



**CSCDA**  
CALIFORNIA STATEWIDE COMMUNITIES  
DEVELOPMENT AUTHORITY



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

**August 1, 2013**

**10:00 a.m.**

**League of California Cities  
1400 K Street, 3<sup>rd</sup> Floor  
Sacramento, California**

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

27788 Hidden Trail Road  
Laguna Hills, CA 92653

County of Butte  
7 County Center Drive  
Oroville, CA 95965

County of Monterey  
168 West Alisal Street  
Salinas, CA 93901

- I. Call the Roll (alternates designate which member they are representing).
- II. Approve the Minutes of the July 18, 2013 Regular Meeting.
- III. Staff Updates.
- IV. Approve Consent Calendar.
- V. Approve the financing; all necessary actions; the execution and delivery of all necessary documents and authorize any member to sign all necessary financing documents for the following:
  - a. Park Village Family Apartments, LP (Park Village Apartments), City of Compton, County of Los Angeles; up to \$28,000,000 in multi-family housing revenue bonds.

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

- VI. Discuss and approve Executive Director Job Description.
- VII. Update on Enterprise Zone legislation.
- VIII. Public Comment.
- IX. Adjourn.

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**CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY  
CONSENT CALENDAR**

1. Approve the annual Special Tax roll for California Statewide Communities Development Authority Community Facilities District No. 2012-01, Improvement Area 1 (Fancher Creek), City of Fresno, County of Fresno, State of California.
2. Approve the annual Special Tax roll for the California Statewide Communities Development Authority Community Facilities District No. 2007-01 (Orinda Wilder Project), City of Orinda, County of Contra Costa, State of California.
3. Approve the following invoices for payment:
  - a. Willdan Invoice #010-21114.
  - b. Willdan Invoice #010-21115.
  - c. Willdan Invoice #010-21116.
  - d. Willdan Invoice #010-21117.
  - e. Willdan Invoice #010-21118.
  - f. Willdan Invoice #010-21119.
  - g. Willdan Invoice #010-21120.
  - h. Willdan Invoice #010-21121.
  - i. Willdan Invoice #010-21122.
  - j. Willdan Invoice #010-21123.
  - k. Willdan Invoice #010-21124.
  - l. Willdan Invoice #010-21125.
  - m. Willdan Invoice #010-21126.
  - n. Willdan Invoice #010-21127.
  - o. Willdan Invoice #010-21128.
  - p. Willdan Invoice #010-21129.
  - q. Willdan Invoice #010-21130.
  - r. BLX Invoice #41987-401/071113.
  - s. BLX Invoice #41987-520/071113.
  - t. BLX Invoice #41987-597/071113.
  - u. BLX Invoice #41987-768/071113.
  - v. BLX Invoice #41987-847/071113.
  - w. BLX Invoice #41987-916/071113.
  - x. BLX Invoice #41987-1007/071113.
  - y. BLX Invoice #41987-1255/071113.
  - z. BLX Invoice #41987-1400/071113.
  - aa. Fitch Ratings, Inc. Invoice #7119008843.
  - bb. Fitch Ratings, Inc. Invoice #7119014719.
  - cc. David Taussig & Associates Invoice #1306025.
  - dd. Burke, Williams, & Sorensen, LLP Invoice #168185.
  - ee. Burke, Williams, & Sorensen, LLP Invoice #168186.
  - ff. Burke, Williams, & Sorensen, LLP Invoice #168187.
  - gg. Burke, Williams, & Sorensen, LLP Invoice #168188.
  - hh. Burke, Williams, & Sorensen, LLP Invoice #168189.

- ii. Burke, Williams, & Sorensen, LLP Invoice #168190.
- jj. Burke, Williams, & Sorensen, LLP Invoice #168194.
- kk. Burke, Williams, & Sorensen, LLP Invoice #168195.
- ll. Burke, Williams, & Sorensen, LLP Invoice #168196.
- mm. Burke, Williams, & Sorensen, LLP Invoice #168197.
- nn. Burke, Williams, & Sorensen, LLP Invoice #168198.
- oo. Moody's Investor Service Invoice #C1754638 – 000.
- pp. Moody's Investor Service Invoice #C1798671 – 000.
- qq. Moody's Investor Service Invoice #US12013565.
- rr. Moody's Investor Service Invoice #US13012325.

Thursday, August 1, 2013

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



**Item II**

Approve the Minutes of the July 18, 2013 Regular Meeting.

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

League of California Cities  
1400 K Street, Sacramento, California

July 18, 2013

**MINUTES**

Commission Chair Larry Combs called the meeting to order at 10:02 am.

**I. Roll Call**

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

Others present included: Perry Stottlemeyer, League of California Cities; Laura Labanieh Campbell, CSAC Finance Corporation; Caitlin Lancot and James Hamill, CSCDA; and Mark Paxson, State Treasurer's Office. Greg Stepanicich, Richards Watson & Gershon; Mike Busch, Urban Futures, Inc.; Bob Owen, Law Offices of Robert A Owen; and Bill Dahms, Tower Capital Management participated by conference telephone.

**II. Approval of minutes—June 27, 2013**

The commission approved the minutes for the annual meeting held June 27, 2013.

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

**III. Staff Updates**

There were none.

**IV. Approval of Consent Calendar**

1. Induce the following projects:

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

2. Approve the following invoices for payment:

- a. David Taussig & Associates, invoice #1305084

- b. David Taussig & Associates, invoice #1305064
- c. US Bank, invoice #3403817
- d. Wells Fargo, invoice #972208
- e. Wells Fargo, invoice #972240
- f. CSCDA, invoice #2930
- g. Fitch Ratings, Inc., invoice #7119016943

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

**V. Approve the financing, all necessary actions, the execution and delivery of all necessary documents and authorize any member to sign all necessary financing documents for the following:**

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

Motion by O'Rourke; second by Mierzwa; unanimously approved by roll-call vote.

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

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

**VI. Discuss and approve in concept Delinquent Tax Funding Program**

James Hamill explained the creation of this new program, which can be offered to cities and special tax districts throughout California. The program would enable cities and districts to sell or assign their share of their county's delinquent 1% levy taxes to CSCDA and receive immediate payment for those delinquencies. Similarly, the program would enable Community Facilities and Special Assessment Districts to sell or assign their delinquencies to CDCDA.

Here, the underwriter (Tower Capital Management) takes on all of the risk. Unlike a Teeter plan, this program was designed to purchase on a nonrecourse basis so that if it turns out that a property does not sell for the amount of delinquent taxes, then the loss is sustained by the underwriters.

Motion to approve staff recommendation by Schutten; second by Stenbakken; unanimously approved by roll-call vote.

**VII. Discuss and approve Housing Delinquency Policy**

None. To be continued next meeting.

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

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

The City of Bakersfield has chosen BLX Group as its continuing disclosure agent for the financing. Since CSCDA was the issuer, the agreement with BLX Group must be entered into by the Authority. CSCDA General Counsel has reviewed and signed off on the agreement.

Motion to approve staff recommendation by Stenbakken; second by Schutten; unanimously approved by roll-call vote.

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

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

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

#### **VI. Public Comment**

None.

#### **VII. Adjournment**

Commission Chair Larry Combs adjourned the meeting at 10:31 am.

Submitted by: Perry Stottlemeyer, League of California Cities staff

*The next regular meeting of the commission is scheduled for  
**Thursday, August 1, at 10:00 a.m.**  
in the League's office at 1400 K Street, Sacramento, California.*

## Item IV

### Approve Consent Calendar

1. Approve the annual Special Tax roll for California Statewide Communities Development Authority Community Facilities District No. 2012-01, Improvement Area 1 (Fancher Creek), City of Fresno, County of Fresno, State of California.

# California Statewide Communities Development Authority

## Community Facilities District No. 2012-01 (Fancher Creek)

### Fiscal Year 2013-2014 Special Tax Requirement

<b>Fund Balances as of April 30, 2013</b>	<b>\$0.00</b>
Special Tax Fund	\$0.00
Reserve Fund Earnings Available for Debt Service <sup>[1]</sup>	\$0.00
<b>Remaining Fiscal Year 2012-2013 Sources of Funds:</b>	<b>\$133,960.00</b>
Special Tax Collections Available for Interest Due 9/1/13	\$0.00
Capitalized Interest Funds Available for Interest Due 9/1/13	\$133,960.00
<b>Remaining Fiscal Year 2012-2013 Obligations:</b>	<b>(\$133,960.00)</b>
Interest Due September 1, 2013	(\$133,960.00)
Principal Due September 1, 2013	\$0.00
<b>Fiscal Year 2012-2013 Surplus / (Draw on Reserve Fund)</b>	<b>\$0.00</b>
<b>Series 2013 Debt Service Obligations:</b>	<b>(\$236,400.00)</b>
Interest Due March 1, 2014	(\$118,200.00)
Interest Due September 1, 2014	(\$118,200.00)
Principal Due September 1, 2014	\$0.00
<b>Administrative Expense Obligations</b>	<b>(\$35,500.00)</b>
<b>Reserve Fund Replenishment <sup>[2]</sup></b>	<b>\$0.00</b>
<b>Direct Levy for Payment of Authorized Facilities <sup>[3]</sup></b>	<b>\$0.00</b>
<b>Levy for Anticipated Special Tax Delinquencies <sup>[4]</sup></b>	<b>\$0.00</b>
<b>Credit for Funds Available per the Indenture</b>	<b>\$207,186.24</b>
Redemption Fund Balance as of 4/30/13	\$341,146.24
Less: Funds Utilized for 9/1/13 Interest Payment	(\$133,960.00)
<b><i>Equals: Remaining Redemption Fund Balance</i></b>	<b><i>\$207,186.24</i></b>
<b><i>Bond Funded Administrative Expense Credit for FY 2013-14</i></b>	<b><i>\$0.00</i></b>
<b>Fiscal Year 2013-2014 Special Tax Requirement</b>	<b>\$64,713.76</b>
<p><small>[1] Amounts in the Reserve Fund in excess of the Reserve Requirement will be transferred to the Redemption Fund.</small></p> <p><small>[2] Funds currently exist to replenish the Reserve Fund to the required Reserve Requirement level.</small></p> <p><small>[3] A direct levy for payment of Authorized Facilities is not implemented for fiscal year 2013-14.</small></p> <p><small>[4] Fiscal year 2012-13 special taxes were neither calculated nor enrolled; therefore a levy for special tax delinquencies is not authorized for fiscal year 2013-14.</small></p>	

**California Statewide Communities Development Authority  
Community Facilities District No. 2012-01 (Fancher Creek)**

**Fiscal Year 2013-2014 Maximum Special Tax Rates**

Land Use Class	Description	Improvement Area	Status	FY 2012-13 Maximum Special Tax (per acre)	FY 2013-14 Maximum Special Tax (per acre) <sup>[1]</sup>
1	Assessor's Parcel No. 313-270-76	1	N/A	\$17,074.00	\$17,415.48
2	Residential or Non-Residential Property in Remainder of IA No. 1	1	N/A	\$1,135.00	\$1,157.70
3	Residential or Non-Residential Property	3	Dev.	\$4,530.00	\$4,620.60
4	Residential or Non-Residential Property	3	Undev.	\$5,210.00	\$5,314.20

<sup>[1]</sup> The Maximum Special Tax is subject to 2% escalation through fiscal year 2061-62.

**Fiscal Year 2013-2014 Special Tax Levy**

Land Use Class	Acreage as of 5/1/2013	Maximum FY 2013-14 Special Taxes	* Step 1 * Special Tax Levy	* Step 2/3 * Special Tax Levy	FY 2013-14 Special Tax Per Acre	Percent Levy of Maximum
1	8.90	\$154,997.77	\$64,713.76	NA	\$7,271.21	41.75%
2	70.52	\$81,641.00	\$0.00	\$0.00	\$0.00	NA
3	22.06	\$101,930.44	\$0.00	\$0.00	\$0.00	NA
4	0.00	\$0.00	\$0.00	\$0.00	\$0.00	NA
<b>TOTAL</b>	<b>NA</b>	<b>\$338,569.21</b>	<b>\$64,713.76</b>	<b>\$0.00</b>	<b>NA</b>	<b>NA</b>

**California Statewide Communities Development Authority  
Community Facilities District No. 2012-01 (Fancher Creek)**

**Special Tax Bonds, Series 2013**

Period Ending	Principal	Coupon	Interest	Total Debt Service
09/01/12	\$0	--	\$0.00	\$0.00
09/01/13	\$0	--	\$133,960.00	\$133,960.00
09/01/14	\$0	--	\$236,400.00	\$236,400.00
09/01/15	\$5,000	3.50%	\$236,400.00	\$241,400.00
09/01/16	\$10,000	3.50%	\$236,225.00	\$246,225.00
09/01/17	\$15,000	3.50%	\$235,875.00	\$250,875.00
09/01/18	\$20,000	3.50%	\$235,350.00	\$255,350.00
09/01/19	\$25,000	4.75%	\$234,650.00	\$259,650.00
09/01/20	\$35,000	4.75%	\$233,462.50	\$268,462.50
09/01/21	\$40,000	4.75%	\$231,800.00	\$271,800.00
09/01/22	\$45,000	4.75%	\$229,900.00	\$274,900.00
09/01/23	\$55,000	4.75%	\$227,762.50	\$282,762.50
09/01/24	\$60,000	5.70%	\$225,150.00	\$285,150.00
09/01/25	\$70,000	5.70%	\$221,730.00	\$291,730.00
09/01/26	\$80,000	5.70%	\$217,740.00	\$297,740.00
09/01/27	\$90,000	5.70%	\$213,180.00	\$303,180.00
09/01/28	\$105,000	5.70%	\$208,050.00	\$313,050.00
09/01/29	\$115,000	5.70%	\$202,065.00	\$317,065.00
09/01/30	\$130,000	5.70%	\$195,510.00	\$325,510.00
09/01/31	\$140,000	5.70%	\$188,100.00	\$328,100.00
09/01/32	\$155,000	5.70%	\$180,120.00	\$335,120.00
09/01/33	\$170,000	5.70%	\$171,285.00	\$341,285.00
09/01/34	\$190,000	5.70%	\$161,595.00	\$351,595.00
09/01/35	\$205,000	5.70%	\$150,765.00	\$355,765.00
09/01/36	\$225,000	5.70%	\$139,080.00	\$364,080.00
09/01/37	\$245,000	5.70%	\$126,255.00	\$371,255.00
09/01/38	\$265,000	5.70%	\$112,290.00	\$377,290.00
09/01/39	\$290,000	5.70%	\$97,185.00	\$387,185.00
09/01/40	\$315,000	5.70%	\$80,655.00	\$395,655.00
09/01/41	\$340,000	5.70%	\$62,700.00	\$402,700.00
09/01/42	\$365,000	5.70%	\$43,320.00	\$408,320.00
09/01/43	\$395,000	5.70%	\$22,515.00	\$417,515.00
<b>TOTAL</b>	<b>\$4,200,000</b>	<b>NA</b>	<b>\$5,491,075.00</b>	<b>\$9,691,075.00</b>



Item IV

Approve Consent Calendar

2. Approve the annual Special Tax roll for the California Statewide Communities Development Authority Community Facilities District No. 2007-01 (Orinda Wilder Project), City of Orinda, County of Contra Costa, State of California

