



REGULAR MEETING AGENDA

July 25, 2019 at 2:00 p.m.

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

Telephonic Locations:

County of Solano
675 Texas Street, Fairfield, CA 94533

77 De Silva Island Drive
Mill Valley, CA 94941

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

City of Lafayette
3675 Mt. Diablo Blvd., Suite 210
Lafayette, CA 94549

County of Butte
7 County Drive, Oroville, CA 95965

709 Portwalk Place
Redwood City, CA 94061

247 Electric Street
Auburn, CA 95603

City of Sausalito
420 Litho Street, Sausalito, CA 94965

A. OPENING AND PROCEDURAL ITEMS

1. Roll Call.

_____ Larry Combs, Chair	_____ Jordan Kaufman, Member
_____ Kevin O'Rourke, Vice Chair	_____ Marcia Raines, Member
_____ Tim Snellings, Secretary	_____ Michael Cooper, Alt. Member
_____ Brian Moura, Treasurer	_____ Niroop Srivatsa, Alt. Member
_____ Dan Mierzwa, Member	
2. Consideration of the Minutes of the July 11, 2019 Regular Meeting.
3. Consent Calendar.
4. Public Comment.

This ___ page agenda was posted at 1100 K Street, Sacramento, California on _____, 2019 at ___: ___ m, Signed _____. Please email signed page to info@cscda.org

B. ITEMS FOR CONSIDERATION

5. Consideration of the issuance of revenue bonds or other obligations to finance or refinance the following projects, the execution and delivery of related documents, and other related actions:
 - a. John Muir Health, Cities of Walnut Creek and Concord, County of Contra Costa; issue up to \$55,000,000 in nonprofit revenue bonds.
 - b. La Clínica De La Raza, Inc., City of Oakland, County of Alameda; issue up to \$4,200,000 in nonprofit revenue bonds.
 - c. Cameron Park Community Partners, LP (Cameron Park Apartments), City of West Covina, County of Los Angeles; issue up to \$60,000,000 in multi-family housing revenue bonds.
 - d. Merced Gateway Investors II, LP (Gateway Terrace II Apartments), City of Merced, County of Merced; issue up to \$12,000,000 in multi-family housing revenue bonds.
6. Consideration of a resolution approving and ratifying the addition of Alameda-Contra Costa Transit district as a program participant to CSCDA and authorizing the issuance of one or more promissory notes in a principal amount not to exceed \$35,000,000 to finance the acquisition, construction, maintenance and operation of a bus rapid transit project for Alameda-Contra Costa Transit District.
7. Consider the following resolutions to initiate proceedings to form Community Facilities District No. 2019-02 (Sand Creek), City of Antioch, County of Contra Costa, State of California ("Sand Creek CFD"):
 - a. Resolution approving joint community facilities agreement and declaring intention to establish the Sand Creek CFD, to designate improvement area no. 1 therein and to levy a special tax to finance certain public improvements, and to identify territory proposed for annexation to the Sand Creek CFD in the future and to levy special taxes therein.
 - b. Resolution to incur bonded indebtedness to finance certain public improvements, to mitigate the impacts of development within the Sand Creek CFD and in and for improvement area no. 1 designated therein and territory proposed for annexation to the Sand Creek CFD in the future and calling for a public hearing.
8. Consider the following resolution relating to Community Facilities District No. 2018-02, Improvement Area No. 1 (McSweeney):
 - a. Resolution approving the issuance of the California Statewide Communities Development Authority Community Facilities District No. 2018-02, Improvement Area No. 1 (McSweeney) Special Tax Bonds, Series 2019; authorizing the execution and delivery of an indenture providing for the issuance of such bonds; approving a bond purchase contract providing for the sale of such bonds; approving an official statement; approving a continuing disclosure certificate; authorizing the sale of such bonds; and authorizing related actions and

the execution of related documents in connection with the issuance, sale and delivery of such bonds.

9. Consideration of Agreement for Services with LordCap PACE LLC for commercial PACE under Open PACE.

C. STAFF ANNOUNCEMENTS, REPORTS ON ACTIVITIES OR REQUESTS

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

NEXT MEETING: Thursday, August 8, 2019 at 2:00 p.m.
League of California Cities
1400 K Street, 3rd Floor, Sacramento, CA 95814

CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY

CONSENT CALENDAR

1. Inducement of Fairfield Residential Holdings, LLC (Park Villas Apartments), City of National City, County of San Diego; issue up to \$72 million in multi-family housing revenue bonds.
2. Inducement of Fairfield Residential Holdings, LLC (Park Crest Apartments), City of San Diego, County of San Diego; issue up to \$38 million in multi-family housing revenue bonds.
3. Inducement of LIH Arbor Square LP (Arbor Square Apartments), City of Lompoc, County of Santa Barbara; issue up to \$38 million in multi-family housing revenue bonds.
4. Consideration of Program Handbook for Rahill Capital under Open PACE.
5. Consideration of Legal Services Agreement with Jones Hall, PLC for services related to commercial PACE financings for Rahill Capital.
6. Consideration of Energy Efficient Equity, Inc. Open PACE legal documents and updated contract.
7. Consider and approve the levy of special taxes for fiscal year 2019-2020 for:
 - (i) Community Facilities District No. 2012-01 (Fancher Creek) Improvement Area Nos. 1 & 3;
 - (ii) Community Facilities District No. 2007-01 (Orinda Wilder Project);
 - (iii) Community Facilities District No. 2016-02 (Delta Coves) Improvement Area Nos. 1 & 2;
 - (iv) Community Facilities District No. 2015-01 (University District) Improvement Area Nos. 1 & 2; and
 - (v) Community Facilities District No. 2016-01 (Napa Pipe).

July 25, 2019



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MINUTES

REGULAR MEETING OF THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY

July 11, 2019 at 2:00 p.m.

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

Commission Chair Larry Combs called the meeting to order at 2:02 pm.

1. Roll Call.

Commission members present: Larry Combs, Tim Snellings, Kevin O'Rourke, and Marcia Raines.

Commission members participating via teleconference: Jordan Kaufman

Others present: Cathy Bando, CSCDA Executive Director; James Hamill, Bridge Strategic Partners; Carolyn Coleman, League of California Cities; Norman Coppinger, League of California Cities; Greg Stepanicich, Richards Watson & Gershon; Trisha Ortiz, Richards Watson & Gershon; Josh Wood, Wood Communications; Joe Livaich, Livaich Community Engagement; and Sendy Young, CSAC Finance Corporation.

2. Consideration of the Minutes of June 20, 2019 Regular Meeting.

The Commission approved the June 20, 2019 Regular Meeting minutes.

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

3. Consideration of the Consent Calendar.

The Commission approved the Consent Calendar.

1. Inducement of The Richman Group of California Development Company (Childs & B Street Apartments), City of Merced, County of Merced; issue up to \$32 million in multi-family housing revenue bonds.
2. Consideration of MSRB Rule G-42 letter from Bridge Strategic Partners LLC to CSCDA.

3. Consideration of payment plan agreement for the following (1) CSCDA v. Moler; and (2) CSCDA v. Bundy related to PACE delinquencies.
4. Consideration of form Commercial PACE documents for Stifel C-PACE financings.
5. Consideration of updated conflict waiver letter with Richards, Watson & Gershon.

Motion to approve and adopt by T. Snellings. Second by J. Kaufman. Unanimously approved by roll-call vote.

4. Public Comment.

There was no public comment.

5. Consideration of the issuance of revenue bonds or other obligations to finance or refinance the following projects, the execution and delivery of related documents, and other related actions:
 - a. Los Angeles Jewish Home for the Aging, City of Los Angeles, County of Los Angeles; issue up to \$20,000,000 in Insured Health Facility Refunding Revenue Bonds.

Executive Director Bando gave an overview of the project, and the financing complies with CSCDA's general and issuance policies. LAJHA has requested that CSCDA issue insured health facility refunding revenue bonds to finance and refinance the acquisition, construction, improvement, and/or equipping of a continuing care retirement community. The Bonds are being issued to refinance CSCDA's prior issued 2008 bonds. This project will be LAJHA's 5th financing with CSCDA. CSCDA's Executive Director recommends that the Commission adopt the resolution.

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

6. Consideration of Agreement for Services with Rahill Capital for commercial PACE under Open PACE.

Executive Director Bando informed the Commission that CSCDA staff received a proposal from Rahill Capital for commercial PACE only under the CSCDA Open PACE program. After a review of the proposal by the Executive Director and Commissioners Snellings and Moura, the recommendation is to approve Rahill Capital as a program administrator under the CSCDA Open PACE platform.

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

7. Consideration of Agreement for Services with White Oak Global Advisors for commercial PACE under Open PACE.

This item was postponed for consideration at a later meeting.

8. Consideration of California Responsible Investment for a Stronger Economy (RISE) program and related agreements for services.

Executive Director Bando informed the Commission that CSCDA has received a proposal to create a new program where local governments can invest funds in local community banks to promote economic development within their jurisdictions. CalRISE would expand Sacramento's RISE program on a statewide basis through CSCDA. Commissioners O'Rourke, Snellings, Raines and CSCDA's Executive Director have reviewed the proposed CalRISE program. Approval of additional documents and materials to launch the CalRISE program will be brought back to the Commission at a later meeting. CSCDA's Executive Director recommends approval in concept the CalRISE program.

Motion to approve T. Snellings. Second by M. Raines. Unanimously approved with the by roll-call vote.

9. Consideration of 2019/20 CSCDA Budget.

Executive Director Bando reviewed the proposed 2019-20 CSCDA budget. The proposed budget is a compilation of projections compiled by the Executive Director, CSCDA Staff with accounting help provided by the League of California Cities. Executive Director Bando recommended approval of the 2019-20 budget.

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

10. Executive Director Update.

Executive Director Bando informed the Commission that CSCDA General Counsel has vetted the Green Bond Pledge, and has modified some language to better protect CSCDA's interest. The Pledge will be brought back for approval at a future meeting.

Executive Director Bando also thank Greg Stepanicich for his many years of service to CSCDA, and welcomed Trisha Ortiz has new head general counsel for CSCDA.

11. Staff Update.

James Hamill informed the Commission that a new bill was introduced, AB 38, by Assembly Member Wood. The bill is in regards to Fire Hardening Homes Revolving Loans and Rebate Funds. CSCDA will be the clearinghouse. Staff will provide more information to the Commission at a future meeting.

12. Adjourn.

The meeting was adjourned at 2:40 p.m.

