlay projects equal to the amount of installment payments (\$1,256,000 annually) for a 30 year period. Payments over the 30 year period will total an estimated \$37,680,000.

2. Do not adopt Resolution No. 2012-03 approving the sale, execution, and delivery of not more than \$20 million in principal amount of California Communities Gas Tax Revenue Certificates of Participation, Series 2012 (TRIP – Total Road Improvement Program) (the “Certificates”) and approving certain actions in connection therewith, and authorizing judicial validation proceedings relating thereto. Not approving the recommendation delays the Nason Street improvement project until alternative funding can be arranged. However, it retains the annual street maintenance and overlay projects of \$1,256,000 annually.

FISCAL IMPACT

Average annual installment payments will be approximately \$1,256,000 and be paid over a 30-year period. Installment payments are expected to be paid solely from

transportation revenues (e.g. Moreno Valley's share of Measure "A" Local Streets and Roads Revenue and Gas Tax Revenues). Proceeds from the sale of the Certificates will fund the Project described herein in the amount of approximately \$15,000,000. Payments over the 30 year period will total an estimated \$37,680,000.

The \$1,256,000 required for annual installment payments is proposed to be obtained from budget reductions of various Gas Tax and Measure A projects and programs, as approved by City Council on July 26, 2011. The use of Gas Tax funding for the Nason Street project will result in less street maintenance occurring each year during the 30 year period the COPs are repaid totaling \$1,256,000 annually.

As a step to ensure the Certificates will be repaid if there are significant changes to the State's Gas Tax Program, the City is also reserving the flexibility to use the City's share of Measure "A" funds to make the Installment Sale Agreement payments, as determined by the City.

There is no impact to the General Fund.

CITY COUNCIL GOALS

Revenue Diversification and Preservation - Develop a variety of City revenue sources and policies to create a stable revenue base and fiscal policies to support essential City services, regardless of economic climate.

Public Infrastructure Improvement – Ensure that needed public facilities, roadway improvements, and other infrastructure improvements are constructed and maintained.

Creation of a Positive Environment – Create a positive environment for the development of Moreno Valley's future.

NOTIFICATION

A "Notice of Public Hearing" was published on December 28, 2011, in The Press Enterprise in accordance with in accordance with Section 6586.5 of Article 4 of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California.

ATTACHMENTS

1. Resolution No. 2012-03 approving the Execution and Delivery of California Communities Gas Tax Revenue Certificates of Participation, Series 2012_ (TRIP–Total Road Improvement Program) Pursuant to a Trust Agreement, Authorizing the Execution and Delivery of a Trust Agreement, Certificate Purchase Agreement and an Installment Sale Agreement, Authorizing the Distribution of an Official Statement in Connection with the Offering and Sale of Such Certificates, and Authorizing the Filing of a Validation Action and Other Matters Relating Thereto

2. Installment Sale Agreement
3. Trust Agreement
4. Preliminary Official Statement
5. Certificate Purchase Agreement

Department Head Approval:
 Richard Teichert
 Financial & Administrative Services Director

Department Head Approval:
 Ahmad Ansari, P.E.
 Public Works Director/City Engineer

Council Action	
Approved as requested:	Referred to:
Approved as amended:	For:
Denied:	Continued until:
Other:	Hearing set for:

RESOLUTION NO. _____

RESOLUTION OF THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY APPROVING, CONFIRMING AND RATIFYING THE CITY OF MORENO VALLEY'S PARTICIPATION IN THE CALIFORNIA COMMUNITIES TOTAL ROAD IMPROVEMENT PROGRAM AS PREVIOUSLY AUTHORIZED BY AUTHORITY RESOLUTION NO. 12R-3; AND OTHER MATTERS RELATING THERETO

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

WHEREAS, Article 4 of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California authorizes and empowers the Authority to cause certificates of participation to be executed and delivered to assist local agencies in financing projects and programs consisting of certain public improvements or working capital or liability and other insurance needs whenever a local agency determines that there are significant public benefits from so doing;