**California Statewide Communities Development Authority**  
**Community Facilities District No. 2007-01**  
**(Orinda Wilder Project)**

**Fiscal Year 2013-2014 Facilities Annual Costs**

<b>(A) Fund Balances as of June 30, 2013</b>		<b>\$1,979,059.98</b>
Special Tax Fund	\$1,979,059.63	
Redemption Fund	\$0.35	
Reserve Funds in Excess of Reserve Requirement	\$0.00	
<b>(B) Remaining Fiscal Year 2012-2013 Sources of Funds</b>		<b>\$0.00</b>
Anticipated Final Paid Apportionment	\$0.00	
Collection of Delinquent Special Taxes	\$0.00	
<b>(C) Remaining Fiscal Year 2012-2013 Obligations</b>		<b>\$1,975,467.44</b>
Interest Due September 1, 2013	\$1,045,451.88	
Principal Due September 1, 2013	\$685,000.00	
Transfer to Expense Fund <sup>[1]</sup>	\$22,416.28	
Transfer to Services Fund <sup>[2]</sup>	\$222,599.28	
<b>(D) Fiscal Year 2012-2013 Surplus / (Shortfall) = (A+B-C)</b>		<b>\$3,592.54</b>
<b>(E) Series A Bond Debt Service Obligations:</b>		<b>\$2,776,653.76</b>
Interest Due March 1, 2014	\$1,028,326.88	
Interest Due September 1, 2014	\$1,028,326.88	
Principal Due September 1, 2014	\$720,000.00	
<b>(F) Administrative Expense Obligations:</b>		<b>\$52,560.04</b>
CSCDA Expenses	\$37,500.00	
Administration Fees (DTA)	\$8,500.00	
Arbitrage Fees (Bond Logistix)	\$3,750.00	
Trustee Services (Wells Fargo)	\$2,500.00	
County Collection Fees <sup>[3]</sup>	\$310.04	
<b>(G) Reserve Fund Replenishment <sup>[4]</sup></b>		<b>\$0.00</b>
<b>(H) Levy for Anticipated Delinquency Amount <sup>[5]</sup></b>		<b>\$0.00</b>
<b>(I) Pay-As-You-Go Expenditures</b>		<b>\$0.00</b>
<b>Fiscal Year 2013-2014 Facilities Annual Costs (E+F+G+H+I-D)</b>		<b>\$2,825,621.26</b>
<sup>[1]</sup> Required transfer to the Expense Fund per the Bond Indenture.		
<sup>[2]</sup> Based on the fiscal year 2012-2013 Services Annual Costs levy reimbursable to the City of Orinda.		
<sup>[3]</sup> Based on County fees established by the Board of Supervisors' Resolution No. 92/112 of \$250 per levy code and \$0.76 per parcel.		
<sup>[4]</sup> Funds currently exist to maintain a Reserve Fund at the required Reserve Requirement level.		
<sup>[5]</sup> Fiscal year 2012-2013 special taxes are paid in full; therefore a levy for special tax delinquencies is not authorized for fiscal year 2013-2014.		

# California Statewide Communities Development Authority

## Community Facilities District No. 2007-01

### (Orinda Wilder Project)

## Fiscal Year 2013-2014 Services Annual Costs

<b>(A) Costs of Authorized Police Services</b>		<b>\$84,000.00</b>
Part-Time Police Officer	\$80,000.00	
Other Police Services Costs	\$0.00	
Police Services Costs Contingency (5%)	\$4,000.00	
<b>(B) Maintenance Costs for Recreation Amenities / Ballfields</b>		<b>\$138,600.00</b>
<u>Monthly Maintenance Costs</u>	<u>\$11,550.00</u>	
<i>Recreation Amenities / Ballfields Maintenance</i>	<i>\$8,000.00</i>	
<i>Recreation Amenities / Ballfields Operation</i>	<i>\$2,500.00</i>	
<i>Lighting Maintenance</i>	<i>\$500.00</i>	
<i>Other Maintenance Costs</i>	<i>\$0.00</i>	
<i>Maintenance Costs Contingency (5%)</i>	<i>\$550.00</i>	
<u>Maintenance Period (Months)</u>	<u>12.00</u>	
<i>Maintenance Period Begins</i>	<i>07/01/13</i>	
<i>Maintenance Period Ends</i>	<i>06/30/14</i>	
<b>(C) Levy for Anticipated Delinquency Amount / Rounding</b>		<b>\$0.58</b>
<b>Fiscal Year 2013-2014 Services Annual Costs (A+B+C)</b>		<b>\$222,600.58</b>
<i>Notes: Based on police services costs and maintenance costs for playfields confirmed by City of Orinda on July 24, 2013.</i>		

**California Statewide Communities Development Authority**  
**Community Facilities District No. 2007-01**  
**(Orinda Wilder Project)**

**Fiscal Year 2013-2014 Special Tax Roll**

Assessor's					Facilities Special Tax		Services Special Tax		Total
Parcel	Tract	Lot	Designation	Lot					FY 2013-14
Number					Count	Maximum	Actual	Maximum	Actual
									Special Tax
273-270-007	9074	QQ	Large Lot Parcel	34	\$450,500	\$367,833	\$68,921	\$15,064	\$382,897
273-280-005	9074	RR	Large Lot Parcel	60	\$795,000	\$649,117	\$121,626	\$26,584	\$675,701
273-280-007	9074	TT	Large Lot Parcel	6	\$79,500	\$64,912	\$12,163	\$2,658	\$67,570
273-280-008	9074	UU	Large Lot Parcel	12	\$159,000	\$129,823	\$24,325	\$5,317	\$135,140
273-280-009	9074	VV	Large Lot Parcel	5	\$66,250	\$54,093	\$10,136	\$2,215	\$56,308
273-280-010	9074	WW	Large Lot Parcel	6	\$79,500	\$64,912	\$12,163	\$2,658	\$67,570
273-280-011	9074	ZZ	Large Lot Parcel	50	\$662,500	\$540,931	\$101,355	\$22,153	\$563,084
273-300-001	9074	35	Developed Parcel	1	\$13,250	\$13,250	\$2,027	\$2,027	\$15,277
273-300-002	9074	36	Developed Parcel	1	\$13,250	\$13,250	\$2,027	\$2,027	\$15,277
273-300-003	9074	37	Developed Parcel	1	\$13,250	\$13,250	\$2,027	\$2,027	\$15,277
273-300-004	9074	38	Developed Parcel	1	\$13,250	\$13,250	\$2,027	\$2,027	\$15,277
273-300-005	9074	39	Developed Parcel	1	\$13,250	\$13,250	\$2,027	\$2,027	\$15,277
273-300-006	9074	40	Developed Parcel	1	\$13,250	\$13,250	\$2,027	\$2,027	\$15,277
273-300-007	9074	41	Developed Parcel	1	\$13,250	\$13,250	\$2,027	\$2,027	\$15,277
273-300-008	9074	42	Developed Parcel	1	\$13,250	\$13,250	\$2,027	\$2,027	\$15,277
273-300-009	9074	43	Developed Parcel	1	\$13,250	\$13,250	\$2,027	\$2,027	\$15,277
273-300-010	9074	44	Developed Parcel	1	\$13,250	\$13,250	\$2,027	\$2,027	\$15,277
273-300-011	9074	45	Developed Parcel	1	\$13,250	\$13,250	\$2,027	\$2,027	\$15,277
273-300-012	9074	46	Developed Parcel	1	\$13,250	\$13,250	\$2,027	\$2,027	\$15,277
273-300-013	9074	47	Developed Parcel	1	\$13,250	\$13,250	\$2,027	\$2,027	\$15,277
273-300-014	9074	48	Developed Parcel	1	\$13,250	\$13,250	\$2,027	\$2,027	\$15,277
273-300-015	9074	49	Developed Parcel	1	\$13,250	\$13,250	\$2,027	\$2,027	\$15,277
273-300-016	9074	50	Developed Parcel	1	\$13,250	\$13,250	\$2,027	\$2,027	\$15,277
273-300-017	9074	51	Developed Parcel	1	\$13,250	\$13,250	\$2,027	\$2,027	\$15,277
273-300-018	9074	52	Developed Parcel	1	\$13,250	\$13,250	\$2,027	\$2,027	\$15,277
273-300-019	9074	53	Developed Parcel	1	\$13,250	\$13,250	\$2,027	\$2,027	\$15,277
273-300-020	9074	54	Developed Parcel	1	\$13,250	\$13,250	\$2,027	\$2,027	\$15,277
273-300-021	9074	55	Developed Parcel	1	\$13,250	\$13,250	\$2,027	\$2,027	\$15,277
273-300-022	9074	56	Developed Parcel	1	\$13,250	\$13,250	\$2,027	\$2,027	\$15,277
273-300-023	9074	57	Developed Parcel	1	\$13,250	\$13,250	\$2,027	\$2,027	\$15,277
273-300-024	9074	58	Developed Parcel	1	\$13,250	\$13,250	\$2,027	\$2,027	\$15,277
273-300-025	9074	59	Developed Parcel	1	\$13,250	\$13,250	\$2,027	\$2,027	\$15,277
273-310-001	9074	60	Developed Parcel	1	\$13,250	\$13,250	\$2,027	\$2,027	\$15,277
273-310-002	9074	61	Developed Parcel	1	\$13,250	\$13,250	\$2,027	\$2,027	\$15,277
273-310-003	9074	62	Developed Parcel	1	\$13,250	\$13,250	\$2,027	\$2,027	\$15,277
273-310-004	9074	63	Developed Parcel	1	\$13,250	\$13,250	\$2,027	\$2,027	\$15,277
273-310-005	9074	64	Developed Parcel	1	\$13,250	\$13,250	\$2,027	\$2,027	\$15,277
273-310-006	9074	65	Developed Parcel	1	\$13,250	\$13,250	\$2,027	\$2,027	\$15,277
273-310-007	9074	66	Developed Parcel	1	\$13,250	\$13,250	\$2,027	\$2,027	\$15,277
273-310-008	9074	67	Developed Parcel	1	\$13,250	\$13,250	\$2,027	\$2,027	\$15,277
273-310-009	9074	68	Developed Parcel	1	\$13,250	\$13,250	\$2,027	\$2,027	\$15,277
273-310-010	9074	69	Developed Parcel	1	\$13,250	\$13,250	\$2,027	\$2,027	\$15,277
273-310-011	9074	70	Developed Parcel	1	\$13,250	\$13,250	\$2,027	\$2,027	\$15,277
273-310-012	9074	71	Developed Parcel	1	\$13,250	\$13,250	\$2,027	\$2,027	\$15,277
273-310-013	9074	72	Developed Parcel	1	\$13,250	\$13,250	\$2,027	\$2,027	\$15,277
273-320-001	9074	73	Developed Parcel	1	\$13,250	\$13,250	\$2,027	\$2,027	\$15,277
273-320-002	9074	74	Developed Parcel	1	\$13,250	\$13,250	\$2,027	\$2,027	\$15,277
273-320-003	9074	75	Developed Parcel	1	\$13,250	\$13,250	\$2,027	\$2,027	\$15,277
273-320-004	9074	76	Developed Parcel	1	\$13,250	\$13,250	\$2,027	\$2,027	\$15,277
273-320-005	9074	77	Developed Parcel	1	\$13,250	\$13,250	\$2,027	\$2,027	\$15,277
273-320-006	9074	78	Developed Parcel	1	\$13,250	\$13,250	\$2,027	\$2,027	\$15,277
273-320-007	9074	79	Developed Parcel	1	\$13,250	\$13,250	\$2,027	\$2,027	\$15,277
273-320-008	9074	80	Developed Parcel	1	\$13,250	\$13,250	\$2,027	\$2,027	\$15,277
273-320-009	9074	81	Developed Parcel	1	\$13,250	\$13,250	\$2,027	\$2,027	\$15,277
273-320-010	9074	82	Developed Parcel	1	\$13,250	\$13,250	\$2,027	\$2,027	\$15,277
273-320-011	9074	83	Developed Parcel	1	\$13,250	\$13,250	\$2,027	\$2,027	\$15,277
273-320-012	9074	122	Developed Parcel	1	\$13,250	\$13,250	\$2,027	\$2,027	\$15,277

**California Statewide Communities Development Authority  
Community Facilities District No. 2007-01  
(Orinda Wilder Project)**

**Fiscal Year 2013-2014 Special Tax Roll**

Assessor's Parcel Number	Tract	Lot	Designation	Lot Count	Facilities Special Tax		Services Special Tax		Total FY 2013-14 Actual Special Tax
					Maximum	Actual	Maximum	Actual	
273-320-013	9074	123	Developed Parcel	1	\$13,250	\$13,250	\$2,027	\$2,027	\$15,277
273-320-014	9074	124	Developed Parcel	1	\$13,250	\$13,250	\$2,027	\$2,027	\$15,277
273-320-015	9074	125	Developed Parcel	1	\$13,250	\$13,250	\$2,027	\$2,027	\$15,277
273-320-016	9074	126	Developed Parcel	1	\$13,250	\$13,250	\$2,027	\$2,027	\$15,277
273-320-017	9074	127	Developed Parcel	1	\$13,250	\$13,250	\$2,027	\$2,027	\$15,277
273-320-018	9074	128	Developed Parcel	1	\$13,250	\$13,250	\$2,027	\$2,027	\$15,277
273-320-019	9074	129	Developed Parcel	1	\$13,250	\$13,250	\$2,027	\$2,027	\$15,277
273-330-001	9074	113	Developed Parcel	1	\$13,250	\$13,250	\$2,027	\$2,027	\$15,277
273-330-002	9074	114	Developed Parcel	1	\$13,250	\$13,250	\$2,027	\$2,027	\$15,277
273-330-003	9074	115	Developed Parcel	1	\$13,250	\$13,250	\$2,027	\$2,027	\$15,277
273-330-004	9074	116	Developed Parcel	1	\$13,250	\$13,250	\$2,027	\$2,027	\$15,277
273-330-005	9074	117	Developed Parcel	1	\$13,250	\$13,250	\$2,027	\$2,027	\$15,277
273-330-006	9074	118	Developed Parcel	1	\$13,250	\$13,250	\$2,027	\$2,027	\$15,277
273-330-007	9074	119	Developed Parcel	1	\$13,250	\$13,250	\$2,027	\$2,027	\$15,277
273-330-008	9074	120	Developed Parcel	1	\$13,250	\$13,250	\$2,027	\$2,027	\$15,277
273-330-009	9074	121	Developed Parcel	1	\$13,250	\$13,250	\$2,027	\$2,027	\$15,277
273-330-010	9074	130	Developed Parcel	1	\$13,250	\$13,250	\$2,027	\$2,027	\$15,277
273-330-011	9074	131	Developed Parcel	1	\$13,250	\$13,250	\$2,027	\$2,027	\$15,277
273-330-012	9074	132	Developed Parcel	1	\$13,250	\$13,250	\$2,027	\$2,027	\$15,277
273-330-013	9074	133	Developed Parcel	1	\$13,250	\$13,250	\$2,027	\$2,027	\$15,277
273-330-014	9074	134	Developed Parcel	1	\$13,250	\$13,250	\$2,027	\$2,027	\$15,277
273-330-015	9074	135	Developed Parcel	1	\$13,250	\$13,250	\$2,027	\$2,027	\$15,277
TOTALS:				245	\$3,246,250	\$2,825,621	\$496,639	\$222,601	\$3,048,222