Submitted by: Sedy Young, CSAC Finance Corporation

NEXT MEETING: Thursday, July 25, 2019 at 2:00 p.m.
California State Association of Counties
1100 K Street, 1st Floor, Sacramento, CA 95814



Agenda Item No. 3

Agenda Report

DATE: July 25, 2019
TO: CSCDA COMMISSIONERS
FROM: Cathy Bando, Executive Director
PURPOSE: Consent Calendar

SUMMARY:

4. Consideration of Program Handbook for Rahill Capital under Open PACE.
The Commission approved Rahill Capital as an Open PACE provider at the July 11, 2019 meeting. As part of its participation in the Open PACE program a program handbook is required. Staff has reviewed the program handbook submitted by Rahill Capital and recommends its approval.
5. Consideration of Legal Services Agreement with Jones Hall, PLC for services related to commercial PACE financings for Rahill Capital.
The Commission approved Rahill Capital as an Open PACE provider at the July 11, 2019 meeting. Rahill Capital has engaged Jones Hall as its counsel for the Open PACE program. CSCDA is not responsible for the fees but is a party to the agreement. CSCDA's General Counsel has reviewed the document.
6. Consideration of Energy Efficient Equity, Inc. Open PACE legal documents and updated contract.
Energy Efficient Equity (E3) was approved as an Open PACE PACE administrator at the June 20, 2019 meeting. Stradling, Yocca Carlson & Rauth and E3 have drafted the attached documents to be used for the Open PACE financings. The documents meet all of CSCDA's general and PACE policies. In addition, some minor changes were made to the E3 contract that had been previously approved. These changes have been reviewed by CSCDA's General Counsel.
7. Consider and approve the levy of special taxes for fiscal year 2019-2020 for:
 - (i) Community Facilities District No. 2012-01 (Fancher Creek) Improvement Area Nos. 1 & 3;
 - (ii) Community Facilities District No. 2007-01 (Orinda Wilder Project);
 - (iii) Community Facilities District No. 2016-02 (Delta Coves) Improvement Area Nos. 1 & 2;

- (iv) Community Facilities District No. 2015-01 (University District) Improvement Area Nos. 1 & 2; and
- (v) Community Facilities District No. 2016-01 (Napa Pipe).

The annual levy is necessary to pay debt service on the outstanding bonds and to pay for certain public services. Commission consideration and approval is due each year prior to the County of Fresno's July 31st deadline, County of Sonoma's August 10th deadline, County of Napa's August 10th deadline, and the County of Contra Costa's August 10th deadline for the inclusion of such special taxes on the consolidated property tax bills pursuant to Government Code Section 53340 of the Mello-Roos Community Facilities Act of 1982 (the "Act"). The special taxes being levied hereunder are at the same rate or at a lower rate than provided within each applicable Ordinance.

CFD No. 2012-01 (Fancher Creek) was established on October 25, 2012 and the special taxes are for public facilities. CFD No. 2012-01 (Improvement Areas 1, 2, and 3) encompasses approximately 93.73 acres. For Fiscal Year 2019-2020, an estimated thirty-nine (39) parcels in Improvement Area 1 and three (3) parcels in Improvement Area 3 will be subject to the levy of special taxes.

The total Fiscal Year 2019-2020 special tax levy for CFD No. 2012-01 is \$307,116.46. The total Fiscal Year 2019-2020 Special Tax levy by improvement area within CFD No. 2012-01 is as follows: \$256,389.50 for Improvement Area No. 1, \$0 for Improvement Area No. 2, and \$50,726.96 for Improvement Area No. 3.

CFD No. 2007-01 (Orinda Wilder Project) was established on May 23, 2007 and the special taxes are for public facilities (Facilities Special Tax) and for public services (Services Special Tax). CFD No. 2007-01 encompasses approximately 959.12 acres located within the City of Orinda. For Fiscal Year 2019-2020, two hundred forty-five (245) taxable parcels within the district are classified as Developed Parcels containing two hundred forty-five (245) residential lots. Subsequent to the issuance of CFD No. 2007-01 Special Tax Bonds, thirty-one (57) property owners have elected to fully prepay their applicable Facilities Special Tax obligation and are no longer subject to the Facilities Special Tax. For Fiscal Year 2019-2020, all two hundred forty-five (245) residential lots will be subject to the levy of the Services Special Tax.

The total Fiscal Year 2019-2020 special tax levy for CFD No. 2007-01 is \$2,774,559.56. The Fiscal Year 2019-2020 Facilities Special Tax levy is \$2,215,263.76 and the Fiscal Year 2019-2020 Services Special Tax Levy is \$559,295.80, each as outlined in the attached Special Tax Worksheet for CFD No. 2007-01.

CFD No. 2016-02 (Delta Coves) was established on July 7, 2016 and the special taxes are for public facilities (Facilities Special Tax) and for various public services (Services Special Tax). CFD No. 2016-02 (Improvement Areas 1 and 2) encompasses approximately 310 acres. For Fiscal Year 2019-2020, four hundred ninety-four (494) taxable parcels across three (3) different Zones within Improvement Area No. 1 containing nineteen (19) Developed residential lots and the remaining four hundred seventy-five parcels (475) Final Subdivisions lots; and two (2) taxable Final Subdivision parcels with a future development of sixty-six (66) residential units across two (2) different Zones within Improvement Area No. 2, will be subject to levy of the Facilities Special Tax and Services Special Tax.

The total Fiscal Year 2019-2020 special tax levy for CFD No. 2016-02 is \$1,407,646.69. The total Fiscal Year 2019-2020 special tax levy by improvement area within CFD No. 2016-02 is

as follows: \$1,309,729.42 for Improvement Area No. 1 and \$97,917.27 for Improvement Area No. 2.

CFD No. 2015-01 (University District) was established on June 18, 2015 and the special taxes are for public facilities. CFD No. 2015-01 (Improvement Areas 1 and 2) encompasses approximately 135.16 acres. For Fiscal Year 2019-2020, three hundred sixty-seven (367) taxable parcels classified as Developed Property as well as 32 Final Subdivision lots (totaling 399) within Improvement Area No. 1 will be subject to the levy of special taxes; and one hundred seven (107) Developed lots and three hundred twenty-one (321) Final Subdivision lots (totaling 428) within Improvement Area No. 2 will be subject to the levy of special taxes.

The total Fiscal Year 2019-2020 special tax levy for CFD No. 2015-01 is \$1,927,873.34. The total Fiscal Year 2019-2020 special tax levy by improvement area within CFD No. 2015-01 is as follows: \$1,068,979.00 for Improvement Area No. 1 and \$858,894.34 for Improvement Area No. 2.

CFD No. 2016-01 (Napa Pipe) was established on September 15, 2016 and the special taxes are for environmental remediation. CFD No. 2016-01 encompasses approximately 154 acres. For Fiscal Year 2019-2020, four (4) taxable parcels within the district are classified as Developed Property and will be subject to the levy of special taxes.

The total Fiscal Year 2019-2020 special tax levy for CFD No. 2016 is \$1,818,653.99.

Documents for Consent Calendar:

<https://www.dropbox.com/sh/841fk8ci15eatug/AADuSeMHxbMTrBdOAg5K2u3ha?dl=0>

RESOLUTION NO. 19H-__

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

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

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

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

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

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

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

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

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

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

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

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

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

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

PASSED AND ADOPTED by the California Statewide Communities Development Authority this July 25, 2019.

The undersigned, an Authorized Signatory of the California Statewide Communities Development Authority, DOES HEREBY CERTIFY that the foregoing resolution was duly adopted by the Commission of said Authority at a duly called meeting of the Commission of said Authority held in accordance with law on July 25, 2019.

By: _____
Authorized Signatory

EXHIBIT A

Project Name	Project Location	Project Description (units)	New Construction/ Acquisition and Rehabilitation	Legal Name of initial owner/operator	Bond Amount
Park Villas Apartments	City of National City, County of San Diego	268	Acquisition and Rehabilitation	Fairfield Residential Holdings, LLC	\$72,000,000
Park Crest Apartments	City of San Diego, County of San Diego	140	Acquisition and Rehabilitation	Fairfield Residential Holdings, LLC	\$38,000,000
Arbor Square Apartments	City of Lompoc, County of Santa Barbara	126	Acquisition and Rehabilitation	LIH Arbor Square LP	\$38,000,000



Agenda Item No. 5a

Agenda Report

DATE: July 25, 2019

TO: CSCDA COMMISSIONERS

FROM: Cathy Bando, Executive Director

PROJECT: John Muir Health

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

AMOUNT: Not to Exceed \$55,000,000

EXECUTIVE SUMMARY:

John Muir Health, a 501c3 nonprofit organization (“John Muir”), has requested that CSCDA issue nonprofit revenue bonds in an amount not to exceed \$55,000,000 (the “2019A Bonds”) to refinance the acquisition, construction, improvement, renovation and equipping of healthcare facilities located in the Cities of Walnut Creek and Concord. The 2019A Bonds are being issued to refinance the aggregate principal amount of CSCDA’s 2012B bonds previously issued for the benefit of John Muir. The 2019 Bonds will be privately placed with one investor and will provide John Muir with \$100,000 in estimated annual debt service savings. This will be the 10th CSCDA financing for John Muir.

PROJECT ANALYSIS:

About John Muir:

John Muir includes two of the largest medical centers in Contra Costa County: John Muir Medical Center, Walnut Creek, a 572-licensed bed medical center that serves as Contra Costa County's only designated trauma center; and John Muir Medical Center, Concord, a 245-licensed bed medical center in Concord. Together, they are recognized as preeminent centers for neurosciences, orthopedics, cancer care, cardiovascular care and high-risk obstetrics. John Muir Health also offers complete inpatient and outpatient behavioral health programs and services at its Behavioral Health Center, a fully accredited, 73-bed psychiatric hospital located in Concord. Other areas of specialty include general surgery, robotic surgery, weight-loss surgery, rehabilitation and critical care. All hospitals are accredited by The Joint Commission, a national surveyor of quality patient care. In

addition, John Muir provides a number of primary care and outpatient services throughout the community and urgent care centers in Brentwood, Concord, San Ramon and Walnut Creek.

Public Agency Approvals:

TEFRA Hearing: The 2019A Bonds are a current refunding and Bond Counsel has confirmed that new TEFRA hearings are not required.

Economic Development:

- John Muir employs more than 6,000 physicians, nurses and other staff throughout its facilities.
- John Muir's role in the community has generated the establishment of medical clinics, pharmacies, rehabilitation centers and other medical related businesses to assist children in need of continued medical care. In addition, many John Muir employees live, eat and shop within the community and support the local economy.

Public Benefit:

- In 2017, John Muir contributed \$125,622,038 in total community benefits, including quantifiable benefits for the poor and broader community.
- Medi-Cal, Medicaid and Medicare acceptance – John Muir provides healthcare and helps to subsidize the cost of service for patients that participate in government sponsored programs such as Medi-Cal, Medicaid and Medicare. In 2017, John Muir subsidized more than \$102 million for the unpaid cost of federal, state, and local programs.
- Non-reimbursed community benefit costs – In 2017, John Muir provided more than \$5.8 million in traditional charity care charges.
- John Muir is the community's only Level 1 Trauma Center.
- John Muir provides a wide array of community program for adults, youth and seniors.
- John Muir provides a Beyond Violence program to help mentor vulnerable youth.
- John Muir provides a volunteer driven mobile community healthcare clinic.