WHEREAS, pursuant to Resolution No. 12R-3, adopted by the Commission of the Authority at a duly called meeting on April 5, 2012 (the "Authorizing Resolution"), the Authority previously determined that the City of Moreno (the "City") would participate in the California Communities Total Road Improvement Program (TRIP) (the "Program") established by the Authority to finance street improvement projects;

WHEREAS, pursuant to the Program the Authority will acquire and construct certain roadway improvements and street resurfacing for the City (the "Project"), and sell the Project to, the City, pursuant to an Installment Sale Agreement by and between the City and the Authority (the "Installment Sale Agreement");

WHEREAS, the City has advised the Authority that the City has determined to pledge local Measure A Revenues, subject to any then outstanding commitment or pledge of local Measure A Revenues, to the payment of 2013 Installment Sale Payments (as those terms are respectively defined in the Installment Sale Agreement) and to revise the Installment Sale Agreement to confirm such pledge;

WHEREAS, the City has advised the Authority that the City has determined not to pledge motor vehicle fuel tax revenues received by the City from the State of California ("Gas Tax Revenues") and to revise the Installment Sale Agreement to reflect such pledge modification; and

WHEREAS, certificates of participation evidencing a proportionate undivided interest in purchase price payments made pursuant to the Installment Sale Agreement shall be executed and delivered pursuant to a trust agreement and shall be designated "California Communities Local Measure A Sales Tax Revenue (Installment Sale) Certificates of Participation, Series 2013

(T.R.I.P. – Total Road Improvement Program)” (herein the “Certificates”), and the aggregate principal amount for such series and any subseries shall not exceed \$20,000,000;

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

Section 1. The foregoing recitals herein contained are true and correct and the Commission so finds.

Section 2. The form of Installment Sale Agreement with the City, modified to provide for the pledge of local Measure A Revenues and the elimination of the pledge of Gas Tax Revenues to the payment of 2013 Installment Sale Payments, to be dated as of the first day of the month preceding the initial execution and delivery of the Certificates (the “Document Date”), presented to the Authority at this meeting and on file with the Secretary, is hereby approved, and any member of the Commission of the Authority or their administrative delegates duly authorized pursuant to Resolution No. 11R-18 of the Authority, adopted on September 28, 2011 (each, an “Authorized Signatory”) is hereby authorized and directed to execute and deliver the Installment Sale Agreement in substantially such form, with any changes, additions and completions thereto as such Authorized Signatory may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 3. The officers and agents of the Authority are hereby authorized and directed, jointly and severally, to do any and all things which they may deem necessary or advisable in order to consummate the transactions herein authorized and otherwise to carry out, give effect to and comply with the terms and intent of this Resolution, including, without limitation, the appropriate modification of the documents approved by the Commission in the Authorizing Resolution.

Section 4. Except as provided herein, the terms and provisions of the Authorizing Resolution are approved, confirmed and ratified; and all actions heretofore taken by the officers, employees and agents of the Commission with respect to the transactions set forth above are hereby approved, confirmed and ratified.

Section 5. This Resolution shall be in full force and effect upon its adoption.

PASSED AND ADOPTED by the California Statewide Communities Development Authority
this July 18, 2013.

I, the undersigned, an Authorized Signatory of the California Statewide Communities
Development Authority, DO HEREBY CERTIFY that the foregoing resolution was duly adopted
by the Commission of the Authority at a duly called meeting of the Commission of the Authority
held in accordance with law on July 18, 2013.

By: _____
Authorized Signatory
California Statewide Communities
Development Authority

Item VI

Discuss and approve in concept Delinquent Tax Funding Program.

SUMMARY AND APPROVALS

DATE: JULY 18, 2013

PURPOSE: DISCUSS AND APPROVE IN CONCEPT THE DELINQUENT PROPERTY TAX FUNDING PROGRAM

Background and Discussion:

CSCDA Staff has recently been involved in discussions with Tower Capital Management about an innovative delinquent tax funding programs that can be offered to cities and special tax districts throughout California.