Item IV

Approve Consent Calendar

3. Approve the following invoices for payment:

- a. Willdan Invoice #010-21114.
- b. Willdan Invoice #010-21115.
- c. Willdan Invoice #010-21116.
- d. Willdan Invoice #010-21117.
- e. Willdan Invoice #010-21118.
- f. Willdan Invoice #010-21119.
- g. Willdan Invoice #010-21120.
- h. Willdan Invoice #010-21121.
- i. Willdan Invoice #010-21122.
- j. Willdan Invoice #010-21123.
- k. Willdan Invoice #010-21124.
- l. Willdan Invoice #010-21125.
- m. Willdan Invoice #010-21126.
- n. Willdan Invoice #010-21127.
- o. Willdan Invoice #010-21128.
- p. Willdan Invoice #010-21129.
- q. Willdan Invoice #010-21130.
- r. BLX Invoice #41987-401/071113.
- s. BLX Invoice #41987-520/071113.
- t. BLX Invoice #41987-597/071113.
- u. BLX Invoice #41987-768/071113.
- v. BLX Invoice #41987-847/071113.
- w. BLX Invoice #41987-916/071113.
- x. BLX Invoice #41987-1007/071113.
- y. BLX Invoice #41987-1255/071113.
- z. BLX Invoice #41987-1400/071113.
- aa. Fitch Ratings, Inc. Invoice #7119008843.
- bb. Fitch Ratings, Inc. Invoice #7119014719.
- cc. David Taussig & Associates Invoice #1306025.
- dd. Burke, Williams, & Sorensen, LLP Invoice #168185.
- ee. Burke, Williams, & Sorensen, LLP Invoice #168186.
- ff. Burke, Williams, & Sorensen, LLP Invoice #168187.
- gg. Burke, Williams, & Sorensen, LLP Invoice #168188.
- hh. Burke, Williams, & Sorensen, LLP Invoice #168189.
- ii. Burke, Williams, & Sorensen, LLP Invoice #168190.
- jj. Burke, Williams, & Sorensen, LLP Invoice #168194.
- kk. Burke, Williams, & Sorensen, LLP Invoice #168195.
- ll. Burke, Williams, & Sorensen, LLP Invoice #168196.
- mm. Burke, Williams, & Sorensen, LLP Invoice #168197.
- nn. Burke, Williams, & Sorensen, LLP Invoice #168198.
- oo. Moody's Investor Service Invoice #C1754638 – 000.
- pp. Moody's Investor Service Invoice #C1798671 – 000.
- qq. Moody's Investor Service Invoice #US12013565.
- rr. Moody's Investor Service Invoice #US13012325.



## Delinquency Management Services

**Attn:**

James Hamill  
California Statewide Communities Development Authority  
2999 Oak Rd., Suite 710  
Walnut Creek, CA 94597

Invoice #: 010-21114  
Invoice Date: 6/21/13  
Project: 101168  
Phase #: 5013  
Org: 30  
Terms: Net 30 Days

**INVOICE TOTAL DUE: \$278.28**

### FY 1213 Phase 1 RL SCIP

Batch #: 36,262  
Batch Date: March 28, 2013

**Applicable Fees**

\$15.00 per Owner:

18 letters x 0.46 stamp = \$8.28

Subtotal: \$270.00  
Postage: \$8.28

**Subtotal Due: \$278.28****AD 03-01 (Contra Costa)**

Letters Sent	ActionType	Tax Years	District Total
3	Reminder Letter	2012/13	\$45.00
	District Postage		\$1.38

**AD 04-01 (Placer)**

Letters Sent	ActionType	Tax Years	District Total
1	Reminder Letter	2012/13	\$15.00
	District Postage		\$0.46

**AD 04-01 (Sacramento)**

Letters Sent	ActionType	Tax Years	District Total
3	Reminder Letter	2012/13	\$45.00
	District Postage		\$1.38

**AD 05-01 (San Mateo)**

Letters Sent	ActionType	Tax Years	District Total
2	Reminder Letter	2012/13	\$30.00
	District Postage		\$0.92

**AD 05-01 (Placer)**

Letters Sent	ActionType	Tax Years	District Total
1	Reminder Letter	2012/13	\$15.00
	District Postage		\$0.46

**AD 06-01 (San Mateo)**

Letters Sent	ActionType	Tax Years	District Total
2	Reminder Letter	2012/13	\$30.00
	District Postage		\$0.92

**AD 07-02 (San Diego)**

Letters Sent	ActionType	Tax Years	District Total
2	Reminder Letter	2012/13	\$30.00
	District Postage		\$0.92

**AD 10-01 (Yolo)**

Letters Sent	ActionType	Tax Years	District Total
1	Reminder Letter	2012/13	\$15.00
	District Postage		\$0.46



**AD 11-01 ( San Joaquin)**

Letters Sent	Action Type	Tax Years	District Total
3	Reminder Letter	2012/13	\$45.00
	District Postage		\$1.38



**Remit To:**  
**Willdan Financial Services**  
**27368 Via Industria, Suite 110**  
**Temecula, California 92590**



# INVOICE

## Delinquency Management Services

Attn:  
James Hamill  
California Statewide Communities Development Authority  
2999 Oak Rd., Suite 710  
Walnut Creek, CA 94597

Invoice #: 010-21115  
Invoice Date: 6/21/13  
Project: 101168  
Phase #: 5013  
Org: 30  
Terms: Net 30 Days

**INVOICE TOTAL DUE: \$15.46**

### FY 1213 Phase 2 RL SCIP – Contra Costa AD 03-1

Batch #: 36,334  
Batch Date: May 15, 2013

#### Applicable Fees

\$15.00 per Parcel:

1 letter x 0.46 stamp = \$0.46

Subtotal: \$15.00  
Postage: \$0.46

**Subtotal Due: \$15.46**

#### AD 03-01 (Contra Costa)

Letters Sent	Action Type	Tax Years	District Total
1	Reminder Letter	2012/13	\$15.00
	District Postage		\$0.46

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Temecula, California 92590



# INVOICE

## Delinquency Management Services

Attn:  
James Hamill  
California Statewide Communities Development Authority  
2999 Oak Rd., Suite 710  
Walnut Creek, CA 94597

Invoice #: 010-21116  
Invoice Date: 6/21/13  
Project: 101168  
Phase #: 5013  
Org: 30  
Terms: Net 30 Days

**INVOICE TOTAL DUE: \$90.92**

### FY 1213 Phase 2 DL SCIP Contra Costa 03-01

Batch #: 36,335  
Batch Date: May 15, 2013

#### Applicable Fees

\$45.00 per Parcel:

2 letters x 0.46 stamp = \$0.92

Subtotal: \$90.00  
Postage: \$0.92

**Subtotal Due: \$90.92**

#### AD 03-01 (Contra Costa)

Letters Sent	ActionType	Tax Years	District Total
2	Demand Letter	2012/13	\$90.00
	District Postage		\$0.92

Remit To:  
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Temecula, California 92590



WILLDAN

**INVOICE**

## Delinquency Management Services

Attn:  
James Hamill  
California Statewide Communities Development Authority  
2999 Oak Rd., Suite 710  
Walnut Creek, CA 94597

Invoice #: 010-21117  
Invoice Date: 6/21/13  
Project: 101168  
Phase #: 5013  
Org: 30  
Terms: Net 30 Days

**INVOICE TOTAL DUE: \$46.38**

### **FY 1213 Phase 2 RL San Diego AD 07-02**

Batch #: 36,336  
Batch Date: May 15, 2013

#### **Applicable Fees**

\$15.00 per Parcel:

3 letters x 0.46 stamp = \$1.38

Subtotal: \$45.00  
Postage: \$1.38

**Subtotal Due: \$46.38**

#### **AD 07-02 (San Diego)**

Letters Sent	ActionType	Tax Years	District Total
3	Reminder Letter	2012/13	\$45.00
	District Postage		\$1.38

Remit To:  
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27368 Via Industria, Suite 110  
Temecula, California 92590



# INVOICE

## Delinquency Management Services

Attn:  
James Hamill  
California Statewide Communities Development Authority  
2999 Oak Rd., Suite 710  
Walnut Creek, CA 94597

Invoice #: 010-21118  
Invoice Date: 6/21/13  
Project: 101168  
Phase #: 5013  
Org: 30  
Terms: Net 30 Days

**INVOICE TOTAL DUE: \$45.46**

### FY 1213 Phase 2 DL SCIP San Diego AD 07-02

Batch #: 36,338  
Batch Date: May 15, 2013

#### Applicable Fees

\$45.00 per Parcel:

1 letter x 0.46 stamp = \$0.46

Subtotal: \$45.00  
Postage: \$0.46

**Subtotal Due: \$45.46**

#### AD 07-02 (San Diego)

Letters Sent	ActionType	Tax Years	District Total
1	Demand Letter	2012/13	\$45.00
	District Postage		\$0.46

Remit To:  
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27368 Via Industria, Suite 110  
Temecula, California 92590



## Delinquency Management Services

**Attn:**  
 James Hamill  
 California Statewide Communities Development Authority  
 2999 Oak Rd., Suite 710  
 Walnut Creek, CA 94597

Invoice #: 010-21119  
 Invoice Date: 6/21/13  
 Project: 101168  
 Phase #: 5013  
 Org: 30  
 Terms: Net 30 Days

**INVOICE TOTAL DUE: \$61.84**

### FY 1213 Phase 2 RL SCIP San Mateo

Batch #: 36,388  
 Batch Date: May 21, 2013

#### Applicable Fees

\$15.00 per Parcel:

4 letters x 0.46 stamp = \$1.84

Subtotal: \$60.00  
 Postage: \$1.84

**Subtotal Due: \$61.84**

#### AD 03-01 (San Mateo)

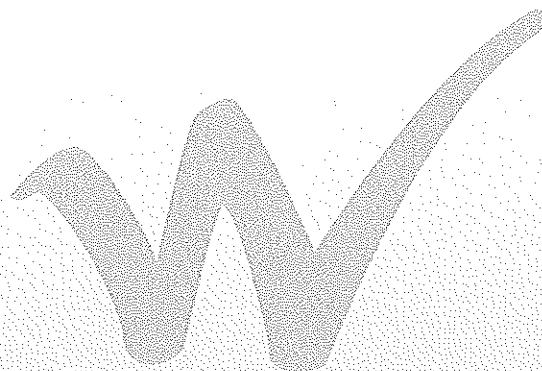
Letters Sent	ActionType	Tax Years	District Total
1	Reminder Letter	2012/13	\$15.00
	District Postage		\$0.46

#### AD 05-01 (San Mateo)

Letters Sent	ActionType	Tax Years	District Total
1	Reminder Letter	2012/13	\$15.00
	District Postage		\$0.46

**AD 06-01 (San Mateo)**

Letters Sent	Action Type	Tax Years	District Total
2	Reminder Letter	2012/13	\$30.00
	District Postage		\$0.92



**Remit To:**  
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**27368 Via Industria, Suite 110**  
**Temecula, California 92590**

## Delinquency Management Services

Attn:  
James Hamill  
California Statewide Communities Development Authority  
2999 Oak Rd., Suite 710  
Walnut Creek, CA 94597

Invoice #: 010-21120  
Invoice Date: 6/21/13  
Project: 101168  
Phase #: 5013  
Org: 30  
Terms: Net 30 Days

**INVOICE TOTAL DUE: \$45.46**

### FY 1213 Phase 2 DL SCIP San Mateo

Batch #: 36,389  
Batch Date: May 21, 2013

#### Applicable Fees

\$45.00 per Parcel:

1 letter x 0.46 stamp = \$0.46

Subtotal: \$45.00  
Postage: \$0.46

**Subtotal Due: \$45.46**

#### AD 06-01 (San Mateo)

Letters Sent	ActionType	Tax Years	District Total
1	Demand Letter		\$45.00
	District Postage		\$0.46

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Temecula, California 92590





# INVOICE

## Delinquency Management Services

Attn:  
James Hamill  
California Statewide Communities Development Authority  
2999 Oak Rd., Suite 710  
Walnut Creek, CA 94597

Invoice #: 010-21121  
Invoice Date: 6/21/13  
Project: 101168  
Phase #: 5013  
Org: 30  
Terms: Net 30 Days

**INVOICE TOTAL DUE: \$45.46**

### FY 1213 Phase 2 DL SCIP Sacramento

Batch #: 36,390  
Batch Date: May 21, 2013

#### Applicable Fees

\$45.00 per Parcel:

1 letter x 0.46 stamp = \$0.46

Subtotal: \$45.00  
Postage: \$0.46

**Subtotal Due: \$45.46**

#### AD 04-01 (Sacramento)

Letters Sent	ActionType	Tax Years	District Total
1	Demand Letter		\$45.00
	District Postage		\$0.46

Remit To:  
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Temecula, California 92590



# INVOICE

## Delinquency Management Services

Attn:  
James Hamill  
California Statewide Communities Development Authority  
2999 Oak Rd., Suite 710  
Walnut Creek, CA 94597

Invoice #: 010-21122  
Invoice Date: 6/21/13  
Project: 101168  
Phase #: 5013  
Org: 30  
Terms: Net 30 Days

**INVOICE TOTAL DUE: \$15.46**

### FY 1213 Phase 2 RL SCIP Sacramento

Batch #: 36,391  
Batch Date: May 21, 2013

#### Applicable Fees

\$15.00 per Parcel:

1 letter x 0.46 stamp = \$0.46

Subtotal: \$15.00  
Postage: \$0.46

**Subtotal Due: \$15.46**

#### AD 08-01 (Sacramento)

Letters Sent	Action/Type	Tax Years	District Total
1	Reminder Letter	2012/13	\$15.00
	District Postage		\$0.46

Remit To:  
Willdan Financial Services  
27368 Via Industria, Suite 110  
Temecula, California 92590



# INVOICE

## Delinquency Management Services

Attn:  
James Hamill  
California Statewide Communities Development Authority  
2999 Oak Rd., Suite 710  
Walnut Creek, CA 94597

Invoice #: 010-21123  
Invoice Date: 6/21/13  
Project: 101168  
Phase #: 5013  
Org: 30  
Terms: Net 30 Days

**INVOICE TOTAL DUE: \$61.84**

### FY 1213 Phase 2 RL SCIP Alameda

Batch #: 36,462  
Batch Date: May 24, 2013

#### Applicable Fees

\$15.00 per Owner:

4 letters x 0.46 stamp = \$1.84

Subtotal: \$60.00  
Postage: \$1.84

**Subtotal Due: \$61.84**

#### AD 07-01 (Alameda)

Letters Sent	ActionType	Tax Years	District Total
4	Reminder Letter	2012/13	\$60.00
	District Postage		\$1.84

Remit To:  
Willdan Financial Services  
27368 Via Industria, Suite 110  
Temecula, California 92590



# INVOICE

## Delinquency Management Services

Attn:  
James Hamill  
California Statewide Communities Development Authority  
2999 Oak Rd., Suite 710  
Walnut Creek, CA 94597

Invoice #: 010-21124  
Invoice Date: 6/21/13  
Project: 101168  
Phase #: 5013  
Org: 30  
Terms: Net 30 Days

**INVOICE TOTAL DUE: \$30.92**

### FY 1213 Phase 2 RL SCIP El Dorado

Batch #: 36,463  
Batch Date: May 24, 2013

#### Applicable Fees

\$15.00 per Owner:

2 letters x 0.46 stamp = \$0.92

Subtotal: \$30.00  
Postage: \$0.92

**Subtotal Due: \$30.92**

#### AD 08-01 (El Dorado)

Letters Sent	ActionType	Tax Years	District Total
2	Reminder Letter	2012/13	\$30.00
	District Postage		\$0.92

Remit To:  
Willdan Financial Services  
27368 Via Industria, Suite 110  
Temecula, California 92590



# INVOICE

## Delinquency Management Services

Attn:  
James Hamill  
California Statewide Communities Development Authority  
2999 Oak Rd., Suite 710  
Walnut Creek, CA 94597

Invoice #: 010-21125  
Invoice Date: 6/21/13  
Project: 101168  
Phase #: 5013  
Org: 30  
Terms: Net 30 Days

**INVOICE TOTAL DUE: \$30.92**

### FY 1213 Phase 2 RL SCIP San Joaquin

Batch #: 36,464  
Batch Date: May 24, 2013

#### Applicable Fees

\$15.00 per Owner:

2 letters x 0.46 stamp = \$0.92

Subtotal: \$30.00  
Postage: \$0.92

**Subtotal Due: \$30.92**

#### AD 11-01 ( San Joaquin)

Letters Sent	ActionType	Tax Years	District Total
2	Reminder Letter	2012/13	\$30.00
	District Postage		\$0.92

Remit To:  
Willdan Financial Services  
27368 Via Industria, Suite 110  
Temecula, California 92590



## Delinquency Management Services

Attn:  
James Hamill  
California Statewide Communities Development Authority  
2999 Oak Rd., Suite 710  
Walnut Creek, CA 94597

Invoice #: 010-21126  
Invoice Date: 6/21/13  
Project: 101168  
Phase #: 5013  
Org: 30  
Terms: Net 30 Days

**INVOICE TOTAL DUE: \$181.84**

### FY 1213 Phase 2 DL SCIP San Joaquin

Batch #: 36,465  
Batch Date: May 24, 2013

#### Applicable Fees

\$45.00 per Owner:

4 letters x 0.46 stamp = \$1.84

Subtotal: \$180.00  
Postage: \$1.84

**Subtotal Due: \$181.84**

#### AD 11-01 ( San Joaquin)

Letters Sent	ActionType	Tax Years	District Total
4	Demand Letter	2012/13	\$180.00
	District Postage		\$1.84

Remit To:  
Willdan Financial Services  
27368 Via Industria, Suite 110  
Temecula, California 92590

## Delinquency Management Services

Attn:  
James Hamill  
California Statewide Communities Development Authority  
2999 Oak Rd., Suite 710  
Walnut Creek, CA 94597

Invoice #: 010-21127  
Invoice Date: 6/21/13  
Project: 101168  
Phase #: 5013  
Org: 30  
Terms: Net 30 Days

**INVOICE TOTAL DUE: \$123.68**

### FY 1213 Phase 2 RL SCIP Placer

Batch #: 36,466  
Batch Date: May 24, 2013

#### Applicable Fees

\$15.00 per Owner:

8 letters x 0.46 stamp = \$3.68

Subtotal: \$120.00  
Postage: \$3.68

**Subtotal Due: \$123.68**

#### AD 04-01 (Placer)

Letters Sent	ActionType	Tax Years	District Total
3	Reminder Letter	2012/13	\$37.50
	District Postage		\$1.15

#### AD 05-01 (Placer)

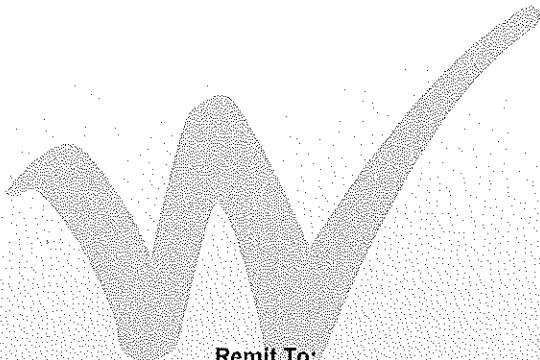
Letters Sent	ActionType	Tax Years	District Total
4	Reminder Letter	2012/13	\$60.00
	District Postage		\$1.84

**AD 06-01 (Placer)**

Letters Sent	ActionType	Tax Years	District Total
1	Reminder Letter	2012/13	\$15.00
	District Postage		\$0.46

**AD 07-01 (Placer)**

Letters Sent	ActionType	Tax Years	District Total
1	Reminder Letter	2012/13	\$7.50
	District Postage		\$0.23



**Remit To:**  
**Willdan Financial Services**  
**27368 Via Industria, Suite 110**  
**Temecula, California 92590**



## Delinquency Management Services

Attn:  
James Hamill  
California Statewide Communities Development Authority  
2999 Oak Rd., Suite 710  
Walnut Creek, CA 94597

Invoice #: 010-21128  
Invoice Date: 6/21/13  
Project: 101168  
Phase #: 5013  
Org: 30  
Terms: Net 30 Days

**INVOICE TOTAL DUE: \$45.46**

### FY 1213 Phase 2 DL SCIP Placer

Batch #: 36,467  
Batch Date: May 24, 2013

#### Applicable Fees

\$45.00 per Owner:

1 letter x 0.46 stamp = \$0.46

Subtotal: \$45.00  
Postage: \$0.46

**Subtotal Due: \$45.46**

#### AD 05-01 (Placer)

Letters Sent	ActionType	Tax Years	District Total
1	Demand Letter	2012/13	\$45.00
	District Postage		\$0.46

Remit To:  
Willdan Financial Services  
27368 Via Industria, Suite 110  
Temecula, California 92590

## Delinquency Management Services

Attn:  
James Hamill  
California Statewide Communities Development Authority  
2999 Oak Rd., Suite 710  
Walnut Creek, CA 94597

Invoice #: 010-21129  
Invoice Date: 6/21/13  
Project: 101168  
Phase #: 5013  
Org: 30  
Terms: Net 30 Days

**INVOICE TOTAL DUE: \$15.46**

### FY 1213 Phase 2 SCIP Sonoma AD 07-01 RL

Batch #: 36,671  
Batch Date: June 6, 2013

#### Applicable Fees

\$15.00 per Owner:

1 letter x 0.46 stamp = \$0.46

Subtotal: \$15.00  
Postage: \$0.46

**Subtotal Due: \$15.46**

#### AD 07-01 (Sonoma)

Letters Sent	ActionType	Tax Years	District Total
1	Reminder Letter	2012/13	\$15.00
	District Postage		\$0.46

Remit To:  
Willdan Financial Services  
27368 Via Industria, Suite 110  
Temecula, California 92590

## Delinquency Management Services

**Attn:**

James Hamill  
California Statewide Communities Development Authority  
2999 Oak Rd., Suite 710  
Walnut Creek, CA 94597

Invoice #: 010-21130  
Invoice Date: 6/21/13  
Project: 101168  
Phase #: 5013  
Org: 30  
Terms: Net 30 Days

**INVOICE TOTAL DUE: \$15.46**

### **FY 1213 Phase 2 SCIP Yolo AD RL**

Batch #: 36,672  
Batch Date: June 6, 2013

**Applicable Fees**

\$15.00 per Owner:

1 letter x 0.46 stamp = \$0.46

Subtotal: \$15.00  
Postage: \$0.46

**Subtotal Due: \$15.46****AD 10-01 (Yolo)**

Letters Sent	Action Type	Tax Years	District Total
1	Reminder Letter	2012/13	\$15.00
	District Postage		\$0.46

**Remit To:**  
**Willdan Financial Services**  
27368 Via Industria, Suite 110  
Temecula, California 92590



777 South Figueroa Street  
Suite 3200  
Los Angeles, CA 90017-5832  
Phone 213 612 2200 Fax 213 612 2316  
www.blxgroup.com

E.I.N. 51-0404065

July 11, 2013

James Hamill  
Program Manager  
California Statewide Communities Development Authority  
2033 N. Main Street, Suite 700  
Walnut Creek, CA 94596

INVOICE NO: 41987-401/071113

PLEASE REMIT COPY OF  
INVOICE WITH PAYMENT

Re: \$6,270,000  
California Statewide Communities Development Authority  
Statewide Community Infrastructure Program Revenue Bonds  
Series 2003 A

SCIP - Program Administrative Fee associated with the above-captioned issue.

04/01/13 to 6/30/13: \$1,330.00

Total Due: **\$1,330.00**

Payment to be wired as follows:

Wells Fargo Bank  
ABA # 121000248  
Acct. Name: BLX Group LLC  
Acct. # 4123701104  
Invoice no. 41987-401

If a check is sent please send as follows:

BLX Group LLC  
Dept 34461  
P.O. Box 39000  
San Francisco, CA 94139



777 South Figueroa Street  
Suite 3200  
Los Angeles, CA 90017-5832  
Phone 213 612 2200 Fax 213 612 2316  
www.blxgroup.com

E.I.N. 51-0404065

July 11, 2013

James Hamill  
Program Manager  
California Statewide Communities Development Authority  
2033 N. Main Street, Suite 700  
Walnut Creek, CA 94596

INVOICE NO: 41987-520/071113

PLEASE REMIT COPY OF  
INVOICE WITH PAYMENT

Re: \$3,590,000  
California Statewide Communities Development Authority  
Statewide Community Infrastructure Program Revenue Bonds  
Series 2004 A

SCIP - Program Administrative Fee associated with the above-captioned issue.

04/01/13 to 6/30/13: \$742.50

Total Due: **\$742.50**

Payment to be wired as follows:

Wells Fargo Bank  
ABA # 121000248  
Acct. Name: BLX Group LLC  
Acct. # 4123701104  
Invoice no. 41987-520

If a check is sent please send as follows:

BLX Group LLC  
Dept 34461  
P.O. Box 39000  
San Francisco, CA 94139



777 South Figueroa Street  
Suite 3200  
Los Angeles, CA 90017-5832  
Phone 213 612 2200 Fax 213 612 2316  
www.blxgroup.com

E.I.N. 51-0404065

July 11, 2013

James Hamill  
Program Manager  
California Statewide Communities Development Authority  
2033 N. Main Street, Suite 700  
Walnut Creek, CA 94596

INVOICE NO: 41987-597/071113

PLEASE REMIT COPY OF  
INVOICE WITH PAYMENT

Re: \$10,645,000  
California Statewide Communities Development Authority  
Statewide Community Infrastructure Program Revenue Bonds  
Series 2005 A

SCIP - Program Administrative Fee associated with the above-captioned issue.

04/01/13 to 6/30/13: \$2,266.25

Total Due: **\$2,266.25**

Payment to be wired as follows:

Wells Fargo Bank  
ABA # 121000248  
Acct. Name: BLX Group LLC  
Acct. # 4123701104  
Invoice no. 41987-597

If a check is sent please send as follows:

BLX Group LLC  
Dept 34461  
P.O. Box 39000  
San Francisco, CA 94139



777 South Figueroa Street  
Suite 3200  
Los Angeles, CA 90017-5832  
Phone 213 612 2200 Fax 213 612 2316  
www.blxgroup.com

E.I.N. 51-0404065

July 11, 2013

James Hamill  
Program Manager  
California Statewide Communities Development Authority  
2033 N. Main Street, Suite 700  
Walnut Creek, CA 94596

INVOICE NO: 41987-768/071113

PLEASE REMIT COPY OF  
INVOICE WITH PAYMENT

Re: \$19,015,000  
California Statewide Communities Development Authority  
Statewide Community Infrastructure Program Revenue Bonds  
Series 2006

SCIP - Program Administrative Fee associated with the above-captioned issue.

04/01/13 to 6/30/13: \$4,110.00

Total Due: **\$4,110.00**

Payment to be wired as follows:

Wells Fargo Bank  
ABA # 121000248  
Acct. Name: BLX Group LLC  
Acct. # 4123701104  
Invoice no. 41987-768

If a check is sent please send as follows:

BLX Group LLC  
Dept 34461  
P.O. Box 39000  
San Francisco, CA 94139



777 South Figueroa Street  
Suite 3200  
Los Angeles, CA 90017-5832  
Phone 213 612 2200 Fax 213 612 2316  
www.blxgroup.com

E.I.N. 51-0404065

July 11, 2013

James Hamill  
Program Manager  
California Statewide Communities Development Authority  
2033 N. Main Street, Suite 700  
Walnut Creek, CA 94596

INVOICE NO: 41987-847/071113

PLEASE REMIT COPY OF  
INVOICE WITH PAYMENT

Re: \$25,545,000  
California Statewide Communities Development Authority  
Statewide Community Infrastructure Program Revenue Bonds  
Series 2007A

SCIP - Program Administrative Fee associated with the above-captioned issue.

04/01/13 to 6/30/13: \$5,666.25

Total Due: **\$5,666.25**

Payment to be wired as follows:

Wells Fargo Bank  
ABA # 121000248  
Acct. Name: BLX Group LLC  
Acct. # 4123701104  
Invoice no. 41987-847

If a check is sent please send as follows:

BLX Group LLC  
Dept 34461  
P.O. Box 39000  
San Francisco, CA 94139





777 South Figueroa Street  
Suite 3200  
Los Angeles, CA 90017-5832  
Phone 213 612 2200 Fax 213 612 2316  
www.blxgroup.com

E.I.N. 51-0404065

July 11, 2013

James Hamill  
Program Manager  
California Statewide Communities Development Authority  
2033 N. Main Street, Suite 700  
Walnut Creek, CA 94596

INVOICE NO: 41987-916/071113

PLEASE REMIT COPY OF  
INVOICE WITH PAYMENT

Re: \$10,460,000  
California Statewide Communities Development Authority  
Statewide Community Infrastructure Program Revenue Bonds  
Series 2007B

SCIP - Program Administrative Fee associated with the above-captioned issue.

04/01/13 to 6/30/13: \$1,725.00

Total Due: **\$1,725.00**

Payment to be wired as follows:

Wells Fargo Bank  
ABA # 121000248  
Acct. Name: BLX Group LLC  
Acct. # 4123701104  
Invoice no. 41987-916

If a check is sent please send as follows:

BLX Group LLC  
Dept 34461  
P.O. Box 39000  
San Francisco, CA 94139



777 South Figueroa Street  
Suite 3200  
Los Angeles, CA 90017-5832  
Phone 213 612 2200 Fax 213 612 2316  
www.blxgroup.com

E.I.N. 51-0404065

July 11, 2013

James Hamill  
Program Manager  
California Statewide Communities Development Authority  
2033 N. Main Street, Suite 700  
Walnut Creek, CA 94596

INVOICE NO: 41987-1007/071113

PLEASE REMIT COPY OF  
INVOICE WITH PAYMENT

Re: \$21,805,000  
California Statewide Communities Development Authority  
Statewide Community Infrastructure Program  
Revenue Bonds, Series 2008 A

SCIP - Program Administrative Fee associated with the above-captioned issue.