Sources and Uses:

Sources of Funds:

Series 2019A Par Amount:	\$ 45,970,000
Premium:	<u>\$ 5,563,289</u>
Total Sources:	\$ 51,533,289

Uses of Funds:

Refunding 2012B Bonds:	\$ 51,050,000
Cost of Issuance	<u>\$ 483,289</u>
Total Uses:	\$ 51,533,289

Finance Partners:

Bond Counsel:	Orrick, Herrington & Sutcliffe, LLP, Sacramento
Authority Counsel:	Orrick, Herrington & Sutcliffe, LLP, Sacramento
Bond Purchaser:	The Vanguard Group, Inc.

Finance Terms:

Rating:	Unrated
Term:	17 Years
Method of Sale:	Private Placement
Estimated Closing:	August 15, 2019

CSCDA Policy Compliance:

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

DOCUMENTS: (as attachments)

1. CSCDA Resolution (Attachment A)

COMMISSION ACTION RECOMMENDED BY THE EXECUTIVE DIRECTOR:

CSCDA's Executive Director recommends that the Commission adopt the resolution, which:

1. Approves the issuance of the 2019A Bonds and the financing of the Project;
2. Approves all necessary actions and documents in connection with the financing;
and
3. Authorizes any member of the Commission or Authorized Signatory to sign all necessary documents.

Attachment A

RESOLUTION NO. 19NP-__

**CALIFORNIA STATEWIDE COMMUNITIES
DEVELOPMENT AUTHORITY**

**A RESOLUTION AUTHORIZING THE ISSUANCE OF REVENUE
BONDS IN ONE OR MORE SERIES IN AN AGGREGATE PRINCIPAL
AMOUNT NOT TO EXCEED \$55,000,000 TO REFUND ALL OR A
PORTION OF THE OUTSTANDING CALIFORNIA STATEWIDE
COMMUNITIES DEVELOPMENT AUTHORITY VARIABLE RATE
REVENUE BONDS (JOHN MUIR HEALTH), SERIES 2012B AND OTHER
MATTERS RELATING THERETO**

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

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

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

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

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

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

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

WHEREAS, John Muir Health, a California nonprofit public benefit corporation (the “Corporation”), wishes to refund all or a portion of the outstanding California Statewide Communities Development Authority Variable Rate Revenue Bonds (John Muir Health), Series 2012B (the “Prior Bonds”), which refunded all of the then-outstanding California Statewide Communities Development Authority Variable Rate Revenue Bonds (John Muir Health), Series 2008B, the proceeds of which refinanced the acquisition, construction, improvement and equipping of certain health facilities owned and operated by the Corporation and located in the City of Concord and the City of Walnut Creek;

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

WHEREAS, pursuant to one or more Bond Indentures (collectively, the “Indenture”), between the Authority and The Bank of New York Mellon Trust Company, N.A. (the “Trustee”), the Authority will issue the California Statewide Communities Development Authority Revenue Bonds (John Muir Health), Series 2019 in one or more series (the “Bonds”) for the purpose, among others, of refunding all or a portion of the Prior Bonds;

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

WHEREAS, pursuant to one or more Purchase Agreements, to be dated the date of sale of the Bonds (collectively, the “Purchase Agreement”), between the Authority and the purchasers named therein (the “Purchasers”) and approved by the Corporation, the Bonds will be sold to the Purchasers, and the proceeds of such sale will be used as set forth in the Indenture to refund all or a portion of the Prior Bonds and to pay costs incurred in connection with the issuance of the Bonds;

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

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

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

WHEREAS, pursuant to Section 5852.1 of the California Government Code, the Authority, as a conduit financing provider, has received certain representations and good faith estimates from the Corporation and has disclosed such good faith estimates as set forth on Exhibit A attached hereto;

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

Section 1. Pursuant to the Act and the Indenture, the Authority is hereby authorized to issue its revenue bonds designated as the “California Statewide Communities Development Authority Revenue Bonds (John Muir Health), Series 2019,” in an aggregate principal amount not to exceed fifty-five million dollars (\$55,000,000), from time to time, in one or more series. With such other name or names of the Bonds or series thereof as designated in the Indenture pursuant to which the Bonds will be issued. The Bonds shall be issued and secured in accordance with the terms of, and shall be in the form or forms set forth in, the Indenture. The Bonds shall be executed on behalf of the Authority by the manual or facsimile signature of the Chair of the Authority or the Vice Chair of the Authority or the manual signature of any member of the Commission of the Authority or their administrative delegates duly authorized pursuant to Resolution No. 19R-1 of the Authority, adopted on January 24, 2019, or any other resolution of the Authority (each, an “Authorized Signatory”), and attested by the manual or facsimile signature of the Secretary of the Authority or the Assistant to the Secretary of the Authority or the manual signature of any Authorized Signatory.

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

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

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

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

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

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

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

PASSED AND ADOPTED by the California Statewide Communities Development Authority
this 25th day of July, 2019.

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 25, 2019.

By: _____

Authorized Signatory

California Statewide Communities

Development Authority

EXHIBIT A

PUBLIC DISCLOSURES RELATING TO CONDUIT REVENUE OBLIGATIONS

Pursuant to California Government Code Section 5852.1, the borrower (the “Borrower”) identified below has provided the following required information to the California Statewide Communities Development Authority (the “Authority”) as conduit financing provider, prior to the Authority’s regular meeting (the “Meeting”) of its Commission (the “Commission”) at which Meeting the Commission will consider the authorization of conduit revenue obligations (the “Obligations”) as identified below.

1. Name of Borrower: John Muir Health.
2. Authority Meeting Date: 7/25/2019.
3. Name of Obligations: Series 2019 Bonds.
4. ☐ Private Placement Lender or Bond Purchaser, ☐ Underwriter or ☒ Financial Advisor (mark one) engaged by the Borrower provided the Borrower with the required good faith estimates relating to the Obligations [as follows / attached as Schedule A]:
 - [(A) The true interest cost of the Obligations, which means the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for Obligations (to the nearest ten-thousandth of one percent): 1.48%.
 - (B) The finance charge of the Obligations, which means the sum of all fees and charges paid to third parties: \$481,473.00.
 - (C) The amount of proceeds received by the public body for sale of the Obligations less the finance charge of the Obligations described in subparagraph (B) and any reserves or capitalized interest paid or funded with proceeds of the Obligations: \$51,051,816.40.
 - (D) The total payment amount, which means the sum total of all payments the Borrower will make to pay debt service on the Obligations plus the finance charge of the Obligations described in subparagraph (B) not paid with the proceeds of the Obligations (which total payment amount shall be calculated to the final maturity of the Obligations): \$55,164,000
5. The good faith estimates [provided above / attached as Schedule A] were ☐ presented to the governing board of the Borrower, or ☐ presented to the official or officials or committee designated by the governing board of the Borrower to obligate the Borrower in connection with the Obligations or, in the absence of a governing board, ☒ presented to the official or officials of the Borrower having authority to obligate the Borrower in connection with the Obligations (mark one).

The foregoing estimates constitute good faith estimates only. The actual principal amount of the Obligations issued and sold, the true interest cost thereof, the finance charges thereof, the amount of proceeds received therefrom and total payment amount with respect thereto may differ from such good faith estimates due to a variety of factors. The actual interest rates borne by the Obligations and the actual amortization of the Obligations will depend on market interest rates at the time of

sale thereof. Market interest rates are affected by economic and other factors beyond the control of the Borrower.

The Authority is authorized to make this document available to the public at the Meeting of the Authority.

Dated: 7/19/2019



Agenda Item No. 5b

Agenda Report

DATE: July 25, 2019

TO: CSCDA COMMISSIONERS

FROM: Cathy Bando, Executive Director

PROJECT: La Clínica De La Raza, Inc.

PURPOSE: Authorize the Issuance of Bonds to Refinance the Acquisition, Construction, Improvement, Renovation and Equipping of Healthcare Facilities located in the City of Oakland, County of Alameda

AMOUNT: Not to Exceed \$4,200,000

EXECUTIVE SUMMARY:

La Clínica De La Raza, a 501c3 nonprofit organization (“La Clínica”), has requested that CSCDA issue nonprofit revenue refunding bonds in an amount not to exceed \$4,200,000 (the “2019A Bonds”) to refinance a line of credit which refinanced prior bonds issued for the construction, improvement, renovation, and equipping of health facilities located in the City of Oakland. This will be the first CSCDA financing for La Clínica.

PROJECT ANALYSIS:

About La Clínica De La Raza:

Since its beginnings as a single storefront operation in Oakland in 1971, La Clínica has grown into a sophisticated provider of primary health care and other services spread across Alameda, Contra Costa, and Solano counties. With a total of 35 locations including service sites, support sites, and administration, La Clínica delivers health care services in a culturally and linguistically appropriate manner to most effectively address the needs of the diverse populations it serves. In 2017, La Clínica served 86,884 patients and provided 360,570 patient visits. With forty-eight years of experience serving the community, La Clínica is one of the largest community health centers in California. The 2019A Bonds will refinance La Clínica’s approximately 40,000 sq. ft. community health center located at 3451 East 12th Street, Oakland California. The community health center provides primary medical care, pre-natal care, women’s services, dental, pediatrics, preventive care, and urgent care to approximately 40,000 patients.

Public Agency Approvals:

TEFRA Hearing: Scheduled for August 14, 2019 at the City of Oakland. CSCDA Commission approval shall be contingent upon TEFRA approval by the City of Oakland.

Economic Development:

- La Clínica employs more than 1,150 individuals throughout its 35 facilities.
- La Clínica employees live, eat and shop within the community and support the local economy.

Public Benefit:

- La Clínica is the only clinic in the area to offer wrap-around services to HIV patients and their family members in Spanish.
- La Clínica's Peer Educators are a group of students who learn leadership and community action skills and participate in various community-based activities. They assist in outreach at La Clínica events, conduct peer education sessions in the schools, conduct needs assessments and community action plans.
- In 2010, La Clínica launched the Oral Health Initiative funded by John Muir/Community Health Fund. The project was started to address the lack of access for quality oral health care for vulnerable populations in Contra Costa County. In 2018, 1,482 program participants were served by either receiving a dental screening or oral health education.
- With the support of John Muir/Mt. Diablo Community Health Fund beginning in January 2012, La Clínica established the Senior Health Care Delivery Initiative (SHCD). The SHCD Initiative strengthens coordination of care and partnerships to ensure more coordinated, proactive, and senior-friendly services. The goal of the SHCD Initiative is to improve the health and well-being of seniors served by La Clínica.

Sources and Uses:

Sources of Funds:

Series 2019A Par Amount:	\$ 4,200,000
Total Sources:	\$ 4,200,000

Uses of Funds:

Refunding Line of Credit:	\$ 4,021,362
Cost of Issuance:	\$ 78,638
Total Uses:	\$ 4,200,000

Finance Partners:

Bond Counsel: Orrick, Herrington & Sutcliffe, LLP, San Francisco
Authority Counsel: Orrick, Herrington & Sutcliffe, LLP, Sacramento
Bond Purchaser: MUFG Union Bank, N.A.