The Delinquent Property Tax Funding Program (the "Program") (1) would enable cities and districts to sell or assign their share of their county's delinquent 1% levy taxes to CSCDA and receive immediate payment for those delinquencies; and similarly (2) would enable Community Facilities and Special Assessment Districts to sell or assign their delinquencies to CSCDA.

This program is in effect a "private Teeter plan" for agencies and districts that do not participate in a county Teeter plan and is very similar to the Teeter plans available in 53 of California's 58 counties with at least two significant differences:

- The JPA pays a premium on top of the principal amount of the delinquencies that are purchased versus a Teeter plan that is limited by law to 100%.
- The JPA allows participating agencies to exit the program after an initial three-year commitment versus a Teeter plan that does not allow individual agencies to exit.

The attached draft of a Frequently Asked Questions document (that would be distributed to agencies potentially interested in participating in The Program) provides additional details.

The Program would be marketed by CSCDA & Tower Capital Management.

Program Team:

The Program would provide a turn-key solution for Participants and a fully assembled finance team similar to other existing CSCDA solutions such as the SCIP Program. The anticipated Program team would consist of the following:

Issuer/Program Sponsor:	CSCDA
Issuer's Counsel:	Orrick Herrington & Sutcliffe, LLP
Special Counsel:	Jones Hall
Underwriter:	Tower Capital Management, LLC
Underwriter's Counsel:	To be determined

Other Appropriate Team Members: To be determined

About Tower Capital Management, LLC:

- Tower Capital Management team is composed of a group of professionals highly experienced in providing local governments with revenue from delinquent tax liens and tax receivables.
- Throughout their professional careers the management team has been directly responsible for the acquisition of over \$5 billion of tax liens and tax receivables in 23 states, including over \$750 million of tax receivables in Los Angeles, Riverside and Monterey counties over the past ten years.
- Since its inception in 2010, Tower has underwritten and managed a portfolio of over \$1.25 billion of delinquent tax liens and tax receivables from municipal and county governments.
- New York City selected Tower to act as co-servicer of its annual tax lien securitization program. The management team has been involved in servicing agreements for numerous NYC trusts totaling more than \$500 million.
- Management team has been involved in numerous structured tax liens and mortgage transactions throughout their professional careers and understand the payment processing, investor accounting and reporting requirements and portfolio management requirements of such transactions

Tower Financings in California:

- 21 K-14 Public School Agencies in Monterey County: 1% Levy Delinquencies, December 2013: \$2.3 Million
- City of Riverside, City of Norco and Lee Lake Water District: Community Facility and Assessment District Delinquencies, January 2014: \$450,000
- City of Riverside, Special Fund Delinquencies, July 2014: \$435,000
- 92 K-14 Public School Agencies in Los Angeles County: 1% Levy Delinquencies, 2001-2013: \$753.3 Million
- 21 K-14 Public School Agencies in Monterey County: 1% Levy Delinquencies, 2002-2012: \$28.7 Million

Recommendation:

Staff recommends that the Commission approve of the concept of the tax funding program and direct Staff to continue working with Tower Capital Management to establish the program. Staff will bring all financings associated with the program back to the Commission for final approval.

DELINQUENT PROPERTY TAX FUNDING PROGRAM

FREQUENTLY ASKED QUESTIONS

The California Statewide Communities Development Authority (the "JPA") and Tower Capital Management are pleased to announce a new delinquent tax funding program for cities and special tax districts that do not participate in county Teeter plans. This program (1) will enable cities and districts to sell or assign their share of their county's delinquent 1% levy taxes to the JPA and receive immediate payment for those delinquencies; and similarly (2) will enable Community Facilities and Special Assessment Districts to sell or assign their delinquencies to the JPA.

1. Is this program like a Teeter plan?

This program is in effect a "private Teeter plan" for agencies and districts that do not participate in a county Teeter plan and is very similar to the Teeter plans available in 53 of California's 58 counties with at least two significant differences:

- The JPA pays a premium on top of the principal amount of the delinquencies that are purchased versus a Teeter plan that is limited by law to 100%.
- The JPA allows participating agencies to exit the program after an initial three-year commitment versus a Teeter plan that does not allow individual agencies to exit.