04/01/13 to 6/30/13: \$4,350.00

Total Due: **\$4,350.00**

Payment to be wired as follows:

Wells Fargo Bank  
ABA # 121000248  
Acct. Name: BLX Group LLC  
Acct. # 4123701104  
Invoice no. 41987-1007

If a check is sent please send as follows:

BLX Group LLC  
Dept 34461  
P.O. Box 39000  
San Francisco, CA 94139



777 South Figueroa Street  
Suite 3200  
Los Angeles, CA 90017-5832  
Phone 213 612 2200 Fax 213 612 2316  
www.blxgroup.com

E.I.N. 51-0404065

July 11, 2013

James Hamill  
Program Manager  
California Statewide Communities Development Authority  
2033 N. Main Street, Suite 700  
Walnut Creek, CA 94596

INVOICE NO: 41987-1255/071113

PLEASE REMIT COPY OF  
INVOICE WITH PAYMENT

Re: \$6,180,000  
California Statewide Communities Development Authority  
Statewide Community Infrastructure Program Revenue Bonds  
Series 2010 A

SCIP - Program Administrative Fee associated with the above-captioned issue.

04/01/13 to 6/30/13: \$1,503.75

Total Due: **\$1,503.75**

Payment to be wired as follows:

Wells Fargo Bank  
ABA # 121000248  
Acct. Name: BLX Group LLC  
Acct. # 4123701104  
Invoice no. 41987-1255

If a check is sent please send as follows:

BLX Group LLC  
Dept 34461  
P.O. Box 39000  
San Francisco, CA 94139



777 South Figueroa Street  
Suite 3200  
Los Angeles, CA 90017-5832  
Phone 213 612 2200 Fax 213 612 2316  
www.blxgroup.com

E.I.N. 51-0404065

July 11, 2013

James Hamill  
Program Manager  
California Statewide Communities Development Authority  
2033 N. Main Street, Suite 700  
Walnut Creek, CA 94596

INVOICE NO: 41987-1400/071113

PLEASE REMIT COPY OF  
INVOICE WITH PAYMENT

Re: \$9,190,000.00  
California Statewide Communities Development Authority  
Statewide Community Infrastructure Program Revenue Bonds  
Series 2011 A

SCIP - Program Administrative Fee associated with the above-captioned issue.

04/01/13 to 6/30/13: \$2,297.50

Total Due: **\$2,297.50**

Payment to be wired as follows:

Wells Fargo Bank  
ABA # 121000248  
Acct. Name: BLX Group LLC  
Acct. # 4123701104  
Invoice no. 41987-1400

If a check is sent please send as follows:

BLX Group LLC  
Dept 34461  
P.O. Box 39000  
San Francisco, CA 94139

# Invoice

Attn: **James Hill**

California Statewide Financing Authority  
2175 N California Street  
Suite 550  
Walnut Creek CA 94596

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

**Billing Information**

<b>Terms of Payment</b>	Net due in 30 days
<b>Invoice No.</b>	7119008843
<b>Invoice Date</b>	March 08, 2012
<b>Currency</b>	USD
<b>Accounting Contact email</b>	collections@fitchratings.com

**California Statewide Financing Authority 2006  
USD 77211109.85**

Surveillance - Recurring	10,000.00
Coverage Period: 19 April 2012 to 18 April 2013	

<b>Invoice Amount</b>	10,000.00
<b>Total Tax</b>	0.00
<b>Total Amount Due (USD)</b>	10,000.00

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

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

**Please quote the Invoice Number 7119008843 when making payment**

# Invoice

**Attn: James Hill**

California Statewide Financing Authority  
2175 N California Street  
Suite 550  
Walnut Creek CA 94596

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

**Billing Information**

<b>Terms of Payment</b>	Net due in 30 days
<b>Invoice No.</b>	7119014719
<b>Invoice Date</b>	March 11, 2013
<b>Currency</b>	USD
<b>Accounting Contact email</b>	collections@fitchratings.com

**California Statewide Financing Authority 2006  
USD 77211109.85**

Surveillance - Recurring	10,000.00
Coverage Period: 19 April 2013 to 18 April 2014	

<b>Invoice Amount</b>	10,000.00
<b>Total Tax</b>	0.00
<b>Total Amount Due (USD)</b>	10,000.00

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

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

**Please quote the Invoice Number 7119014719 when making payment**

# DTA DAVID TAUSSIG & ASSOCIATES

Public Finance and Urban Economics

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

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

Project No: 13-0006.000

Invoice No: 1306025

June 30, 2013

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

Project 13-0006.000 CSCDA/CFD 2012-01 Admin

Professional Services through June 30, 2013

Dear Mr. Hamill:

This invoice is submitted for professional consulting services in association with the special tax administration of CFD No. 2012-01 (Fancher Creek). Please remit invoice payment payable to David Taussig and Associates, Inc. PAYMENT IS DUE UPON RECEIPT. AN INTEREST CHARGE OF 1.2% PER MONTH WILL BE APPLIED TO INVOICES 30 DAYS PAST DUE.

Professional Services	Hours	Rate	Amount
Vice President			
Perez, Nathan			
06-03-13 Attention to development of FY 2013-14 admin model, discussions with staff and BNY regarding reserve and redemption accounts, edits.	1.00	215.00	215.00
06-20-13 Attention to finalization of model following receipt of finalized account statements/data, discussions with Mr. Wekwete.	.88	215.00	189.20
Manager			
Wekwete, Kudakwashe			
06-03-13 Conversation with Mr. Perez regarding administration schedule.	.50	200.00	100.00
06-14-13 Research on County website for milestones. Calls to County regarding placing levies on roll.	.50	200.00	100.00
06-18-13 Preparing relevant documentation for submittal of levy to the County. Call to County to follow up on documentation.	.75	200.00	150.00
06-19-13 Internal call to discuss administration timeline.	.50	200.00	100.00
06-21-13 Calls to the County regarding enrollment instructions.	.25	200.00	50.00
06-24-13 Follow up calls to County regarding enrollment instructions.	.50	200.00	100.00
06-28-13 Call to County to discuss schedule for levy enrollment.	.25	200.00	50.00

# **DTA** DAVID TAUSSIG & ASSOCIATES

Public Finance and Urban Economics

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

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

Project 13-0006.000 CSCDA/CFD 2012-01 Admin Invoice 1306025

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**Analyst**

Wang, Sarah

06-19-13	Created new database and summary reports, downloaded and entered account statements	1.00	120.00	120.00
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<b>Totals</b>		<b>6.13</b>		<b>1,174.20</b>
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**Total this Invoice \$1,174.20**

**Outstanding Invoices**

Number	Date	Balance
1303105	03-31-13	2,031.25
1305084	05-31-13	633.75
<b>Total</b>		<b>2,665.00</b>





2280 Market Street - Suite 300  
Riverside, California 92501-2121  
voice 951.788.0100 - fax 951.788.5785  
www.bwslaw.com

Our File No.: 05826-0000  
ejay@bwslaw.com

JULY 15, 2013

**ATTORNEY WORK PRODUCT  
ATTORNEY-CLIENT PRIVILEGE**

California Statewide Communities Development Authority  
2033 North Main Street, Suite 700  
Walnut Creek, CA 94596  
Attn: Jon Penkower

Re: **STATEMENTS REGARDING AMOUNTS PAST DUE**

Dear Mr. Penkower:

Enclosed please find various statements regarding amounts past due for matters that have been paid.

If you have any questions, please do not hesitate to contact our office.

Very truly yours,

BURKE, WILLIAMS & SORESENSEN, LLP

ELISE JAY  
For Carol J. Fogleman, Esq.

Attachments

LAW OFFICES  
BURKE, WILLIAMS & SORESENSEN, LLP  
444 SOUTH FLOWER STREET  
SUITE 2400  
LOS ANGELES, CALIFORNIA 90071-2953  
TELEPHONE (213) 236-0600  
TELECOPIER (213) 236-2700

IN ACCOUNT WITH:

FEDERAL I.D. NO.  
95-1705973

CALIFORNIA STATEWIDE COMMUNITIES DEVELOP  
2999 OAK ROAD, SUITE 710  
WALNUT CREEK, CA 94597  
Attn: JON PENKOWER

July 15, 2013  
Statement: 168185

Our File No.: 05826 - 0002.001  
Re: LINCOLN GATEWAY RETAIL LLC (AD 07-01) PLACER

PREVIOUS BALANCE	\$ 538.01
INTEREST DUE THROUGH June 30, 2013:	<u>7.48</u>
TOTAL PREVIOUS BALANCE AND INTEREST	545.49
PAYMENTS	<u>-341.64</u>
BALANCE FORWARD	203.85
FEES FOR PROFESSIONAL SERVICES RENDERED THROUGH June 30, 2013:	0.00
DISBURSEMENTS MADE TO YOUR ACCOUNT THROUGH June 30, 2013:	<u>0.00</u>
CURRENT CHARGES	0.00
TOTAL AMOUNT PAST DUE:	<u><u>\$ 203.85</u></u>

LAW OFFICES  
BURKE, WILLIAMS & SORENSEN, LLP  
444 SOUTH FLOWER STREET  
SUITE 2400  
LOS ANGELES, CALIFORNIA 90071-2953  
TELEPHONE (213) 236-0600  
TELECOPIER (213) 236-2700

IN ACCOUNT WITH:

FEDERAL I.D. NO.  
95-1705973

CALIFORNIA STATEWIDE COMMUNITIES DEVELOP  
2999 OAK ROAD, SUITE 710  
WALNUT CREEK, CA 94597  
Attn: JON PENKOWER

July 15, 2013  
Statement: 168186

Our File No.: 05826 - 0002.002

Re: LINCOLN GATEWAY RETAIL LLC (AD 07-01) PLACER

PREVIOUS BALANCE	\$ 451.91
INTEREST DUE THROUGH June 30, 2013:	<u>17.03</u>
TOTAL PREVIOUS BALANCE AND INTEREST	468.94
PAYMENTS	<u>-183.44</u>
BALANCE FORWARD	285.50
FEES FOR PROFESSIONAL SERVICES RENDERED THROUGH June 30, 2013:	0.00
DISBURSEMENTS MADE TO YOUR ACCOUNT THROUGH June 30, 2013:	<u>0.00</u>
CURRENT CHARGES	0.00
TOTAL AMOUNT PAST DUE:	<u><u>\$ 285.50</u></u>

LAW OFFICES  
BURKE, WILLIAMS & SORENSEN, LLP  
444 SOUTH FLOWER STREET  
SUITE 2400  
LOS ANGELES, CALIFORNIA 90071-2953  
TELEPHONE (213) 236-0600  
TELECOPIER (213) 236-2700

IN ACCOUNT WITH:

FEDERAL I.D. NO.  
95-1705973

CALIFORNIA STATEWIDE COMMUNITIES DEVELOP  
2999 OAK ROAD, SUITE 710  
WALNUT CREEK, CA 94597  
Attn: JON PENKOWER

July 15, 2013  
Statement: 168187

Our File No.: 05826 - 0002.003

Re: LINCOLN GATEWAY RETAIL LLC (AD 07-01) PLACER

PREVIOUS BALANCE	\$ 470.76
INTEREST DUE THROUGH June 30, 2013:	<u>17.65</u>
TOTAL PREVIOUS BALANCE AND INTEREST	488.41
PAYMENTS	<u>-14.28</u>
BALANCE FORWARD	474.13
FEES FOR PROFESSIONAL SERVICES RENDERED THROUGH June 30, 2013:	0.00
DISBURSEMENTS MADE TO YOUR ACCOUNT THROUGH June 30, 2013:	<u>0.00</u>
CURRENT CHARGES	0.00
TOTAL AMOUNT PAST DUE:	<u><u>\$ 474.13</u></u>

LAW OFFICES  
BURKE, WILLIAMS & SORESENSEN, LLP  
444 SOUTH FLOWER STREET  
SUITE 2400  
LOS ANGELES, CALIFORNIA 90071-2953  
TELEPHONE (213) 236-0600  
TELECOPIER (213) 236-2700

IN ACCOUNT WITH:

FEDERAL I.D. NO.  
95-1705973

CALIFORNIA STATEWIDE COMMUNITIES DEVELOP  
2999 OAK ROAD, SUITE 710  
WALNUT CREEK, CA 94597  
Attn: JON PENKOWER

July 15, 2013  
Statement: 168188

Our File No.: 05826 - 0002.004

Re: LINCOLN GATEWAY RETAIL LLC (AD 07-01) PLACER

PREVIOUS BALANCE	\$ 455.25
INTEREST DUE THROUGH June 30, 2013:	<u>17.03</u>
TOTAL PREVIOUS BALANCE AND INTEREST	472.28
PAYMENTS	<u>-14.28</u>
BALANCE FORWARD	458.00
FEES FOR PROFESSIONAL SERVICES RENDERED THROUGH June 30, 2013:	0.00
DISBURSEMENTS MADE TO YOUR ACCOUNT THROUGH June 30, 2013:	<u>0.00</u>
CURRENT CHARGES	0.00
TOTAL AMOUNT PAST DUE:	<u><u>\$ 458.00</u></u>

LAW OFFICES  
BURKE, WILLIAMS & SORENSEN, LLP  
444 SOUTH FLOWER STREET  
SUITE 2400  
LOS ANGELES, CALIFORNIA 90071-2953  
TELEPHONE (213) 236-0600  
TELECOPIER (213) 236-2700

IN ACCOUNT WITH:

FEDERAL I.D. NO.  
95-1705973

CALIFORNIA STATEWIDE COMMUNITIES DEVELOP  
2999 OAK ROAD, SUITE 710  
WALNUT CREEK, CA 94597  
Attn: JON PENKOWER

July 15, 2013  
Statement: 168189

Our File No.: 05826 - 0002.005  
Re: LINCOLN GATEWAY RETAIL LLC (AD 07-01) PLACER

PREVIOUS BALANCE	\$ 455.25
INTEREST DUE THROUGH June 30, 2013:	<u>17.03</u>
TOTAL PREVIOUS BALANCE AND INTEREST	472.28
PAYMENTS	<u>-14.28</u>
BALANCE FORWARD	458.00
FEES FOR PROFESSIONAL SERVICES RENDERED THROUGH June 30, 2013:	0.00
DISBURSEMENTS MADE TO YOUR ACCOUNT THROUGH June 30, 2013:	<u>0.00</u>
CURRENT CHARGES	0.00
TOTAL AMOUNT PAST DUE:	<u><u>\$ 458.00</u></u>

LAW OFFICES  
BURKE, WILLIAMS & SORENSEN, LLP  
444 SOUTH FLOWER STREET  
SUITE 2400  
LOS ANGELES, CALIFORNIA 90071-2953  
TELEPHONE (213) 236-0600  
TELECOPIER (213) 236-2700

IN ACCOUNT WITH:

FEDERAL I.D. NO.  
95-1705973

CALIFORNIA STATEWIDE COMMUNITIES DEVELOP  
2999 OAK ROAD, SUITE 710  
WALNUT CREEK, CA 94597  
Attn: JON PENKOWER

July 15, 2013  
Statement: 168190

Our File No.: 05826 - 0002.006  
Re: LINCOLN GATEWAY RETAIL LLC (AD 07-01) PLACER

PREVIOUS BALANCE	\$ 455.25
INTEREST DUE THROUGH June 30, 2013:	<u>17.03</u>
TOTAL PREVIOUS BALANCE AND INTEREST	472.28
PAYMENTS	<u>-14.28</u>
BALANCE FORWARD	458.00
FEES FOR PROFESSIONAL SERVICES RENDERED THROUGH June 30, 2013:	0.00
DISBURSEMENTS MADE TO YOUR ACCOUNT THROUGH June 30, 2013:	<u>0.00</u>
CURRENT CHARGES	0.00
TOTAL AMOUNT PAST DUE:	<u><u>\$ 458.00</u></u>