Finance Terms:

Rating: Unrated
Term: 25 Years
Method of Sale: Private Placement
Estimated Closing: August 20, 2019

CSCDA Policy Compliance:

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

DOCUMENTS: (as attachments)

1. CSCDA Resolution (Attachment A)

COMMISSION ACTION RECOMMENDED BY THE EXECUTIVE DIRECTOR:

CSCDA's Executive Director recommends that the Commission adopt the resolution, which:

1. Approves the issuance of the 2019A Bonds and the financing of the Project, subject to TEFRA approval by the City of Oakland;
2. Approves all necessary actions and documents in connection with the financing; and
3. Authorizes any member of the Commission or Authorized Signatory to sign all necessary documents.

Attachment A

RESOLUTION NO. 19NP-__

**CALIFORNIA STATEWIDE COMMUNITIES
DEVELOPMENT AUTHORITY**

**A RESOLUTION AUTHORIZING THE ISSUANCE OF REVENUE
NOTES IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED
\$4,200,000 TO REFINANCE A LINE OF CREDIT WHICH REFINANCED
ALL OF THE OUTSTANDING CALIFORNIA ENTERPRISE
DEVELOPMENT AUTHORITY VARIABLE RATE DEMAND REVENUE
BONDS (LA CLINICA DE LA RAZA, INC. PROJECT), SERIES 2013 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 Oakland (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 Article 1, Chapter 5, Part 2 of Division 3 of Title 4 of the Government Code of the State of California;

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

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

WHEREAS, La Clínica De La Raza, Inc., a California nonprofit public benefit corporation (the “Corporation”), wishes to refinance a line of credit which refinanced all of the outstanding California Enterprise Development Authority Variable Rate Demand Revenue Bonds (La Clínica de La Raza, Inc. Project), Series 2013 (the “Prior Bonds”), which financed the construction, improvement, equipping, renovation, rehabilitation, remodeling and other capital projects of health facilities owned and operated by the Corporation and located in the City;

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

WHEREAS, pursuant to an Indenture (the “Indenture”), between the Authority and U.S. Bank National Association (the “Trustee”), the Authority will issue the California Statewide Communities Development Authority Variable Rate Revenue Notes (La Clínica De La Raza, Inc.) Series 2019A (the “Notes”) for the purpose, among others, of refunding all or a portion of the Prior Bonds;

WHEREAS, pursuant to a Loan and Security Agreement (the “Loan Agreement”), between the Authority and the Corporation, the Authority will loan the proceeds of the Notes to the Corporation for the purpose, among others, of refunding all or a portion of the Prior Bonds;

WHEREAS, the Notes are expected to be purchased by MUFG Union Bank, N.A. or such other purchaser identified by the Corporation (the “Purchaser”), which shall be an Approved Institutional Buyer (as defined in the Indenture);

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

- (1) A proposed form of the Indenture; and
- (2) A proposed form of the Loan Agreement.

WHEREAS, pursuant to Section 5852.1 of the California Government Code, the Authority, as a conduit financing provider, has received certain representations and good faith estimates from the Corporation and has disclosed such good faith estimates as set forth on Exhibit A attached hereto;

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

Section 1. Pursuant to the Act and the Indenture, the Authority is hereby authorized to issue its revenue notes, designated as the “California Statewide Communities Development Authority Variable Rate Revenue Notes (La Clínica De La Raza, Inc.) Series 2019A,” in an aggregate principal amount not to exceed four million two-hundred thousand dollars (\$4,200,000). The Notes shall be issued and secured in accordance with the terms of, and shall be in the form or forms set forth in, the Indenture. The Notes shall be executed on behalf of the Authority by the manual or facsimile signature of the Chair of the Authority or the manual signature of any member of the Commission of the Authority or their administrative delegates duly authorized pursuant to Resolution No. 19R-1 of the Authority, adopted on January 24, 2019, or any other resolution of the Authority (each, an “Authorized Signatory”), and attested by the manual or facsimile signature of

the Secretary of the Authority or the Assistant to the Secretary of the Authority or the manual signature of any Authorized Signatory.

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

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

Section 4. The Notes, when executed as provided in Section 1, shall be delivered to the Trustee for authentication by the Trustee. The Trustee is hereby requested and directed to authenticate the Notes by executing the Trustee's Certificate of Authentication appearing thereon, and to deliver the Notes, when duly executed and authenticated, to the purchaser or purchasers thereof in accordance with written instructions executed on behalf of the Authority by an Authorized Signatory, which any Authorized Signatory, acting alone, is authorized and directed, for and on behalf of the Authority, to execute and deliver to the Trustee. Such instructions shall provide for the delivery of the Notes to the purchaser or purchasers thereof, upon payment of the purchase price thereof.

Section 5. 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 Notes, and to do any and all things and take any and all actions which may be necessary or advisable, in their discretion, to effectuate the actions which the Authority has approved in this Resolution and to consummate by the Authority the transactions contemplated by the documents approved hereby, including any subsequent amendments, waivers or consents entered into or given in accordance with such documents.

Section 6. 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 Notes are hereby ratified, confirmed and approved.

This Resolution shall take effect from and after its adoption.

PASSED AND ADOPTED by the California Statewide Communities Development Authority this 25th day of July, 2019.

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 25, 2019.

By: _____

Authorized Signatory

California Statewide Communities

Development Authority

PUBLIC DISCLOSURES RELATING TO CONDUIT REVENUE OBLIGATIONS

Pursuant to California Government Code Section 5852.1, the borrower (the “Borrower”) identified below has provided the following required information to the California Statewide Communities Development Authority (the “Authority”) as conduit financing provider, prior to the Authority’s regular meeting (the “Meeting”) of its Commission (the “Commission”) at which Meeting the Commission will consider the authorization of conduit revenue obligations (the “Obligations”) as identified below.

1. Name of Borrower: La Clinica De La Raza Inc.
2. Authority Meeting Date: July 25, 2019
3. Name of Obligations: **California Statewide Communities Development Authority Variable Rate Revenue Notes (La Clinica De La Raza, Inc.) Series 2019A**
4. **X** Private Placement Lender or Bond Purchaser, ___ Underwriter or ___ Financial Advisor (mark one) engaged by the Borrower provided the Borrower with the required good faith estimates relating to the Obligations [as follows / attached as Schedule A]:
 - [(A) The true interest cost of the Obligations, which means the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for Obligations (to the nearest ten-thousandth of one percent): **3.3% [estimate, as loan is variable rate of (79% of Libor) + 1.3825%]**
 - (B) The finance charge of the Obligations, which means the sum of all fees and charges paid to third parties: **\$135,000 (estimate)**
 - (C) The amount of proceeds received by the public body for sale of the Obligations less the finance charge of the Obligations described in subparagraph (B) and any reserves or capitalized interest paid or funded with proceeds of the Obligations: **This is negative as the calculation is \$15,000 by CSCDA, less approximately \$135,000 as all finance charges are expected to be paid for with note proceeds.**
 - (D) The total payment amount, which means the sum total of all payments the Borrower will make to pay debt service on the Obligations plus the finance charge of the Obligations described in subparagraph (B) not paid with the proceeds of the Obligations (which total payment amount shall be calculated to the final maturity of the Obligations): **\$5,975,062.55 based on \$4.2MM par (through 25 year maturity, not bank commitment period)**
5. The good faith estimates provided above were ___ presented to the governing board of the Borrower, or ___ presented to the official or officials or committee designated by the governing board of the Borrower to obligate the Borrower in connection with the Obligations or, in the absence of a governing board, ___ presented to the official or

officials of the Borrower having authority to obligate the Borrower in connection with the Obligations (mark one).

The foregoing estimates constitute good faith estimates only. The actual principal amount of the Obligations issued and sold, the true interest cost thereof, the finance charges thereof, the amount of proceeds received therefrom and total payment amount with respect thereto may differ from such good faith estimates due to a variety of factors. The actual interest rates borne by the Obligations and the actual amortization of the Obligations will depend on market interest rates at the time of sale thereof. Market interest rates are affected by economic and other factors beyond the control of the Borrower.

The Authority is authorized to make this document available to the public at the Meeting of the Authority.

Dated: 7/25/19



Agenda Item No. 5c

Agenda Report

DATE: July 25, 2019

TO: CSCDA COMMISSIONERS

FROM: Cathy Bando, Executive Director

PROJECT: Cameron Park Apartments

PURPOSE: Approve the Financing of Rental Affordable Housing Project Located in the City of West Covina, County of Los Angeles

AMOUNT: Not to Exceed \$60,000,000

EXECUTIVE SUMMARY:

Cameron Park Apartments (the “Project”) is the acquisition and rehabilitation of a 158-unit rental affordable housing project located in the City of West Covina. 100% of the units will remain rent restricted for low-income tenants.

PROJECT DESCRIPTION:

- Acquisition and rehabilitation of 158-unit affordable rental housing facility located at 929 W. Cameron Avenue in the City of West Covina.
- 7.21 acre site.
- 13 two-story garden-style buildings.
- Consists of 42 one-bedroom units, 60 two-bedroom units, 48 three-bedroom units, and 8 four-bedroom units, including two manager’s units.

PROJECT ANALYSIS:

Background on Applicant:

WNC Community Preservation Partners (WNC) is WNC & Associate’s development arm. It was formed primarily to create exit strategies for owners and investors of multifamily communities older than 10 years. Through recapitalization, older communities are kept as affordable housing and deliver a new tax credit stream. With both WNC as developer and property manager, the properties receive a high level of commitment to safe and clean communities. The WNC staff brings to the table the necessary experience, knowledge and resources which can benefit the revitalization of these older projects. WNC currently owns over 1,000 units with a total development cost of over \$90 million. This is WNC’s 23rd financing with CSCDA.

Public Agency Approval:

TEFRA Hearing: June 4, 2019 – City of West Covina – unanimous approval

CDLAC Approval: July 17, 2019

Public Benefits:

- 100% of the units will be rent restricted for 55 years.
 - 68% (106 units) restricted to 60% or less of area median income households.
 - 32% (50 units) restricted to 50% or less of area median income households.
 - 2 manager's units
- The Project is in close proximity to recreational facilities, grocery stores, and public K-12 schools.

Sources and Uses:

Sources of Funds:

Tax-Exempt Bonds:	\$ 53,500,000
Tax Credits:	\$ 8,735,865
Capitalized Interest:	\$ 3,766,149
Deferred Developer Fee:	<u>\$ 9,263,769</u>
Total Sources:	\$ 75,265,783

Uses of Funds:

Acquisition:	\$ 52,000,000
Construction Costs:	\$ 7,977,798
Third Party Reports:	\$ 157,000
Reserves:	\$ 768,000
Financing Costs:	\$ 758,512
Capitalized Interest:	\$ 3,766,149
Developer Fee:	\$ 9,265,037
Cost of Issuance:	<u>\$ 573,287</u>
Total Uses:	\$ 75,265,783

Finance Partners:

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

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

Private Placement Purchaser: Citibank

Finance Terms:

Rating:	Unrated
Term:	35 years at a fixed interest rate
Method of Sale:	Private Placement
Closing:	August 22, 2019

CSCDA Policy Compliance:

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

DOCUMENTS: (as attachments)

1. CSCDA Resolution (Attachment A)

COMMISSION ACTION RECOMMENDED BY THE EXECUTIVE DIRECTOR:

CSCDA's Executive Director recommends that the Commission adopt the resolution, which:

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

ATTACHMENT A

RESOLUTION NO. 19-__

A RESOLUTION OF THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY AUTHORIZING THE EXECUTION AND DELIVERY OF MULTIFAMILY HOUSING REVENUE NOTES IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$60,000,000 FOR THE FINANCING OF A MULTIFAMILY RENTAL HOUSING PROJECT GENERALLY KNOWN AS CAMERON PARK APARTMENTS; DETERMINING AND PRESCRIBING CERTAIN MATTERS AND APPROVING AND AUTHORIZING THE EXECUTION OF AND DELIVERY OF VARIOUS DOCUMENTS RELATED THERETO; RATIFYING ANY ACTION HERETOFORE TAKEN AND APPROVING RELATED MATTERS IN CONNECTION WITH THE NOTES.