2. What delinquencies will the JPA purchase?

The JPA will purchase qualified delinquencies that are up to five years old. For 1% levy delinquencies, it is expected that 85% to 90% will qualify for funding. The JPA will exclude delinquencies that are either defective (e.g., levied in error) or that do not meet the JPA's underwriting criteria. Any delinquencies not purchased by the JPA will be retained by participating agencies with full rights to any penalties or interest collected thereon. For CFD and AD delinquencies, the JPA will purchase 100% of the delinquencies for qualifying districts.

3. What will the JPA pay for the delinquencies?

The JPA will pay 100% of the principal amount due on all qualified delinquencies plus a "premium." The premium for all agencies participating in the JPA's planned November 2013 funding will be 10% of the principal amount of the delinquencies purchased.

4. What is the legal authority for these programs?

California Government Code 6516.6 authorizes local taxing agencies to form joint powers authorities to purchase delinquent property tax receivables. Since 2000, JPAs in Los Angeles and Monterey counties have funded delinquent 1% levy delinquencies for schools, and since 2009, a JPA has funded special tax district delinquencies in Riverside County.

5. Who provides the funds for this program?

The JPA is responsible for selecting an underwriter with the capability of purchasing participating agencies' delinquent tax receivables as well as the capability of developing and maintaining the data processing facilities required to track delinquencies and redemptions on each tax-defaulted property. Tower Capital Management of Morristown, New Jersey is currently the JPA's underwriter. Between 2002 and 2011 the principals of Tower and others

now working with them secured funding for JPAs in Monterey and Los Angeles counties that have purchased over \$750 million of delinquent 1% levy property tax receivables in those two counties and in the last 10 years over \$5 billion of delinquent taxes in over 20 states around the country. The Jones Hall law firm of San Francisco serves as legal counsel to the California Finance Authority for Delinquent Special Taxes and Assessments.

6. Does my agency incur any liabilities by participating in this program?

Under California law and the joint exercise of powers agreement, participating agencies are not responsible for the debts, obligations and liabilities of the JPA. The only obligations assumed by participating agencies are specified in the purchase and sale agreements entered into with the JPA.

7. What if properties do not sell at tax sale? Is the City ultimately responsible?

The funding transaction is non-recourse which means that if delinquent taxes are not paid during the 60-month redemption period and the properties then go to a county tax sale and the delinquencies are not paid from the proceeds of such a sale, the underwriter does not have any recourse to collect those delinquencies from the City. The risk of non-collection is borne entirely by the underwriter.

8. Would either of these transactions affect a local taxing agency's debt capacity or credit rating?

Both of these programs are a true sale and as such rely exclusively on the security of the receivables being sold by the City and purchased by the JPA. Thus, the agency has no liability in the event the delinquent taxes are not collected. Accordingly, as this is not a borrowing it will not impact a participating agency's debt capacity or credit rating.

9. What expenses will my agency incur?

The JPA's underwriter, Tower Capital Management, will reimburse your agency's reasonable costs for a review of this program by your financial advisor.

10. Who can I contact if I have further questions?

- William R. Dahms, Ph.D. at (213) 220-5010 or williamrdahms@gmail.com
- Robert A. Owen, J.D. at (951) 789-2690 or bowen@raolaw.com
- Scott Carper at (925) 765-8525 or scarper@cacommunities.org

Item VIII

Discuss and approve City of Bakersfield Continuing Disclosure Agreement with BLX Group.

SUMMARY AND APPROVALS

PURPOSE: DISCUSS AND APPROVE CONTINUING DISCLOSURE AGREEMENT WITH BLX GROUP FOR THE CITY OF BAKERSFIELD

Background:

On December 6, 2012, CSCDA issued bond \$21,030,000 in consolidated reassessment bonds for the City of Bakersfield. As part of the bond issuance certain annual reports are required, and any material events need to be reported to the marketplace.