LAW OFFICES  
BURKE, WILLIAMS & SORENSEN, LLP  
444 SOUTH FLOWER STREET  
SUITE 2400  
LOS ANGELES, CALIFORNIA 90071-2953  
TELEPHONE (213) 236-0600  
TELECOPIER (213) 236-2700

IN ACCOUNT WITH:

FEDERAL I.D. NO.  
95-1705973

CALIFORNIA STATEWIDE COMMUNITIES DEVELOP  
2999 OAK ROAD, SUITE 710  
WALNUT CREEK, CA 94597  
Attn: JON PENKOWER

July 15, 2013  
Statement: 168194

Our File No.: 05826 - 0002.007  
Re: LINCOLN GATEWAY RETAIL LLC (AD 07-01) PLACER

PREVIOUS BALANCE	\$ 455.25
INTEREST DUE THROUGH June 30, 2013:	<u>17.03</u>
TOTAL PREVIOUS BALANCE AND INTEREST	472.28
PAYMENTS	<u>-14.28</u>
BALANCE FORWARD	458.00
FEEs FOR PROFESSIONAL SERVICES RENDERED THROUGH June 30, 2013:	0.00
DISBURSEMENTS MADE TO YOUR ACCOUNT THROUGH June 30, 2013:	<u>0.00</u>
CURRENT CHARGES	0.00
TOTAL AMOUNT PAST DUE:	<u><u>\$ 458.00</u></u>



LAW OFFICES  
BURKE, WILLIAMS & SORESENSEN, LLP  
444 SOUTH FLOWER STREET  
SUITE 2400  
LOS ANGELES, CALIFORNIA 90071-2953  
TELEPHONE (213) 236-0600  
TELECOPIER (213) 236-2700

IN ACCOUNT WITH:

FEDERAL I.D. NO.  
95-1705973

CALIFORNIA STATEWIDE COMMUNITIES DEVELOP  
2999 OAK ROAD, SUITE 710  
WALNUT CREEK, CA 94597  
Attn: JON PENKOWER

July 15, 2013  
Statement: 168195

Our File No.: 05826 - 0006  
Re: UNITED STATES OF AMERICA (AD 07-02) SAN DIEGO

PREVIOUS BALANCE	\$ 1,027.28
PAYMENTS	0.00
BALANCE FORWARD	<u>1,027.28</u>
FEES FOR PROFESSIONAL SERVICES RENDERED THROUGH June 30, 2013:	0.00
DISBURSEMENTS MADE TO YOUR ACCOUNT THROUGH June 30, 2013:	<u>0.00</u>
CURRENT CHARGES	0.00
TOTAL AMOUNT PAST DUE:	<u><u>\$ 1,027.28</u></u>

LAW OFFICES  
BURKE, WILLIAMS & SORENSEN, LLP  
444 SOUTH FLOWER STREET  
SUITE 2400  
LOS ANGELES, CALIFORNIA 90071-2953  
TELEPHONE (213) 236-0600  
TELECOPIER (213) 236-2700

IN ACCOUNT WITH:

FEDERAL I.D. NO.  
95-1705973

CALIFORNIA STATEWIDE COMMUNITIES DEVELOP  
2999 OAK ROAD, SUITE 710  
WALNUT CREEK, CA 94597  
Attn: JON PENKOWER

July 15, 2013  
Statement: 168196

Our File No.: 05826 - 0010  
Re: BACH, THORSTEN (AD 03-01) CONTRA COSTA

PREVIOUS BALANCE	\$ 859.31
PAYMENTS	0.00
BALANCE FORWARD	<u>859.31</u>
FEES FOR PROFESSIONAL SERVICES RENDERED THROUGH June 30, 2013:	0.00
DISBURSEMENTS MADE TO YOUR ACCOUNT THROUGH June 30, 2013:	<u>0.00</u>
CURRENT CHARGES	0.00
TOTAL AMOUNT PAST DUE:	<u><u>\$ 859.31</u></u>

LAW OFFICES  
BURKE, WILLIAMS & SORENSEN, LLP  
444 SOUTH FLOWER STREET  
SUITE 2400  
LOS ANGELES, CALIFORNIA 90071-2953  
TELEPHONE (213) 236-0600  
TELECOPIER (213) 236-2700

IN ACCOUNT WITH:

FEDERAL I.D. NO.  
95-1705973

CALIFORNIA STATEWIDE COMMUNITIES DEVELOP  
2999 OAK ROAD, SUITE 710  
WALNUT CREEK, CA 94597  
Attn: JON PENKOWER

July 15, 2013  
Statement: 168197

Our File No.: 05826 - 0011  
Re: SINGH FAMILY PROPERTIES LP (AD 07-01) ALAMEDA

PREVIOUS BALANCE	\$ 474.41
PAYMENTS	0.00
BALANCE FORWARD	<u>474.41</u>
FEES FOR PROFESSIONAL SERVICES RENDERED THROUGH June 30, 2013:	0.00
DISBURSEMENTS MADE TO YOUR ACCOUNT THROUGH June 30, 2013:	<u>0.00</u>
CURRENT CHARGES	0.00
TOTAL AMOUNT PAST DUE:	<u><u>\$ 474.41</u></u>

LAW OFFICES  
BURKE, WILLIAMS & SORESENSEN, LLP  
444 SOUTH FLOWER STREET  
SUITE 2400  
LOS ANGELES, CALIFORNIA 90071-2953  
TELEPHONE (213) 236-0600  
TELECOPIER (213) 236-2700

IN ACCOUNT WITH:

FEDERAL I.D. NO.  
95-1705973

CALIFORNIA STATEWIDE COMMUNITIES DEVELOP  
2999 OAK ROAD, SUITE 710  
WALNUT CREEK, CA 94597  
Attn: JON PENKOWER

July 15, 2013  
Statement: 168198

Our File No.: 05826 - 0014  
Re: REEVES, KEITH W. (AD 05-01) SAN MATEO

PREVIOUS BALANCE	\$ 735.33
PAYMENTS	-515.77
BALANCE FORWARD	<hr/> 219.56
FEEES FOR PROFESSIONAL SERVICES RENDERED THROUGH June 30, 2013:	0.00
DISBURSEMENTS MADE TO YOUR ACCOUNT THROUGH June 30, 2013:	<hr/> 0.00
CURRENT CHARGES	0.00
TOTAL AMOUNT PAST DUE:	<hr/> <hr/> \$ 219.56

---

INVOICE

Mr. Jerry Burke  
Program Manager  
California Statewide Communities Dev. Auth.  
2033 North Main Street, Suite 700  
Walnut Creek, CA 94596

**INVOICE No.:** C1754638 - 000  
**CUSTOMER No.:** 400007576  
**INVOICE DATE:** June 14, 2010

---

FOR PROFESSIONAL SERVICES :

\$ 10,000

For detail see next page(s).

**Annual Monitoring Fee(s)**

**Payment inquiries contact:**

Richard Douglas  
Phone: 212 553 1703, Fax: 212 298 6043  
Email: richard.douglas@moodys.com

-----  
Please do not contact your Analytic Team regarding this invoice or any other fee-related matter.

Return This Portion With Your Payment

Invoice Number: C1754638 - 000  
Account Number: 400007576  
Invoice Date: 06/14/2010

<b>Amount Due:</b>	<b>\$ 10,000</b>
--------------------	------------------

INVOICE PAYABLE IN U.S. DOLLAR

**Fed Wire or ACH with Invoice Number to :**

**OR**

**Mail Payment with Invoice Stub to:**

SUNTRUST BANK  
Transit Routing # 061000104  
ACH # 061000104  
Moody's Account # 8801939847  
For Customers wiring from outside the U.S.:  
Swift Code: SNTRUS3A

MOODY'S INVESTORS SERVICE  
P.O. Box 102597  
Atlanta, Georgia 30368-0597  
USA

PAYMENT DUE UPON RECEIPT  
Moody's Taxpayer ID #: 13-195-9883



Issuer: **California Statewide Financing Authority**  
ABS - III - Annual Fee

Deal Name:	California Statewide Financing Authority (Pooled Tobacco Securitization Program)	
	, Series 2002	10,000
Issue Amount:	189,595,000	
Period Covered:	Jun 2010 - May 2011	

---

**INVOICE**

Mr. Jerry Burke  
Program Manager  
California Statewide Communities Dev. Auth.  
2033 North Main Street, Suite 700  
Walnut Creek, CA 94596

**INVOICE No.:** C1798671 - 000  
**CUSTOMER No.:** 400007576  
**INVOICE DATE:** June 15, 2011

---

FOR PROFESSIONAL SERVICES :

\$ 10,000

For detail see next page(s).

**Annual Monitoring Fee(s)**

**Payment inquiries contact:**

Richard Douglas  
Phone: 212 553 1703, Fax: 212 298 6043  
Email: richard.douglas@moodys.com

-----  
Please do not contact your Analytic Team regarding this invoice or any other fee-related matter.

Return This Portion With Your Payment

Invoice Number: C1798671 - 000  
Account Number: 400007576  
Invoice Date: 06/15/2011

<b>Amount Due:</b>	<b>\$ 10,000</b>
--------------------	------------------

INVOICE PAYABLE IN U.S. DOLLAR

**Fed Wire or ACH with Invoice Number to :**      **OR**

SUNTRUST BANK  
Transit Routing # 061000104  
ACH # 061000104  
Moody's Account # 8801939847  
Account Name: Moody's Investors Service, Inc.  
Swift Code: SNTRUS3A

**Mail Payment with Invoice Stub to:**

MOODY'S INVESTORS SERVICE  
P.O. Box 102597  
Atlanta, Georgia 30368-0597  
USA

PAYMENT DUE UPON RECEIPT  
Moody's Taxpayer ID #: 13-195-9883



Issuer: **California Statewide Financing Authority**  
ABS - III - Annual Fee

Deal Name:	California Statewide Financing Authority (Pooled Tobacco Securitization Program)	
	, Series 2002	10,000
Issue Amount:	188,035,000	
Period Covered:	Jun 2011 - May 2012	



**INVOICE**

Mr. Jerry Burke  
Program Manager  
California Statewide Communities Dev. Auth.  
2033 North Main Street, Suite 700  
Walnut Creek, CA 94596

**INVOICE No.:** US12013565  
**REFERENCE No.:** C1839847 - 000  
**CUSTOMER No.:** 400007576  
**INVOICE DATE:** June 12, 2012

**For Professional Services:**

**INVOICE AMOUNT > > >**

**US\$ 10,000.00**

**Payment inquiries contact:**

Richard Douglas  
Phone: 212 553 1703, Fax: 212 298 6043  
Email: richard.douglas@moodys.com

-----  
Please do not contact your Analytic Team regarding this invoice or any other fee-related matter.

Return This Portion With Your Payment

Invoice No: US12013565  
Reference No: C1839847 - 000  
Customer Number: 400007576  
Invoice Date: 06/12/2012

**Invoice Amount: US\$ 10,000.00**

**INVOICE PAYABLE IN U.S. DOLLAR**

**Fed Wire or ACH with Invoice Number to : OR**

SUNTRUST BANK  
Transit Routing # 061000104  
ACH # 061000104  
Moody's Account # 8801939847  
Account Name: Moody's Investors Service, Inc.  
Swift Code: SNTRUS3A

**Mail Payment with Invoice Stub to:**

MOODY'S INVESTORS SERVICE  
P.O. Box 102597  
Atlanta, Georgia 30368-0597  
USA

**PAYMENT DUE UPON RECEIPT**  
Moody's Taxpayer ID #: 13-195-9883



## Supporting Detail

Issuer: **California Statewide Financing Authority**  
ABS - III - Annual Fee

Deal Name:	California Statewide Financing Authority (Pooled Tobacco Securitization Program) , Series 2002	10,000
Issue Amount:	185,965,000	
Period Covered:	Jun 2012 - May 2013	

**INVOICE**

Mr. Jerry Burke  
Program Manager  
California Statewide Communities Dev. Auth.  
2033 North Main Street, Suite 700  
Walnut Creek, CA 94596

**INVOICE No.:** US13012325  
**REFERENCE No.:** C1874145 - 000  
**CUSTOMER No.:** 400007576  
**INVOICE DATE:** June 10, 2013

**For Professional Services:**

**INVOICE AMOUNT > > >**

**US\$ 10,000.00**

**Payment inquiries contact:**

Richard Douglas  
Phone: 212 553 1703, Fax: 212 298 6043  
Email: richard.douglas@moodys.com

-----  
Please do not contact your Analytic Team regarding this invoice or any other fee-related matter.

Return This Portion With Your Payment

Invoice No: US13012325  
Reference No: C1874145 - 000  
Customer Number: 400007576  
Invoice Date: 06/10/2013

**Invoice Amount: US\$ 10,000.00**

**INVOICE PAYABLE IN U.S. DOLLAR**

**Fed Wire or ACH with Invoice Number to : OR**

SUNTRUST BANK  
Transit Routing # 061000104  
ACH # 061000104  
Moody's Account # 8801939847  
Account Name: Moody's Investors Service, Inc.  
Swift Code: SNTRUS3A

**Mail Payment with Invoice Stub to:**

MOODY'S INVESTORS SERVICE  
P.O. Box 102597  
Atlanta, Georgia 30368-0597  
USA

**PAYMENT DUE UPON RECEIPT**  
Moody's Taxpayer ID #: 13-195-9883



## Supporting Detail

Issuer: **California Statewide Financing Authority**  
ABS - III - Annual Fee

Deal Name:	California Statewide Financing Authority (Pooled Tobacco Securitization Program) , Series 2002	10,000
Issue Amount:	183,935,000	
Period Covered:	Jun 2013 - May 2014	

## Item V

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

- a. Park Village Family Apartments, LP (Park Village Apartments), City of Compton, County of Los Angeles; up to \$28,000,000 in multi-family housing revenue bonds.

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## SUMMARY AND APPROVALS

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<b>DATE:</b>	AUGUST 1, 2013
<b>APPLICANT:</b>	PARK VILLAGE FAMILY APARTMENTS, L.P./ROEM DEVELOPMENT CORPORATION
<b>AMOUNT:</b>	UP TO \$28,000,000 OF TAX-EXEMPT MULTI-FAMILY HOUSING REVENUE BONDS
<b>PURPOSE:</b>	FINANCE THE ACQUISITION AND REHABILITATION OF PARK VILLAGE FAMILY APARTMENTS LOCATED AT 708 WEST CORREGIDOR STREET IN COMPTON, CA
<b>CSCDA PROGRAM:</b>	HOUSING

---

### Background:

The proposed project, Park Village Family Apartments (the “Project”), is a 164-unit property located in Compton, California. The Project application was filed on June 8, 2012 and induced on June 21, 2012.

### Summary:

Park Village Family Apartments, L.P. (the “Borrower”) has requested CSCDA to issue and deliver multifamily housing revenue obligations in the anticipated principal amount of \$28,000,000 (the “Bonds”) for the purpose of financing the acquisition and rehabilitation of the Project. In addition to 2 manager units, the Project will continue to provide 17 one-bedroom units, 32 two-bedroom units, 62 three-bedroom units, and 51 four-bedroom units to low-income families in Compton.