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

WHEREAS, Cameron Park Community Partners, LP, a California limited partnership, and entities related thereto (collectively, the “Borrower”), has requested that the Authority execute and deliver its Multifamily Housing Revenue Construction/Permanent Note (Cameron Park Apartments) 2019 Series K-1 and its Multifamily Housing Revenue Construction Note (Cameron Park Apartments) 2019 Series K-2 (collectively, the “Notes”) to assist in the financing of the acquisition and rehabilitation of a 158-unit multifamily housing rental development located in the City of West Covina, California, and known as Cameron Park Apartments (the “Project”);

WHEREAS, on July 17, 2019, the Authority received an allocation in the amount of \$55,400,000 (the “Allocation Amount”) from the California Debt Limit Allocation Committee (“CDLAC”) in connection with the Project;

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

WHEREAS, the Authority is willing to execute and deliver the Notes in an aggregate principal amount not to exceed \$60,000,000, provided that the portion of such Notes executed and delivered as federally tax-exempt obligations shall not exceed the Allocation Amount, and to loan the proceeds thereof to the Borrower to assist in providing financing for the Project, which will allow the Borrower to reduce the cost of the Project and to assist in providing housing for low and moderate income persons;

WHEREAS, pursuant to Section 5852.1 of the California Government Code, the Authority, as a conduit financing provider, has received certain representations and good faith estimates from the Borrower and has disclosed such good faith estimates as set forth in Exhibit A attached hereto;

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

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

- (1) Funding Loan Agreement (the “Funding Loan Agreement”) to be entered into between the Funding Lender and the Authority;
- (2) Borrower Loan Agreement (the “Borrower Loan Agreement”) to be entered into between the Authority and the Borrower;
- (3) Regulatory Agreement and Declaration of Restrictive Covenants (the “Regulatory Agreement”), to be entered into between the Authority and the Borrower; and
- (4) Contingency Draw-Down Agreement (the “Contingency-Draw-Down Agreement”) to be entered into by the Funding Lender and the Borrower.

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

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

Section 2. Pursuant to the JPA Law and the Funding Loan Agreement, and in accordance with the Housing Law, the Authority is hereby authorized to execute and deliver the Notes in one or more series. The Notes shall be designated as “California Statewide Communities Development Authority Multifamily Housing Revenue Construction/Permanent Note (Cameron Park Apartments) 2019 Series K-1” and “California Statewide Communities Development Authority Multifamily Housing Revenue Construction Note (Cameron Park Apartments) 2019 Series K-2” including, if and to the extent necessary, one or more sub-series, with appropriate modifications and series and sub-series designations as necessary, in an aggregate principal amount not to exceed \$60,000,000; provided that the aggregate principal amount of any federally tax-exempt Notes executed and delivered shall not exceed the Allocation Amount. The Notes shall be executed and delivered in the form set forth in and otherwise in accordance with the Funding Loan Agreement, and shall be executed on behalf of the Authority by the manual or facsimile signature of the Chair of the Authority or the manual signature of any Authorized Signatory (as defined below), and, if appropriate, attested by the facsimile signature of the Secretary of the Authority or the Assistant to the Secretary of the Authority, or the manual signature of any Authorized Signatory. The Notes shall be secured in accordance with the terms of the Funding Loan Agreement presented to this

meeting, as hereinafter approved. Payment of the principal and purchase price of, and prepayment premium, if any, and interest on, the Notes shall be made solely from amounts pledged thereto under the Funding Loan Agreement, and the Notes shall not be deemed to constitute a debt or liability of the Authority or any Program Participant or Member of the Commission of the Authority (each, a “Member”).

Section 3. The Funding Loan Agreement in the form presented at this meeting is hereby approved. Any Member, or any other person as may be designated and authorized to sign for the Authority pursuant to a resolution adopted thereby (including, without limitation, the administrative delegates duly authorized pursuant to Resolution No. 19R-1 of the Authority, adopted on January 24, 2019) (together with the Members, each such person is referred to herein individually as an “Authorized Signatory”), acting alone, is authorized to execute by manual signature and deliver the Funding Loan Agreement, with such changes and insertions therein as may be necessary to cause the same to carry out the intent of this Resolution and as are approved by counsel to the Authority, such approval to be conclusively evidenced by the delivery thereof. The date, maturity date or dates (which shall not extend beyond 45 years from the date of execution and delivery thereof), interest rate or rates (which shall not exceed 12%), interest payment dates, denominations, form, registration privileges, manner of execution, place of payment, terms of prepayment and other terms of the Notes shall be as provided in the Funding Loan Agreement as finally executed.

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

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

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

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

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

effectuate the purposes thereof and of the documents herein approved in accordance with this resolution and resolutions heretofore adopted by the Authority and otherwise in order to carry out the financing of the Project.

Section 9. All consents, approvals, notices, orders, requests and other actions permitted or required by any of the documents authorized by this Resolution, whether before or after the execution and delivery of the Notes, including without limitation any of the foregoing that may be necessary or desirable in connection with any default under or amendment of such documents, any transfer or other disposition of the Project, any addition or substitution of security for the Notes or any prepayment of the Notes, may be given or taken by any Authorized Signatory, as appropriate, without further authorization by the Commission, and each such officer is hereby authorized and directed to give any such consent, approval, notice, order or request and to take any such action that such officer may deem necessary or desirable to further the purposes of this Resolution and the financing of the Project; provided such action shall not create any obligation or liability of the Authority other than as provided in the Funding Loan Agreement and other documents approved herein.

This Resolution shall take effect upon its adoption.

PASSED AND ADOPTED by the California Statewide Communities Development Authority this July 25, 2019.

The undersigned, an Authorized Signatory of the California Statewide Communities Development Authority, DOES HEREBY CERTIFY that the foregoing resolution was duly adopted by the Commission of the Authority at a duly called meeting of the Commission of the Authority held in accordance with law on July 25, 2019.

By _____
Authorized Signatory

PUBLIC DISCLOSURES RELATING TO CONDUIT REVENUE OBLIGATIONS

Pursuant to California Government Code Section 5852.1, the borrower (the “Borrower”) identified below has provided the following required information to the California Statewide Communities Development Authority (the “Authority”) as conduit financing provider, prior to the Authority’s regular meeting (the “Meeting”) of its Commission (the “Commission”) at which Meeting the Commission will consider the authorization of conduit revenue obligations (the “Obligations”) as identified below.

1. Name of Borrower: CAMERON PARK COMMUNITY PARTNERS, LP
2. Authority Meeting Date: [July 25, 2019]
3. Name of Obligations:
4. ☒ Private Placement Lender or Bond Purchaser, ☐ Underwriter or ☐ Financial Advisor (mark one) engaged by the Borrower provided the Borrower with the required good faith estimates relating to the Obligations [as follows / attached as Schedule A]:
 - [(A) The true interest cost of the Obligations, which means the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for Obligations (to the nearest ten-thousandth of one percent): 4.56%.
 - [(B) The finance charge of the Obligations, which means the sum of all fees and charges paid to third parties: \$992,615.
 - [(C) The amount of proceeds received by the public body for sale of the Obligations less the finance charge of the Obligations described in subparagraph (B) and any reserves or capitalized interest paid or funded with proceeds of the Obligations: \$54,407,385.
 - [(D) The total payment amount, which means the sum total of all payments the Borrower will make to pay debt service on the Obligations plus the finance charge of the Obligations described in subparagraph (B) not paid with the proceeds of the Obligations (which total payment amount shall be calculated to the final maturity of the Obligations): \$87,903,179
5. The good faith estimates [provided above / attached as Schedule A] were ☐ presented to the governing board of the Borrower, or ☐ presented to the official or officials or committee designated by the governing board of the Borrower to obligate the Borrower in connection with the Obligations or, in the absence of a governing board, ☐ presented

to the official or officials of the Borrower having authority to obligate the Borrower in connection with the Obligations (mark one).

The foregoing estimates constitute good faith estimates only. The actual principal amount of the Obligations issued and sold, the true interest cost thereof, the finance charges thereof, the amount of proceeds received therefrom and total payment amount with respect thereto may differ from such good faith estimates due to a variety of factors. The actual interest rates borne by the Obligations and the actual amortization of the Obligations will depend on market interest rates at the time of sale thereof. Market interest rates are affected by economic and other factors beyond the control of the Borrower.

The Authority is authorized to make this document available to the public at the Meeting of the Authority.

Dated: July 18, 2019



Agenda Item No. 5d

Agenda Report

DATE: July 25, 2019

TO: CSCDA COMMISSIONERS

FROM: Cathy Bando, Executive Director

PROJECT: Gateway Terrace II Apartments

PURPOSE: Approve the Financing of Rental Affordable Housing Project Located in the City of Merced, County of Merced

AMOUNT: Not to Exceed \$12,000,000

EXECUTIVE SUMMARY:

Gateway Terrace II Apartments (the “Project”) is the new construction of a 50-unit rental affordable housing project located in the City of Merced. 100% of the units will be rent restricted for low-income tenants.

PROJECT DESCRIPTION:

- Construction of a 50-unit affordable rental housing facility located at the intersection of West 12th Street and K Street in the City of Merced.
- 1.66 acre site.
- Wood frame two-story residential building.
- Consists of one-bedroom units, two-bedroom units, three-bedroom units and a manager’s unit.

PROJECT ANALYSIS:

Background on Applicant:

The Central Valley Coalition for Affordable Housing (the “Coalition”), a nonprofit organization, was established in 1989 by the Housing Authority of the County of Merced. The Coalition is committed to making safe, decent, affordable housing available to people that could not otherwise afford it. The Coalition is dedicated to providing service-enriched affordable housing for low-income families, the elderly and the handicapped. They work to combat community deterioration and to lessen the burdens on government. Their vision is for all people to enjoy quality affordable housing regardless of age, income, national origin, color, sex, or religion, and for all persons to have access to necessary services in order to maintain a self-sufficient and independent lifestyle.

The Coalition has participated as the owner or nonprofit partner in fourteen prior CSCDA financings.