The City of Bakersfield has chosen BLX Group as its continuing disclosure agent for the financing. Since CSCDA was the issuer the agreement with BLX Group must be entered into by the Authority.

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

Approval

Staff recommends the execution of the continued disclosure agreement with BLX and delegating the authority to sign the acknowledgment letter to staff.

June 20, 2013

California Statewide Communities Development Authority
2033 North Main Street, Suite 700
Walnut Creek, CA 94596
Attn: James Hamill, Program Manager

City of Bakersfield
1600 Truxton Avenue
Bakersfield, CA 93301
Attn: Nelson Smith, Finance Director

Re: Continuing Disclosure Services for the
California Statewide Communities Development Authority and the
City of Bakersfield

Dear James and Nelson:

This letter sets forth the terms under which the BLX Group LLC (“BLX”) agrees to provide certain services in connection with the undertaking of the California Statewide Communities Development Authority and the City of Bakersfield (the “Obligated Persons”), with respect to the bond issue(s) set forth in Exhibit B hereto (the “Bonds”), contained in the Continuing Disclosure Agreement(s) executed by the Obligated Person pursuant to Securities and Exchange Commission Rule 15c2-12(b)(5), to provide annually (the “Annual Reports”) certain financial information and operating data (the “Financial Information”) and to report certain events (“Specified Events”) (collectively, the “Disclosures”).

BLX will provide the services listed in Exhibit A hereto, subject to the conditions and limitations set forth in this agreement.

The Obligated Persons agrees to provide or to cause Wilmington Trust, N.A. (the “Trustee”) and NBS (the “Reassessment Engineer”) to provide to BLX all such relevant information as may be required by the Continuing Disclosure Agreement(s) or requested by BLX in order to provide the services specified herein and to provide any other assistance reasonably requested by BLX. The Obligated Persons represents that all information provided to BLX will be accurate, complete and fair, and BLX shall have no responsibility for and shall be entitled to rely, without independent investigation, entirely on the accuracy, completeness and fairness of all information provided by the Obligated Persons, the Trustee, or the Reassessment Engineer and/or their officers, employees, agents, attorneys, accountants, engineers and consultants. BLX will not be referred to in any manner in any Annual Report(s) or other Disclosure(s) covered by this agreement. BLX shall have no obligation to update any Annual Report(s) or other Disclosure(s) delivered hereunder because of events occurring, changes in regulation or interpretations, or data or information received or coming to the attention of BLX, subsequent to the date of such Annual Report(s) or other Disclosure(s).

The fees to be paid to BLX shall be as follows: Annual Report Fee of \$2,500; Specified Event Notice Fees of \$500 in the unlikely event that a notice is actually filed with respect to any of the Rule 15c2-12 listed events; and identical bond fee of \$500 for each issue of parity bonds. In addition, a charge will be assessed for reimbursement or recovery of reasonable internal expenses and any third party costs (such as electronic or other dissemination costs).

Annual Report Fees are due upon delivery of each Annual Report. Specified Event Notice Fees are due upon completion of services with respect to each Specified Event Notice. Any expenses will be charged with the fee next succeeding payment or incurrence of the expenses. Any other costs incurred by the Obligated Person in connection with the obligations under the Continuing Disclosure Agreement(s) shall be the sole responsibility of the Obligated Persons.

This agreement is terminable by either party by written notice to the other, such termination to be effective immediately.

This agreement may be amended from time to time for any purpose, but only with the written consent of each party hereto.