The Project, initially constructed in 1943, is comprised of 62 one- and two-story garden style buildings containing 164 affordable units. The rehabilitation includes the replacement of each unit’s interior walls, flooring finishes, hardware, plumbing and electrical fixtures, windows, cabinetry, appliances, mechanical units and accessories. Each apartment building’s exterior will be patched, painted, and improved with new front porches/canopies to cover unit entrances and add to the exterior design aesthetic. Roofs will be replaced and utility connections will be repaired or replaced. A rear yard area will be provided in most cases and be bound by a combination of landscaping and low fencing. The apartment site will be improved with revised landscaping, amenities, utility feeds, trash enclosures, and site lighting. One laundry room will be restored while another will be added. The site office will be converted to a community room and improved. The site entrance will be reconfigured and all new entry gates will be installed. Parking will be added in some locations, and converted back to landscaping in others.

The anticipated construction start date is September 2013 with a completion date of November 2014.

The Borrower has previously constructed or rehabilitated 18 multifamily and senior housing properties throughout the United States. This is their fifth financing with CSCDA.

### Public Benefit:

- Project Affordability
  - 100% of the Project’s units will be income restricted:
    - 145 units reserved for tenants whose income is at or below 50% AMI

- 17 units reserved for tenants whose income is at or below 60% AMI
  - 2 manager units
  - The term of the income and rental restrictions for the Project will be at least 55 years
- Site Amenities
  - The Project is located within ½ mile of a park or recreational facility
  - The Project is located within ¼ mile of a grocery store
  - The Project is located within close proximity of a public K-12 school
  - The Project is located within 1 mile of a medical clinic
- Economic Benefits
  - Based upon \$38,462,696 Project costs using a 1.8 multiplier the Project produces \$62,032,560 total economic activity, and at 2.1 jobs per unit produces approximately 344 jobs. (Multipliers based on June 2010 study by Blue Sky Consulting Group and Center for Housing Policy on impact of housing in California using IMPLAN system.)

#### Agency Approvals:

**TEFRA Hearing:** October 23, 2012, City of Compton, unanimous approval

**CDLAC Approval:** March 13, 2013

#### Sources and Uses:

Sources:			
	Tax Exempt Bond Proceeds	\$19,000,000	22.1%
	Low Income Housing Tax Credit Equity	\$8,509,368	49.4%
	Non Tax Exempt Bonds	\$6,375,205	16.6%
	Tax Exempt Bond Interest	\$269,167	0.7%
	Deferred Reserve Funding	\$850,254	2.2%
	Lease Up Income	\$1,959,703	5.1%
	Deferred Developer Fee	<u>\$1,500,000</u>	<u>3.9%</u>
	<b>Total Construction Sources</b>	<b>\$38,462,696</b>	<b>100.00%</b>
Uses:			
	Acquisition Cost	\$16,300,000	42.4%
	Hard Construction Costs	\$12,827,602	33.4%
	Architect & Engineering Fees	\$250,000	0.6%
	Contractor Overhead & Profit	\$695,892	1.8%
	Developer Fee	\$2,500,000	6.5%
	Relocation	\$450,000	1.2%
	Interest	\$2,228,270	5.8%
	Deposits to Reserves	\$850,254	2.2%
	Other Soft Costs (Marketing, Etc.)	<u>\$2,360,678</u>	<u>6.1%</u>
	<b>Total Uses</b>	<b>\$38,462,696</b>	<b>100.00%</b>

**Finance Team:**

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

**Financing Structure:**

The construction bonds will have a term of 24 months and will carry a variable interest rate of approximately 2.6%. The Bonds will then convert to the permanent phase for 17 years. The projected true interest cost of the fixed rate loan under current market conditions is estimated to be 4.65%. The Bonds will be privately placed with Citibank.

By using \$19,000,000 in CSCDA Bonds the Project is able to leverage an additional \$19,462,696 in other resources, for a ratio of 0.98 to 1.

**Policy Compliance:**

The Project complies with the following policies:

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

**Financing Approval:**

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

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

**Attachments:**

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





*Building Communities, Investing in Local Government Since 1988*

## Housing Bond Application

### APPLICANT INFORMATION

Application Number: **2012045**  
Name of Developer: **ROEM Development Corporation**  
Primary Contact: **Chuck Treatch**  
Title: **Land Acquisition Manager**  
Address: **1650 Lafayette Street  
Santa Clara, CA 95050**  
Telephone Number: **(408) 984-5600 Ext. 13**  
Fax Number: **(408) 984-3111**  
E-mail: **ctreatch@roemcorp.com**

### BORROWER DESCRIPTION

Type of Entity: ☐ For-profit Corporation ☐ Non-profit Corporation  
☐ Municipality ☒ Partnership  
☐ Other (specify): \_\_\_\_\_

For Non-profits only: Will you be applying for State Volume Cap? **No**

Name of Borrowing Entity: **TBD**

Date Established: **TBD**

Number of Multi-Family Housing Projects Completed in the Last 10 Years: **14**

Number of Low Income Multi-Family Housing Projects Completed in the Last 10 Years: **14**

### PRINCIPAL FINANCE TEAM INFORMATION

#### UNDERWRITER/PLACEMENT AGENT

Firm: **TBD**

Contact:

Address:

Telephone:

Fax:

E-mail:

#### BOND COUNSEL

Firm: **Orrick**

Contact: **Justin Cooper**

Address: **405 Howard Street  
San Francisco, CA 94105**

Telephone: **(415) 773-5908**

Fax: **(415) 773-5759**

E-mail: **jcooper@orrick.com**

Application Number: **2012045 - Park Village**  
Name of Borrower: **ROEM Development Corporation**

#### PROJECT DESCRIPTION

Current Project Name: **Park Village**  
New Project Name: **TBD**  
Project Street Address: **708 West Corregidor Street**  
City: **Compton** State: **CA** Zip Code: **90220**  
County: **Los Angeles**  
Is Project located in unincorporated part of the County? **No**  
Total Number of Units: Market: **0** Restricted: **164** Total Units: **164**  
Lot Size: **13.12 Acres**  
Amenities: **Community Room Security Gate**

Type of Construction (i.e., Wood Frame, 2 Story, 10 Buildings): **Garden Style Townhouses, 1 - 2 Story. 62 Bulidings**

Type of Housing: ☐ New Construction ☒ Family  
☒ Acq/Rehab ☐ Senior Is this an Assisted Living Facility? \_\_\_\_\_

City or county contact information:

Contact Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Phone Number: \_\_\_\_\_ Ext. \_\_\_\_\_  
Fax Number: \_\_\_\_\_  
E-mail: \_\_\_\_\_

#### PUBLIC BENEFIT

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

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

Total Number of Management Units: **1**

Unit Size	% AMI	# of Restricted Units	Restricted Rent	Market Rent	Expected Savings
1 Bedroom	0	17	\$805	\$1,159	\$354
2 Bedrooms	0	34	\$1,041	\$1,447	\$406
3 Bedrooms	0	65	\$1,418	\$1,943	\$525
4 Bedrooms	0	48	\$1,486	\$2,338	\$852

Remarks: **Expiring HUD Contract**

OTHER PUBLIC BENEFIT

SERVICES PROVIDED

- ☐ High-speed internet service in each affordable unit of an on-going nature for a minimum of 10 years.  
☒ After school program of an on going nature for the minimum of 10 years.  
☒ Educational classes (which are not the same as the after school program) for a minimum of 10 years.  
☐ Licensed childcare providing 20 hours or more per week(Monday through Friday) to residents of the development.  
☐ Contract for services, such as assistance with the daily living activities, or provision of senior counseling services.

ENVIRONMENT

Energy

- Does the facility exceed Title 24 Standards? ☐ Yes ☐ No ☒ N/A  
If Yes, by what percent? \_\_\_\_\_ %  
Does the facility have solar(PV) panels? ☐ Yes ☒ No ☐ N/A  
If Yes, what is the size in kWh? \_\_\_\_\_  
Does the facility purchase carbon credits? ☐ Yes ☒ No ☐ N/A  
If Yes, what is the annual consumption? \_\_\_\_\_

Water

- Does the facility provide any of the following:  
Efficient Toilets? ☒ Yes ☐ No ☐ N/A  
Water-saving showerheads? ☒ Yes ☐ No ☐ N/A  
Drought tolerant landscaping? ☐ Yes ☐ No ☒ N/A  
Other, specify: \_\_\_\_\_

Transportation

- Does the entity provide carpooling or mass-transit subsidies? ☐ Yes ☐ No ☒ N/A  
Does the entity maintain a fuel efficient fleet? ☐ Yes ☒ No ☐ N/A

Waste

- Does the project provide recycling facilities? ☐ Yes ☐ No ☒ N/A

WORKFORCE

Employment Creation

Job Type/Description	During Construction	Post Construction
None	0	0

GOVERNMENTAL INFORMATION

Congressional District #	State Senate District #	State Assembly District #
37	25	52



Application Number: **2012045 - Park Village**  
Name of Borrower: **ROEM Development Corporation**

### FINANCING STRUCTURE

Type of Financing: ☐ Public Sale ☒ Private Placement ☒ Refunding  
For Refundings only: Will you be applying for State Volume Cap? **Yes**  
For Refundings only: Is this a transfer of property to a new owner? \_\_\_\_\_  
Maturity: **15 Years** Interest Rate Mode: ☒ Fixed ☒ Variable

#### CONSTRUCTION FINANCING:

Credit Enhancement: ☐ None ☐ Letter of Credit  
☐ FNMA(Fannie Mae) ☒ Freddie Mac  
☐ Bond Insurance ☒ Other (specify): **TBD**

Name of Credit Enhancement Provider or Private Placement Purchaser: **TBD**

#### PERMANENT FINANCING:

Credit Enhancement: ☐ None ☐ Letter of Credit  
☐ FNMA(Fannie Mae) ☒ Freddie Mac  
☐ Bond Insurance ☒ Other (specify): **N/A**

Name of Credit Enhancement Provider or Private Placement Purchaser: **N/A**

Expected Rating: ☒ Unrated ☐ S & P \_\_\_\_\_  
☐ Moody's \_\_\_\_\_ ☐ Fitch \_\_\_\_\_

Projected State Allocation Pool: ☒ General ☐ Mixed Income ☐ Rural

Will the project use Tax-Credit as a source of funding?: **Yes**

### SOURCES & USES

#### CONSTRUCTION SOURCES

Tax-Exempt Bond Proceeds:	<b>\$22,500,000</b>
Taxable Bond Proceeds:	
Tax Credits:	<b>\$4,427,428</b>
Developer Equity:	<b>\$2,500,000</b>
Other Funds(Describe):	
Project Income	<b>\$1,055,778</b>
_____	_____
_____	_____
_____	_____
_____	_____
<b>TOTAL:</b>	<b>\$30,483,206</b>

#### USES

Land Acquisition:	<b>\$2,466,750</b>
Building Acquisition:	<b>\$13,978,250</b>
Construction or Remodel:	<b>\$8,267,962</b>
Cost of Issuance:	<b>\$1,803,653</b>
Capitalized Interest:	
Reserves:	<b>\$560,591</b>
Other Funds(Describe):	
Soft Costs	<b>\$3,406,000</b>
_____	_____
_____	_____
_____	_____
<b>TOTAL:</b>	<b>\$30,483,206</b>

Application Number: 2012045 - Park Village  
Name of Borrower: ROEM Development Corporation

**PRINCIPAL FINANCE TEAM INFORMATION (continued)**

<b>FINANCIAL ADVISOR</b>	<b>REBATE ANALYST</b>
Firm: <b>N/A</b>	Firm: <b>TBD</b>
Contact:	Contact:
Address:	Address:
Telephone:	Telephone:
Fax:	Fax:
E-mail:	E-mail:

**ADDITIONAL REQUIREMENT**

Please provide the following as an additional attachment:

<u>Attachment</u>	<u>Description of Information</u>
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A	\$5,000 non-refundable* issuance fee deposit payable to "California Communities."
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\*Refundable only if financing not approved.

**MAILING ADDRESS**

California Communities®  
2999 Oak Road, Suite 710  
Walnut Creek, CA 94597

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON  
APPROVING THE ISSUANCE BY THE CALIFORNIA STATEWIDE  
COMMUNITIES DEVELOPMENT AUTHORITY OF MULTIFAMILY  
HOUSING REVENUE BONDS FOR THE PARK VILLAGE FAMILY  
APARTMENTS**

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

**WHEREAS**, Park Village Family Apartments, L.P., or related entities, has requested that the Authority adopt a plan of financing providing for the issuance of multifamily housing revenue bonds (the "Bonds") in one or more series issued from time to time, including bonds issued to refund such revenue bonds in one or more series from time to time, and at no time to exceed \$26,000,000 in outstanding aggregate principal amount, to finance the acquisition and rehabilitation of a 164-unit multifamily rental housing project located at 708 West Corregidor Street, Compton, California, generally known as Park Village Family Apartments (the "Project") and operated by FPI Management, Inc.; and

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

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

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

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

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

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

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

**WHEREAS**, pursuant to California Government Code Section 6500 and following, the bonds are issued as limited obligations of the California Statewide Communities Development Authority (CSCDA) and not the City of Compton, payable solely out of the revenues and receipts derived from the applicable project or the loans made by CSCDA to the respective borrower with the proceeds of the bonds.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF COMPTON, DOES  
HEREBY RESOLVE AS FOLLOWS:

**Section 1.** The above recitals are true and correct.

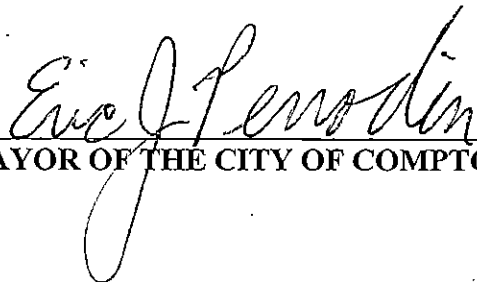
**Section 2.** The City Council hereby approves the issuance of the Bonds and the Refunding Bonds by the Authority. It is the purpose and intent of the City Council that this resolution constitute approval of the Bonds for the purposes of (a) Section 147(f) of the Code and (b) Section 9.

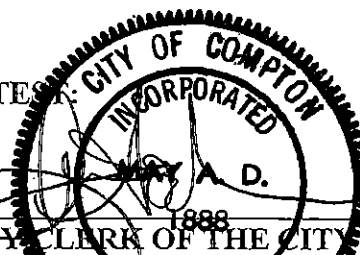
**Section 3.** The officers of the City are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents that they deem necessary or advisable in order to carry out, give effect to and comply with the terms and intent of this resolution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

**Section 4.** That a certified copy of this resolution shall be filed in the offices of the City Manager, City Attorney, City Controller, Community Redevelopment Agency, City Clerk and a copy sent to Orrick, Herrington & Sutcliffe, LLP.

**Section 5.** That the Mayor shall sign and the City Clerk shall attest to the adoption of this resolution.

ADOPTED this 23rd day of October, 2012.

  
MAYOR OF THE CITY OF COMPTON

ATTEST:   
CITY CLERK OF THE CITY OF COMPTON

STATE OF CALIFORNIA  
COUNTY OF LOS ANGELES  
CITY OF COMPTON: ss

I, Alita Godwin, City Clerk of the City of Compton, hereby certify that the foregoing resolution was adopted by the City Council, signed by the Mayor, and attested by the City Clerk at the regular meeting thereof held on the 23rd day of October, 2012.