Public Agency Approval:

TEFRA Hearing: November 19, 2018 – City of Merced – unanimous approval
CDLAC Approval: January 16, 2019

Public Benefits:

- 100% of the units will be rent restricted for 55 years.
 - 10% (5 units) restricted to 50% or less of area median income households.
 - 90% (44 units) restricted to 60% or less of area median income households.

Sources and Uses:

Sources of Funds:

Tax-Exempt Bonds:	\$ 8,700,000
City Loan:	\$ 1,885,000
Tax Credits:	\$ 494,298
Deferred Developer Fee:	<u>\$ 1,699,668</u>
Total Sources:	\$ 12,778,966

Uses of Funds:

Construction Costs:	\$ 8,732,116
Soft Costs:	\$ 1,421,941
Capitalized Interest:	\$ 531,146
Loan Fees/Costs of Issuance:	\$ 334,175
Developer Fee:	\$ 1,599,588
Reserves:	<u>\$ 160,000</u>
Total Uses:	\$ 12,778,966

Finance Partners:

Bond Counsel: Orrick, Herrington & Sutcliffe, LLP, San Francisco
Authority Counsel: Orrick, Herrington & Sutcliffe, LLP, Sacramento
Private Placement Purchaser: BBVA Compass Bank

Finance Terms:

Rating: Unrated
Term: 35 years
Method of Sale: Private Placement
Estimated Closing: August 15, 2019

CSCDA Policy Compliance:

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

DOCUMENTS: (as attachments)

1. CSCDA Resolution (Attachment A)

COMMISSION ACTION RECOMMENDED BY THE EXECUTIVE DIRECTOR:

CSCDA's Executive Director recommends that the Commission adopt the resolution, which:

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

ATTACHMENT A

RESOLUTION NO. 19H-__

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

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

WHEREAS, Merced Gateway Investors II, LP, a California limited partnership, and entities related thereto (the “Borrower”) has requested that the Authority issue and deliver multifamily housing revenue bonds to assist in the financing of the acquisition, construction, development and equipping of a 50-unit residential rental housing development to be located in the city of Merced, California, and to be generally known as Gateway Terrace II Apartments (the “Project”);

WHEREAS, on January 16, 2019 the Authority received an allocation in the amount of \$10,000,000 (the “Allocation Amount”) from the California Debt Limit Allocation Committee in connection with the Project;

WHEREAS, the City of Merced is a Program Participant (as defined in the Agreement) of the Authority and has authorized the issuance and delivery of the Bonds;

WHEREAS, the Authority is willing to issue not to exceed \$12,000,000 aggregate principal amount of its California Statewide Communities Development Authority Multifamily Housing Revenue Bonds (Gateway Terrace II Apartments) 2019 Series L (the “Bonds”), in one or more series or subseries, provided that the portion of such Bonds issued as federally tax-exempt obligations shall not exceed the Allocation Amount, and to loan the proceeds thereof to the Borrower to assist in providing financing for the Project, which will allow the Borrower to reduce the cost of the Project and to assist in providing housing for low income and moderate income persons;

WHEREAS, the Bonds will be privately placed with Compass Mortgage Corporation (the “Bank”), as the initial purchaser of the Bonds, in accordance with the Authority’s private placement policy;

WHEREAS, pursuant to Section 5852.1 of the California Government Code, the Authority, as a conduit financing provider, has received certain representations and good faith estimates from the Borrower and has disclosed such good faith estimates as set forth in Exhibit A hereto;

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

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

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

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

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

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

SECTION 2. Pursuant to the JPA Law and the Pledge Agreement, and in accordance with the Housing Law, the Authority is hereby authorized to issue one or more series of Bonds. The Bonds shall be designated as “California Statewide Communities Development Authority Multifamily Housing Revenue Bonds (Gateway Terrace II Apartments) 2019 Series L,” with appropriate modifications and series and sub-series designations as necessary, in an aggregate principal amount not to exceed \$12,000,000; provided that the aggregate principal amount of any tax-exempt Bonds issued shall not exceed the Allocation Amount. The Bonds shall be issued in the form set forth in and otherwise in accordance with the Pledge Agreement, and shall be executed on behalf of the Authority by the facsimile signature of the Chair of the Authority or the manual signature of any Authorized Signatory (as defined below), and attested by the facsimile signature of the Secretary of the Authority or the Assistant to the Secretary of the Authority, or the manual signature of any Authorized Signatory. The Bonds shall be issued and secured in accordance with the terms of the Pledge Agreement presented to this meeting, as hereinafter approved. Payment of the principal and purchase price of, and redemption premium, if any, and interest on, the Bonds shall be made solely from amounts pledged thereto under the Pledge Agreement, and the Bonds shall not be deemed to constitute a debt or liability of the Authority or any Program Participant or Member of the Commission of the Authority (each, a “Member”).

SECTION 3. The Pledge Agreement in the form presented at this meeting is hereby approved. Any Member, or any other person as may be designated and authorized to sign for the Authority pursuant to a resolution adopted thereby (including, without limitation, the administrative delegates duly authorized pursuant to Resolution No. 19R-1 of the Authority, adopted on January 24, 2019) (together with the Members, each such person is referred to herein individually as an “Authorized Signatory”), acting alone, is authorized to execute by manual signature and deliver the Pledge Agreement, with such changes and insertions therein as may be necessary to cause the same to carry out the intent of this Resolution and as are approved by counsel to the Authority, such approval to be conclusively evidenced by the delivery thereof. The date, maturity date or dates (which shall not extend beyond 45 years from the date of issuance thereof), interest rate or rates (which shall not exceed 12%), interest payment dates, denominations, form, registration privileges, manner of execution, place of payment, terms of redemption and other terms of the Bonds shall be as provided in the Pledge Agreement as finally executed.

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

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

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

SECTION 7. The Bonds, when executed, shall be delivered to the Agent for registration. The Agent is hereby requested and directed to register the Bonds by executing the certificate of registration appearing thereon, and to deliver the Bonds, when duly executed and authenticated, to or at the direction of the purchasers thereof in accordance with written instructions executed and delivered on behalf of the Authority by an Authorized Signatory, which any Authorized Signatory, acting alone, is hereby authorized and directed to execute and deliver such instructions to the Agent. Such instructions shall provide for the delivery of the Bonds to the purchasers thereof upon payment of the purchase price thereof.

SECTION 8. All actions heretofore taken by the officers and agents of the Authority with respect to the financing of the Project and the sale and issuance of the Bonds are hereby approved, ratified and confirmed, and any Authorized Signatory, acting alone, is hereby authorized and directed, for and in the name and on behalf of the Authority, to do any and all things and take any and all actions and execute and deliver any and all certificates, agreements and other documents, including but not limited to a tax certificate, loan related documents, an assignment of deed of trust, any endorsements, allonge or assignment of any note and such other documents as described in the Pledge Agreement and the other documents herein approved, which they, or any of them, may deem necessary or advisable in order to consummate the lawful issuance and delivery

of the Bonds and to effectuate the purposes thereof and of the documents herein approved in accordance with this resolution and resolutions heretofore adopted by the Authority and otherwise in order to carry out the financing of the Project.

SECTION 9. All consents, approvals, notices, orders, requests and other actions permitted or required by any of the documents authorized by this Resolution, whether before or after the issuance and delivery of the Bonds, including without limitation any of the foregoing that may be necessary or desirable in connection with any default under or amendment of such documents, any transfer or other disposition of the Project, any addition or substitution of security for the Bonds or any redemption of the Bonds, may be given or taken by any Authorized Signatory, as appropriate, without further authorization by the Commission, and each such officer is hereby authorized and directed to give any such consent, approval, notice, order or request and to take any such action that such officer may deem necessary or desirable to further the purposes of this Resolution and the financing of the Project; provided such action shall not create any obligation or liability of the Authority other than as provided in the Pledge Agreement and other documents approved herein.

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

PASSED AND ADOPTED by the California Statewide Communities Development Authority this July 25, 2019.

The undersigned, an Authorized Signatory of the California Statewide Communities Development Authority, DOES HEREBY CERTIFY that the foregoing resolution was duly adopted by the Commission of the Authority at a duly called meeting of the Commission of the Authority held in accordance with law on July 25, 2019.

By _____
Authorized Signatory

PUBLIC DISCLOSURES RELATING TO CONDUIT REVENUE OBLIGATIONS

Pursuant to California Government Code Section 5852.1, the borrower (the “Borrower”) identified below has provided the following required information to the California Statewide Communities Development Authority (the “Authority”) as conduit financing provider, prior to the Authority’s regular meeting (the “Meeting”) of its Commission (the “Commission”) at which Meeting the Commission will consider the authorization of conduit revenue obligations (the “Obligations”) as identified below.

1. Name of Borrower: Merced Gateway Investors II, LP
2. Authority Meeting Date:
3. Name of Obligations:
4. X Private Placement Lender or Bond Purchaser, ___ Underwriter or ___ Financial Advisor (mark one) engaged by the Borrower provided the Borrower with the required good faith estimates relating to the Obligations [as follows / attached as Schedule A]:
 - [(A) The true interest cost of the Obligations, which means the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for Obligations (to the nearest ten-thousandth of one percent): 4.05%.
 - (B) The finance charge of the Obligations, which means the sum of all fees and charges paid to third parties: \$65,250.
 - (C) The amount of proceeds received by the public body for sale of the Obligations less the finance charge of the Obligations described in subparagraph (B) and any reserves or capitalized interest paid or funded with proceeds of the Obligations: \$8,634,750.
 - (D) The total payment amount, which means the sum total of all payments the Borrower will make to pay debt service on the Obligations plus the finance charge of the Obligations described in subparagraph (B) not paid with the proceeds of the Obligations (which total payment amount shall be calculated to the final maturity of the Obligations): \$9,285,570.
5. The good faith estimates provided above were ___ presented to the governing board of the Borrower, or ___ presented to the official or officials or committee designated by the governing board of the Borrower to obligate the Borrower in connection with the Obligations or, in the absence of a governing board, X

presented to the official or officials of the Borrower having authority to obligate the Borrower in connection with the Obligations (mark one).

The foregoing estimates constitute good faith estimates only. The actual principal amount of the Obligations issued and sold, the true interest cost thereof, the finance charges thereof, the amount of proceeds received therefrom and total payment amount with respect thereto may differ from such good faith estimates due to a variety of factors. The actual interest rates borne by the Obligations and the actual amortization of the Obligations will depend on market interest rates at the time of sale thereof. Market interest rates are affected by economic and other factors beyond the control of the Borrower.

The Authority is authorized to make this document available to the public at the Meeting of the Authority.

Dated: 7/25/19



Agenda Item No. 6

Agenda Report

DATE: July 25, 2019

TO: CSCDA COMMISSIONERS

FROM: Cathy Bando, Executive Director

PROJECT: Alameda-Contra Costa Transit District

PURPOSE: Consideration of a resolution approving and ratifying the addition of Alameda-Contra Costa Transit district as a program participant to CSCDA and authorizing the issuance of one or more promissory notes in a principal amount not to exceed \$35,000,000 to finance the acquisition, construction, maintenance and operation of a bus rapid transit project

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

EXECUTIVE SUMMARY:

The Alameda-Contra Costa Transit District (the “District”) has requested that CSCDA provide revolving tax-exempt obligations in an amount not to exceed \$35,000,000 to assist with short term funding needs in connection with the District’s East Bay Bus rapid transit project (the “Project”).