The Obligated Persons acknowledges that although BLX is presently wholly owned by the law firm of Orrick, Herrington & Sutcliffe LLP ("Orrick") (1) BLX is not a part of the law firm, its employees are not lawyers and the services it provides, including all services contemplated by this agreement, are not legal services and do not include legal advice or legal opinions of any kind; (2) BLX, therefore, is not being engaged hereunder and does not undertake to independently verify, or otherwise assume any responsibility for, the accuracy, completeness of fairness of any Disclosures made in Annual Reports or notices of Specified Events or compliance with federal or state securities laws; (3) BLX is not being engaged hereunder and does no undertaking to make any inquiry to attorneys or others at Orrick for legal advice or for information anyone at Orrick may have which might be material to the Obligated Persons or the disclosures which shall be the sole responsibility of the Obligated Persons; (4) this agreement does not establish any attorney-client or other relationship with Orrick, and Orrick is not in any manner involved in or responsible for the services to be provided by BLX under this agreement and shall not be held liable in any manner for such services; and (5) this agreement and BLX's relationship to Orrick does not represent any basis for a conflict-of-interest to be considered to exist by reason of any attorney-client relationship that Orrick may have had, have, or enter into (even if adverse to the Obligated Persons), and the Obligated Persons specifically consents to any and all such relationships. In addition, the Obligated Persons agree that any or all information obtained or developed pursuant to this engagement may be used and disclosed by BLX as BLX deems appropriate.

If the foregoing is acceptable, please so indicate by signing and returning a copy of this letter, and retain an original for your files.

Very truly yours,



By: Jeffrey R. Higgins
Managing Director

ACCEPTED AND AGREED TO:

CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY

By: _____
Title: _____
Date: _____

CITY OF BAKERSFIELD

By: _____
Title: _____
Date: _____

EXHIBIT A

Services to Be Provided by BLX

I. *With respect to each Annual Report:*

- (1) Determine from the Continuing Disclosure Agreement(s) and remind the Obligated Persons at least 60 days in advance, by when the Annual Report(s) must be provided to the Municipal Securities Rulemaking Board's ("MSRB") Electronic Municipal Market Access system ("EMMA") and any state information depository ("SID").
- (2) Assist the officers or employees of the Obligated Persons designated with responsibility for continuing disclosure to assemble information necessary for the Annual Report(s).
- (3) Format or assist in formatting such material into an Annual Report(s) with appropriate limitations and disclaimers aimed at reducing exposure to potential liability (although no assurance can be provided that any such limitations or disclaimers can fully or effectively eliminate potential liability).
- (4) Submit or confirm submission of the Annual Report(s) to EMMA and any SID.
- (5) Maintain, or cause to be maintained, for at least six (6) years, a record of the Annual Report(s) submitted to EMMA and any SID.

II. *With respect to each of the Specified Events specified in the Continuing Disclosure Agreement(s) requiring timely reporting:*

- (1) Assist in preparation of the notice concerning any Specified Event determined by the Obligated Persons.
- (2) Submit or confirm submission of the Specified Event notice to EMMA and any SID.
- (3) Maintain, or cause to be maintained, for at least six (6) years, a record of the Specified Event notice submitted to EMMA and any SID.

EXHIBIT B

Bond Issues

- 1) \$21,030,000
California Statewide Communities Development Authority
Limited Obligation Revenue Bonds
(City of Bakersfield Consolidated Reassessment District No. 12-1),
Series 2012

Item IX

Discuss and approve issuance of request for proposals for CSCDA trustee services.

SUMMARY AND APPROVALS

PURPOSE: DISCUSS AND APPROVE ISSUANCE OF REQUEST FOR PROPOSALS FOR TRUST SERVICES

DATE: JULY 18, 2013

Background:

CSCDA has engaged Well Fargo Corporate Trust as its trustee of bank accounts since 2000. In line with the CSCDA policy for competitively soliciting contracts for professional services every three years staff is recommending the issuance of request for proposals.

Discussion:

Staff is recommending releasing the RFP's on Friday, July 19, 2013. The RFPs will be posted on the CSCDA website and emailed directly to corporate trust companies. The proposals would be due on August 19, 2013.

Once proposal are received staff will come back to the Commission to appoint an ad hoc committee to review the request for proposals.

Approvals:

1. Approval of the issuance of request for proposals for trustee services;
2. Once proposals are received Staff to request Commission to appoint a review ad hoc committee for the request for proposals.