PROJECT ANALYSIS:

About the District:

The Alameda-Contra Costa Transit District is a California Special District created by the voters in 1956 and is subject to regulation under the Transit District Law. The District provides public transit services to riders throughout western Contra Costa County to southern Alameda County. The District has four operating divisions in addition to the Central Maintenance Facility, Training Center, and General Office. The District is financed through the receipt of transit fares, property taxes, sales taxes, and state and federal funding.

About the Project:

The District is currently implementing its Bus Rapid Transit project (“BRT”). Bus rapid transit is a mode of bus transit in which buses travel on a fixed route in lanes dedicated to or prioritized for bus service and boarding occurs at stations rather than designated curbside stops. The goal of BRT is to achieve the often shorter and more predictable travel times of rail transit on a given route at a smaller up-front capital and ongoing operational cost. AC Transit’s project includes the

construction of a 9.5-mile alignment with a combination of 20% mixed flow and 80% dedicated bus lanes. It begins at Uptown Station at 20th Avenue and Broadway in downtown Oakland and terminates at the San Leandro BART Transit Center. It will have 34 stations, including 21 median stations, 12 curbside stations, and the southern terminus at San Leandro BART. The Project also includes procurement of 27 hybrid-electric, low-emission, five door, 60-foot articulated buses.

Public Agency Approvals:

A/C Transit Approval: Scheduled for July 24, 2019. CSCDA Commission approval shall be contingent upon financing approval by the District.

Finance Partners:

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

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

Bond Purchaser: Bank of the West

Finance Terms:

Rating: Unrated
Rate: 80% of 1-Month LIBOR plus 20 bps
Term: 3 Years
Method of Sale: Private Placement
Estimated Closing: August 1, 2019

CSCDA Policy Compliance:

The financing for A/C Transit complies with CSCDA's general and issuance policies.

DOCUMENTS: (as attachments)

1. CSCDA Resolution (Attachment A)

COMMISSION ACTION RECOMMENDED BY THE EXECUTIVE DIRECTOR:

CSCDA's Executive Director recommends that the Commission adopt the resolution, which:

1. Approving and ratifying the addition of Alameda-Contra Costa Transit district as a program participant to CSCDA;
2. Approves the issuance of the obligations and the financing of the Project;
3. Approves all necessary actions and documents in connection with the financing; and
4. Authorizes any member of the Commission or Authorized Signatory to sign all necessary documents.

Attachment A

RESOLUTION NO. ____ - __

**CALIFORNIA STATEWIDE COMMUNITIES
DEVELOPMENT AUTHORITY**

**A RESOLUTION APPROVING AND RATIFYING THE ADDITION OF ALAMEDA-
CONTRA COSTA TRANSIT DISTRICT AS A PROGRAM PARTICIPANT TO THE
AUTHORITY AND AUTHORIZING THE ISSUANCE OF ONE OR MORE
PROMISSORY NOTES IN A PRINCIPAL AMOUNT NOT TO EXCEED \$35,000,000 TO
FINANCE THE ACQUISITION AND CONSTRUCTION OF A BUS RAPID TRANSIT
PROJECT FOR ALAMEDA-CONTRA COSTA TRANSIT DISTRICT 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, pursuant to Section 13 of the Agreement, the Authority may add a qualifying public agency to become a Program Participant (as defined in the Agreement) upon (i) receipt from such public agency of an executed counterpart of the Agreement, together with a certified copy of the resolution of the governing body of such public agency approving the Agreement and the execution and delivery thereof and (ii) the approval of the Commission of the Authority to add such public agency as a Program Participant;

WHEREAS, this Commission of the Authority desires to approve and ratify the admission of the Alameda-Contra Costa Transit District, a special transit district organized under the laws of the State of California (the "District") as a Program Participant of the Authority;

WHEREAS, this Commission hereby finds and determines that the District is qualified to be added as a party to the Agreement and to become a Program Participant of the Authority;

WHEREAS, the District has filed with the Authority an executed counterpart to the Agreement, together with a certified copy of the resolution of the District approving the Agreement and the execution and delivery thereof;

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, 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 District, upon the adoption of this resolution and the requisite filing by the Commission pursuant to Section 13 of the Agreement, will be a Program Participant and is authorized to acquire and dispose of property, both real and personal, pursuant to the provisions of Article 4, Chapter 6, Part 1 of Division 10 of the Public Utilities 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 local agencies including special transit districts and to deliver certificates of participation evidencing interests therein;

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

WHEREAS, the District wishes to finance a portion of the acquisition and construction of certain transit facilities in connection with its bus rapid transit project (the "Project") owned and operated by the District and to be located within the territorial limits of the District;

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

WHEREAS, pursuant to one or more Revolving Credit Agreements, including the promissory note or promissory notes attached thereto (collectively, the "Revolving Credit Agreement"), between the Authority and Bank of the West (the "Bank"), the Authority will issue a note to the Bank (the "Note") for the purpose, among others, of financing the Project;

WHEREAS, pursuant to one or more Loan Agreements (collectively, the "Loan Agreement"), between the Authority and the District, the Authority will loan the proceeds of advances to the District from the Bank made pursuant to the Revolving Credit Agreement for the purpose, among others, of financing the Project;

WHEREAS, pursuant to one or more Fiscal Agent Agreements (collectively, the "Fiscal Agent Agreement" and, together with the Revolving Credit Agreement, the Note and the Loan Agreement, the "Loan Documents"), by and among the Authority, the District, the Bank, and The Bank of New York Mellon Trust Company, N.A., as fiscal agent (the "Fiscal Agent"), the Fiscal Agent will administer and manage credit agreement advances, loan agreement repayments and the delivery of certain notices among the parties thereto;

WHEREAS, the Authority finds that the Loan Documents are designed to reduce the amount or duration of payment, currency, rate, spread, or similar risk or result in a lower cost of borrowing when used in combination with the execution and delivery of the Loan Agreement and the Revolving Credit Agreement or enhance the relationship between risk and return with respect to the investment or program of investment in connection with, or incident to, the contracts

or arrangement which is to be entered into, as permitted by California Government Code Sections 5920 through 5923;

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

- (1) A proposed form of the Revolving Credit Agreement;
- (2) A proposed form of the Loan Agreement; and
- (3) A proposed form of the Fiscal Agent Agreement.

WHEREAS, pursuant to Section 5852.1 of the California Government Code, the Authority, as a conduit financing provider, has received certain representations and good faith estimates from the District and has disclosed such good faith estimates as set forth on Exhibit A attached hereto;

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

Section 1. This Commission hereby finds and determines that the foregoing recitals are true and correct.

Section 2. The addition of the District as a Program Participant is hereby approved, confirmed and ratified, and any actions heretofore taken on behalf of the District are hereby approved, confirmed and ratified.

Section 3. Pursuant to the Act and the Revolving Credit Agreement, the Authority is hereby authorized to issue its Note, in an aggregate principal amount of thirty-five million dollars (\$35,000,000). The Note shall be issued in accordance with the terms of, and shall be in the form or forms set forth in, the Revolving Credit Agreement. The Note shall be executed on behalf of the Authority by the manual or facsimile signature of the Chair of the Authority or the Vice Chair of the Authority or the manual signature of any member of the Commission of the Authority or their administrative delegates duly authorized pursuant to Resolution No. 19R-1 of the Authority, adopted on January 24, 2019, or any other resolution of the Authority (each, an "Authorized Signatory").

Section 4. The proposed form of Revolving Credit Agreement, as made available to the Commissioners, is hereby approved. Any Authorized Signatory is hereby authorized and directed, for and on behalf of the Authority, to execute and deliver the Revolving Credit 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 bank, dated date, maturity date or dates, interest rate or rates, interest payment dates, denominations, forms, registration privileges, manner of execution, place or places of payment, terms of prepayment and other terms of the Note shall be as provided in the Revolving Credit Agreement, as finally executed.

Section 5. The proposed form of Loan Agreement, as made available to the Commissioners, is hereby approved. Any Authorized Signatory is hereby authorized and directed,

for and on behalf of the Authority, to execute and deliver the Loan Agreement in substantially said form, with such changes and insertions therein as any member of the Commission, with the advice of counsel to the Authority, may approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 6. The proposed form of the Fiscal Agent Agreement, as made available to the Commissioners, is hereby approved. Any Authorized Signatory is hereby authorized and directed, for and on behalf of the Authority, to execute and deliver the Fiscal Agent Agreement, in substantially said form, with such changes and insertions therein as any member of the Commission, with the advice of counsel to the Authority, may approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 7. The Note, when executed as provided in Section 3, shall be delivered to the Bank.

Section 8. 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, including a tax certificate and agreement, to be executed in connection with the Note, 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 notices, certificates, amendments, waivers or consents entered into or given in accordance with such documents.

Section 9. 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 Note are hereby ratified, confirmed and approved.

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

PASSED AND ADOPTED by the California Statewide Communities Development Authority this ____ day of _____, 20__.

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 _____, 20__.

By:

Authorized Signatory
California Statewide Communities
Development Authority

EXHIBIT A

PUBLIC DISCLOSURES RELATING TO CONDUIT REVENUE OBLIGATIONS

Pursuant to California Government Code Section 5852.1, the borrower (the “Borrower”) identified below has provided the following required information to the California Statewide Communities Development Authority (the “Authority”) as conduit financing provider, prior to the Authority’s regular meeting (the “Meeting”) of its Commission (the “Commission”) at which Meeting the Commission will consider the authorization of conduit revenue obligations (the “Obligations”) as identified below.

1. Name of Borrower: Alameda-Contra Costa Transit District
2. Authority Meeting Date: 7/25/19
3. Name of Obligations: 2019 Revolving Line of Credit
4. ☐ Private Placement Lender or Bond Purchaser, ☐ Underwriter or ☒ Financial Advisor (mark one) engaged by the Borrower provided the Borrower with the required good faith estimates relating to the Obligations [as follows / attached as Schedule A]:
 - [(A) The true interest cost of the Obligations, which means the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for Obligations is not applicable for this variable instrument. The current interest rate for this line of credit is 2.26% (calculated at 80% of 1-month LIBOR + 20 basis points as of 6/17/19). This rate is subject to change as the LIBOR rate changes.
 - (B) The finance charge of the Obligations, which means the sum of all fees and charges paid to third parties: \$222,250.
 - (C) The amount of proceeds received by the public body for sale of the Obligations less the finance charge of the Obligations described in subparagraph (B) and any reserves or capitalized interest paid or funded with proceeds of the Obligations: \$29,500,000.
 - (D) The total payment amount, which means the sum total of all payments the Borrower will make to pay debt service on the Obligations plus the finance charge of the Obligations described in subparagraph (B) not paid with the proceeds of the Obligations (which total payment amount shall be calculated to the final maturity of the Obligations): \$31,000,000.
5. The good faith estimates [provided above / attached as Schedule A] were ☐ presented to the governing board of the Borrower, or ☐ presented to the official or officials or committee designated by the governing board of the Borrower to obligate the Borrower in connection with the Obligations or, in the absence of a governing board, ☐ presented to the official or officials of the Borrower having authority to obligate the Borrower in connection with the Obligations (mark one).

The foregoing estimates constitute good faith estimates only. The actual principal amount of the Obligations issued and sold, the true interest cost thereof, the finance charges thereof, the amount of proceeds received therefrom and total payment amount with respect thereto may differ from such

good faith estimates due to a variety of factors. The actual interest rates borne by the Obligations and the actual amortization of the Obligations will depend on market interest rates at the time of sale thereof. Market interest rates are affected by economic and other factors beyond the control of the Borrower.

The Authority is authorized to make this document available to the public at the Meeting of the Authority.

Dated: 7/25/19

Agenda Item No. 7

Agenda Report

DATE: July 25, 2019

TO: CSCDA COMMISSIONERS

FROM: Cathy Bando, Executive Director

PROJECT: Sand Creek (City of Antioch) – Community Facilities District

PURPOSE: Consider the following resolutions to initiate proceedings to form Community Facilities District No. 2019-02 (Sand Creek), City of Antioch, County of Contra Costa, State of California (“Sand Creek CFD”):

- a. Resolution approving joint community facilities agreement and declaring intention to establish the Sand Creek CFD, to designate improvement area no. 1 therein and to levy a special tax to finance certain public improvements, and to identify territory proposed for annexation to the Sand Creek CFD in the future and to levy special taxes therein.
- b. Resolution to incur bonded indebtedness to finance certain public improvements, to mitigate the impacts of development within the Sand Creek CFD and in and for improvement area no. 1 designated therein and territory proposed for annexation to the Sand Creek CFD in the future and calling for a public hearing.

EXECUTIVE SUMMARY:

The action requested today is the initial step in the formation of the Sand Creek Community Facilities District (CFD) located in Antioch, California (the “City”). The CFD is being formed to finance public facilities as outlined below. The City unanimously approved the formation of the CFD by CSCDA on October 23, 2018.

BACKGROUND:

The proposed project consists of a residential development on 141.6 total acres, including up to 650 single-family residential units on 127.5 acres; 31.6 acres of parks and landscaped areas (some of which overlap with the residential area); extension of Heidorn Ranch Road, Hillcrest Avenue, and Sand Creek Road; extension of a portion of the Sand Creek Trail for connection to other City and regional trails; and utility improvements. The proposed project would be constructed in two main phases arranged into six neighborhoods. On-site infrastructure for the project would consist of subdivision roads, including curbs, gutters, and sidewalks, and water, sewer, and storm drainage connections and improvements.

The financing will not exceed \$13,000,000 and will be brought back to the Commission for completion of the formation of the CFD and for final approval of the bond issuance.

COMMISSION ACTION RECOMMENDED BY THE EXECUTIVE DIRECTOR:

CSCDA's Executive Director recommends approving the following resolutions:

1. Resolution approving joint community facilities agreement and declaring intention to establish the Sand Creek CFD, to designate improvement area no. 1 therein and to levy a special tax to finance certain public improvements, and to identify territory proposed for annexation to the Sand Creek CFD in the future and to levy special taxes therein.
2. Resolution to incur bonded indebtedness to finance certain public improvements, to mitigate the impacts of development within the Sand Creek CFD and in and for improvement area no. 1 designated therein and territory proposed for annexation to the Sand Creek CFD in the future and calling for a public hearing on September 5, 2019.

Documents: <https://www.dropbox.com/sh/n96obrqcmi9re9c/AADKJO5jeTc13zP-kuGa3RVDa?dl=0>

Agenda Item No. 8

Agenda Report

DATE: July 25, 2019

TO: CSCDA COMMISSIONERS

FROM: Cathy Bando, Executive Director

PROJECT: McSweeny (City of Hemet) – Community Facilities District

PURPOSE: Consider resolution relating to the issuance of bonds for Community Facilities District No. 2018-02, Improvement Area No. 1 (McSweeny)

EXECUTIVE SUMMARY:

- On September 20, 2018, the Commission approved the following to initiate the formation of the McSweeny CFD for the City of Hemet: (1) a joint community facilities agreement; (2) a declaration of intention to levy a special tax; (3) a resolution to incur bond indebtedness; and (4) set the public hearing to November 1, 2018.
- On November 1, 2018 the Commission conducted the public hearing and adopted resolutions forming the District, and conducted the first reading of the Ordinance Levying a Special Tax.
- On December 20, 2018, the Commission conducted the second reading and adopted the Ordinance Levying a Special Tax.

The actions requested today are the final step for the issuance of bonds for the McSweeny CFD No. 2018-02 Improvement Area No. 1. The CFD is being formed to finance public facilities and fees for the City of Hemet. The McSweeny CFD will finance the following:

- Public Facilities
- State Street Improvements
- McSweeny Parkway Improvements
- Newport Road Improvements
- North Village Loop Improvements
- Master Plan Landscaping & Park Improvements (Park Areas 36 & 37)
- Drainage Improvements
 - Avery Canyon Wash
 - Lorenz Canyon Wash

BACKGROUND:

McSweeny is located in the City of Hemet in Riverside County between Diamond Valley Lake, San Bernardino National Forest & Mt. San Jacinto, approximately 90 miles from downtown Los Angeles and 85 miles from downtown San Diego.

The District will be a part of the McSweeny Farms 600-acre master-planned community of 1,646 single family residences and amenities being developed by Raintree Partners. McSweeny Farms will include The Farm House community center and other amenities including a pool and fitness center, community parks, trails, a community vegetable garden, and various outdoor recreational activities.

The CFD will include two (2) Improvement Areas composed of:

- **IA-1:** 496 residential units – Maximum Bonded Indebtedness: \$25,000,000
 - **Home Sizes:** Range: 1,550 sq. ft. – 2,750 sq. ft. Average: 2,280 sq. ft.
 - **Home Prices:** Range: \$299,990 – 355,000 Average: \$327,253
 - **Effective Total Tax Rate:** 2.00%
- **IA-2:** 841 residential units – Maximum Bonded Indebtedness: \$50,000,000
 - **Home Sizes:** Range: 1,500 sq. ft. – 3,750 sq. ft. Average: 1,997 sq. ft.
 - **Home Prices:** Range: \$305,990 – 499,000 Average: \$338,107
 - **Effective Total Tax Rate:** 2.00%

The financing being approved today will only be for Improvement Area No. 1. The financing for Improvement Area No. 2 will be brought back at a later date.

Finance Partners:

Bond Counsel:	Orrick, Herrington & Sutcliffe, LLP, Sacramento
Authority Counsel:	Orrick, Herrington & Sutcliffe, LLP, San Francisco
Underwriter:	RBC Capital Markets, San Francisco
Assessment Engineer:	Willdan Financial Services, Temecula

SB 450 Good Faith Estimates:

1. TIC: 4.85%
2. Sum of all fees and charges paid to third parties: \$471,200
3. Net Proceeds: \$6,217,227.82
4. Total Net Debt Service (+Annual Fees): \$15,471,975

ESTIMATED SOURCES & USES:

Sources:

Bond Proceeds	\$ 7,470,000.00
Premium	\$ 298,277.10
	<u>\$ 7,768,277.10</u>

Uses:

Project Fund	\$ 6,260,000.00
Capitalized Interest	\$ 376,612.50
Debt Service Reserve Fund	\$ 653,739.76
Cost of Issuance	\$ 325,400.00
Underwriter Discount	\$ 149,400.00
Contingency	<u>\$ 3,124.84</u>
	<u>\$ 7,768,277.10</u>

FINANCE TERMS:

Rating:	Non-rated
Term:	30 years
Structure:	Fixed Rate
Method of Sale:	Public Offering
Estimated Closing:	August 28, 2019

COMMISSION ACTION RECOMMENDED BY THE EXECUTIVE DIRECTOR:

CSCDA's Executive Director recommends the following actions:

1. Resolution approving the issuance of the California Statewide Communities Development Authority Community Facilities District No. 2018-02, Improvement Area No. 1 (McSweeney) Special Tax Bonds, Series 2019; authorizing the execution and delivery of an indenture providing for the issuance of such bonds; approving a bond purchase contract providing for the sale of such bonds; approving an official statement; approving a continuing disclosure certificate; authorizing the sale of such bonds; and authorizing related actions and the execution of related documents in connection with the issuance, sale and delivery of such bonds.

Documents: https://www.dropbox.com/sh/7kcbfq69z512832/AADcriK2_cQTy81G-rWzKZF9a?dl=0



Agenda Item No. 9

Agenda Report

DATE: July 25, 2019

TO: CSCDA COMMISSIONERS

FROM: Cathy Bando, Executive Director

PURPOSE: Consideration of Agreement for Services with LordCap PACE LLC for commercial PACE under Open PACE

EXECUTIVE SUMMARY:

CSCDA's Open PACE program currently has nine program administrators: Renew Financial, AllianceNRG/Counterpointe, PACE Funding, CleanFund Commercial Capital, Petros PACE Finance, Greenworks Lending, PACE Equity, White Oak Advisors and Rahill Capital. The concept of Open PACE is to provide CSCDA member cities and counties with a number of qualified program administrators that have been vetted and approved by the CSCDA Commission.

CSCDA staff received a proposal from LordCap PACE LLC ("LCP") for commercial PACE only under the CSCDA Open PACE program. After a review of the proposal by the Executive Director and Commissioners Snellings and Moura, the recommendation before you today is to approve LCP as a program administrator under the CSCDA Open PACE platform.

OVERVIEW:

LordCap PACE:

LCP was established in May 2018 by its parent, Lord Capital LLC, to provide origination, funding and administrative services to the C-PACE industry nationally. LCP team members have been involved in PACE since its inception:

- Conducted the first studies on capital markets financing for PACE.
- Advised states on creating programs and related early financings.
- Worked with rating agencies to establishing ratings criteria.
- Arranged investment funds for both residential and commercial PACE.

LCP is building scale in the commercial PACE by:

- Using a multifaceted origination platform.
- Employing seasoned risk management, credit, and operations personnel.
- Partnering with national scale operating/engineering institutions.

LCP is an affiliate of Lord Capital LLC, an alternative asset advisor, arranger, and investor in the structured finance space since 2003. Lord Capital LLC is a leader in off-balance sheet receivables finance in the Americas, Europe, and Asia. They directly structure each investment and manages funds and to-date has achieved a zero loss performance.

RECOMMENDED ACTION:

CSCDA's Executive Director recommends the approval of LordCap PACE LLC as a new commercial program administrator and the attached agreement for services under Open PACE. The agreement for services has been reviewed by CSCDA's General Counsel.

Administration Services Agreement:

<https://www.dropbox.com/sh/jn1b2zyakr92uyy/AACWGIo0BqcMvVQNIFG4-DHma?dl=0>