That said resolution was adopted by the following vote, to wit:

AYES: COUNCIL MEMBERS-Zurita, Dobson, Arceneaux, Jones, Perrodin  
NOES: COUNCIL MEMBERS-None  
ABSENT: COUNCIL MEMBERS-None  
ABSTAIN: COUNCIL MEMBERS-None

  
CITY CLERK OF THE CITY OF COMPTON

**RESOLUTION NO. 13-16**  
**(QUALIFIED RESIDENTIAL RENTAL PROJECT)**  
**EXHIBIT A**

1. Applicant: California Statewide Communities Development Authority
2. Application No.: 13-020
3. Project Sponsor: TBD
4. Project Management Co.: FPI Management Inc.
5. Project Name: Park Village Apartments
6. Type of Project: Acquisition and Rehabilitation/Family
7. Location: Compton, CA
8. Private Placement Purchaser: Citibank, N.A.
9. The Private Placement Purchaser at the time of issuance will be the same as represented in the application.
10. Total Number of Units: **162** plus **2** manager units
11. Total Number of Restricted Rental Units: **162**
12. The term of the income and rental restrictions for the Project will be at least **55** years.
13. The Project will utilize Gross Rents as defined in Section 5170 of the Committee's Regulations.  
**Applicable**
14. Income and Rental Restrictions:  
For the entire term of the income and rental restrictions, the Project will have:  
  
At least **17** Qualified Residential units rented or held vacant for rental for persons or families whose income is at 50% or below of the Area Median Income.  
  
At least **145** Qualified Residential units rented or held vacant for rental for persons or families whose income is at 60% or below of the Area Median Income.
15. For acquisition and rehabilitation projects, a minimum of \$10,000 in hard construction costs will be expended for each Project unit.  
**Applicable**
16. A minimum of \$0,000 of public funds will be expended for the Project.  
**Not Applicable**



**RESOLUTION NO. 13-16**

**Exhibit A**

Page 2 of 4

17. At a minimum, the financing for the Project shall include a Taxable Tail in the amount of \$0,000. Taxable debt may only be utilized for Project related expenses, not for the cost of issuance, for which the Project Sponsor could otherwise have used tax-exempt financing.  
**Not Applicable**
18. If the Project received points for having large family units, for the entire term of the income and rental restrictions, the Project will have at least 113 three-bedroom or larger units.  
**Applicable**
19. For a period of ten (10) years after the Project is placed in use, the Project will provide to Project residents high-speed Internet or wireless (WiFi) service in each Project unit.  
**Not Applicable**
20. For a period of ten (10) years after the Project is placed in use, the Project will offer to Project residents an after school programs of an ongoing nature on-site or there must be an after school program available to Project residents within 1/4 mile of the Project. The programs shall include, but are not limited to: tutoring, mentoring, homework club, and art and recreation activities to be provided weekdays throughout the school year for at least 10 hours per week.  
**Applicable**
21. For a period of ten (10) years after the Project is placed in use, the Project will offer to Project residents instructor-led educational, health and wellness, or skill building classes. The classes shall include, but are not limited to: financial literacy, computer training, home-buyer education, GED, resume building, ESL, nutrition, exercise, health information/awareness, art, parenting, on-site food cultivation and preparation and smoking cessation. Classes shall be provided at a minimum of 84 hours per year (drop-in computer labs, monitoring and technical assistance shall not qualify) and be located within 1/4 mile of the Project.  
**Applicable**
22. For a period of ten (10) years after the Project is placed in use, the Project will offer to Project residents 20 hours or more per week of licensed childcare on-site or there must be 20 hours or more per week of licensed childcare available to Project residents within 1/4 mile of the Project.  
**Not Applicable**
23. For a period of ten (10) years after the Project is placed in use, the Project will offer to Project residents health and wellness services and programs within 1/4 mile of the Project. Such services and programs shall provide individualized support for tenants (not group classes) but need to be provided by licensed individuals or organizations. The services shall include, but are not limited to: visiting nurses programs, intergenerational visiting programs, and senior companion programs. Services shall be provided for a minimum of 100 hours per year.  
**Not Applicable**
24. For a period of ten (10) years after the Project is placed in use, the Project will offer to Project residents a bona fide service coordinator. The responsibilities must include, but are not limited to: (a) providing tenants with information about available services in the community, (b) assisting tenants to access services through referral and advocacy, and (c) organizing community-building and/or enrichment activities for tenants (such as holiday events, tenant council, etc.)  
**Not Applicable**
25. All projects that receive points for being a Federally Assisted At-Risk Project will renew all Section 8 HAP Contracts or equivalent Project-based subsidies for their full term, and will seek additional renewals, if available, throughout the Project's useful life.  
**Not Applicable**
26. All projects that receive points for being a Federally Assisted At-Risk Project based on an expiring Low Income Housing Tax Credit Regulatory Agreement or Tax-Exempt Bond Regulatory Agreement shall have a plan in place to re-certify the incomes of the existing tenants and shall not cause involuntary displacement of any tenant whose income may exceed the Project's income limits.  
**Not Applicable**

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

**Applicable**

Section Waived:

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

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

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

**Not Applicable**

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

**Not Applicable**

**RESOLUTION NO. 013H-\_\_**

**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 \$28,000,000 FOR THE FINANCING OF A MULTIFAMILY RENTAL HOUSING PROJECT GENERALLY KNOWN AS PARK VILLAGE APARTMENTS; DETERMINING AND PRESCRIBING CERTAIN MATTERS AND APPROVING AND AUTHORIZING THE EXECUTION OF AND DELIVERY OF VARIOUS DOCUMENTS RELATED THERETO; RATIFYING ANY ACTION HERETOFORE TAKEN AND APPROVING RELATED MATTERS IN CONNECTION WITH THE 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 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**, Park Village Family Apartments, L.P., a California limited partnership, and entities related thereto (collectively, the “Borrower”), has requested that the Authority issue and sell revenue bonds to assist in the financing of the rehabilitation and development of a 164-unit multifamily rental housing development located in the City of Compton, County of Los Angeles, California and known as Park Village Apartments (the “Project”);

**WHEREAS**, on December 12, 2012 and March 13, 2013, the Authority received allocations in the amounts of \$24,250,000 and \$1,750,000, respectively, (collectively, the “Allocation Amount”) from the California Debt Limit Allocation Committee (“CDLAC”) in connection with the Project;

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

**WHEREAS**, the Authority is willing to issue not to exceed \$28,000,000 aggregate principal amount of its Multifamily Housing Revenue Bonds (Park Village Apartments Project), 2013 Series Q (the “Bonds”), provided that the aggregate portion of such Bonds issued as federally tax-exempt obligations shall not exceed the Allocation Amount, and loan the proceeds thereof to the Borrower to assist in providing financing for the Project, which will allow the Borrower to reduce the cost of the Project and to assist in providing housing for low income persons;

**WHEREAS**, the Bonds will be privately placed with Citibank, N.A., or an affiliate thereof (the “Purchaser”), as the initial purchaser of the Bonds, in accordance with the Authority’s private placement policy;

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

- (1) Trust Indenture (the “Indenture”), to be entered into between the Authority and a trustee to be appointed by the Authority (the “Trustee”);
- (2) Loan Agreement (the “Loan Agreement”), to be entered into between the Authority and the Borrower;
- (3) Bond Purchase Agreement (the “Purchase Agreement”), to be entered into among the Authority, the Borrower, and the Purchaser;
- (4) Regulatory Agreement and Declaration of Restrictive Covenants (the “Regulatory Agreement”), to be entered into among the Borrower, the Authority and the Trustee.

**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 Indenture, 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 (Park Village Apartments Project), 2013 Series Q” with appropriate modifications and series and sub-series designations as necessary, in an aggregate principal amount not to exceed \$28,000,000; 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 Indenture, and shall be executed on behalf of the Authority by the facsimile signature of the Chair of the Authority or the manual signature of any Authorized Signatory (as defined below), and attested by the facsimile signature of the Secretary of the Authority, or the manual signature of any Authorized Signatory. The Bonds shall be issued and secured in accordance with the terms of the Indenture, 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 Indenture, and the Bonds shall not be deemed to constitute a debt or liability of the Authority or any Program Participant or any Member of the Commission of the Authority (each, a “Member”).

Section 3. The Indenture 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. 13R-12 of the Authority, adopted on May 30, 2013) (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 Indenture, 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 August 1, 2058), 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 Indenture as finally executed.

Section 4. The 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 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 Authority is hereby authorized to sell the Bonds to the Purchaser pursuant to the terms and conditions of the Purchase Agreement. The form, terms and provisions of the Purchase Agreement in the form presented at this meeting are hereby approved. Any Authorized Signatory, acting alone, is authorized to execute by manual signature and deliver the Purchase 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 hereby approved by counsel to the Authority, such approval to be conclusively evidenced by the delivery thereof.

Section 6. 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 7. The Bonds, when executed, shall be delivered to the Trustee for authentication. The Trustee is hereby requested and directed to authenticate the Bonds by executing the certificate of authentication of the Trustee appearing thereon, and to deliver the Bonds, when duly executed and authenticated, to or at the direction of the Purchaser, 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 Trustee. Such instructions shall provide for the delivery of the Bonds to or at the direction of the Purchaser in accordance with the Purchase Agreement 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, a subordination or intercreditor agreement, any endorsement and/or assignment of the deed of trust and such other documents as described in the Indenture, the Purchase Agreement, and the other documents herein approved, which they, or any of them, may deem necessary or advisable in order to consummate the lawful issuance and delivery of the Bonds and to effectuate the purposes thereof and of the documents herein approved in accordance with this resolution and resolutions heretofore adopted by the Authority and otherwise in order to carry out the financing of the Project.

Section 9. All consents, approvals, notices, orders, requests and other actions permitted or required by any of the documents authorized by this Resolution, whether before or after the issuance of the Bonds, including without limitation any of the foregoing that may be necessary or desirable in connection with any default under or amendment of such documents, any transfer or other disposition of the Project, any addition or substitution of security for the Bonds or any redemption of the Bonds, may be given or taken by any Authorized Signatory, as appropriate, without further authorization by the Commission, and each such officer is hereby authorized and directed to give any such consent, approval, notice, order or request and to take any such action that such officer may deem necessary or desirable to further the purposes of this Resolution and the financing of the Project; provided such action shall not create any obligation or liability of the Authority other than as provided in the Indenture, 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 August 1, 2013.

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 August 1, 2013.

By \_\_\_\_\_  
Authorized Signatory



Item VI

Discuss and approve Executive Director Job Description.

## Item VII

Update on Enterprise Zone legislation.



## **MEMORANDUM**

**TO:** CSCDA Chair and Commissioners  
**CC:** James Hamill, Program Manager  
**FROM:** Greg Stepanicich, General Counsel  
**DATE:** July 26, 2013  
**SUBJECT:** Legislation Eliminating Enterprise Zones

---

AB 93, an urgency bill approved by the Governor on July 11, 2013, phases out existing enterprise zones and prevents new ones from being formed. SB 90, also an urgency bill approved by the Governor on July 11<sup>th</sup>, is a clean-up bill to AB 93.

AB 93 is a very complicated bill, 134 pages in length, and we have not studied it in detail. However, we have reviewed the Legislative Analyst's Office assessment of enterprise zones, a Senate Floor Alert sponsored by the League of California Cities and other entities, and an assessment of AB 93 prepared by the League. We have included these materials for your reference. This memorandum provides a brief overview of the legislation with the attached materials providing a more in-depth analysis.

AB 93 eliminates or phases out certain tax provisions relating to taxpayers within enterprise zones and similar tax incentive areas such as targeted tax areas and local agency military base recovery areas, and repeals the provisions authorizing the designation of these areas. The tax provisions eliminated or phased out include hiring tax credits, sales and use tax credits, specified net operating loss carryovers, and expense and interest deductions. For example, AB 93:

- limits the application of existing sales and use tax credits to sales and use tax paid for purchases before January 1, 2014 and limits the carryover of the credits to the 10 succeeding years;
- limits the application of existing hiring credits to employees hired within a specific period before January 1, 2014 and limits the carryover of the credits to the 10 succeeding years; and
- limits the interest deduction for banks making loans to businesses in an enterprise zone to interest received before January 1, 2014.

## MEMORANDUM

CSCDA Chair and Commissioners

July 26, 2013

Page 2

AB 93 institutes several new tax programs. First, commencing July 1, 2014, AB 93 provides a sales and use tax exemption, available statewide, in connection with the purchase of qualified property for use primarily in manufacturing, processing, refining, fabricating, recycling or research and development. The exemption is subject to a number of limitations and expires on July 1, 2022.

Second, commencing January 1, 2014, AB 93 provides a hiring tax credit for employment in specified geographic areas. According to the analysis prepared by the League, the new hiring tax credit is much narrower than the previous tax credit. For example, employers previously received credits for taxable wages up to \$12 an hour, but under AB 93 credits are only available on wages between \$12 and \$28 an hour. Further, the categories of employees eligible for the hiring credit are more limited. Other restrictions apply as well, such as the requirement that an employer must increase the total number of jobs from one year to the next. The new hiring credit expires in 2019.

Third, AB 93 allocates California Competes income tax credits through the Governor's Office of Business and Economic Development (Go-Biz) to assist in retaining existing and attracting new business activity in the State. Businesses compete for these tax credits based on a number of criteria including the number of jobs to be created or retained and the wages for such jobs. This program sunsets in 2019.

## BILL ANALYSIS

SENATE COMMITTEE ON BUDGET AND FISCAL REVIEW  
Mark Leno, Chair

Bill No: AB 93  
 Author: Committee on Budget  
 As Amended: June 24, 2013  
 Consultant: Mark Ibele  
 Fiscal: Yes  
 Hearing Date: June 24, 2013

Subject: This is an Economic Development bill that makes various changes in the state tax system beginning in 2013-14. The proposed statutory changes are related to the Governor's Budget proposal to address budgetary aspects of one of the state's largest and fastest growing tax expenditure programs, and provide additional tax incentive programs to encourage economic development.

Summary: This bill makes substantial changes to the state tax system, relating to the personal income tax (PIT), corporation tax (CT), and sales and use tax (SUT). The bill would result in phasing-out and ending certain tax provisions relating to taxpayers located in Enterprise Zones (EZs) and similar tax incentive areas, ending the current New Jobs Credit tax incentive program, and instituting two major tax programs—a SUT exemption for equipment and similar purchases, and a hiring tax credit under the PIT and CT for employment in specified geographic areas. The bill would also provide for allocating income tax credits through the Governor's Office of Business and Economic Development (GO-Biz) to assist in retaining existing and attracting new business activity in the state.

Background: The state imposes a tax on the sale and use of tangible personal property, a tax on personal income, and a corporation tax based on income. For each tax, there are various special tax expenditure programs designed to encourage or reward particular economic activities. The state's taxes and tax expenditure programs affected by this bill are outlined below:

1. Sales and Use Tax. California's sales and use tax law imposes the sales tax on the sale of tangible

-1-

personal property in the state and the use tax on the storage, use, or other consumption of tangible personal property in the state, except where a specific exemption is provided. Generally, the SUT applies to the purchase or use of tangible personal property, such as equipment, that is used to manufacture, produce or process tangible personal property. Thus, the tax is generally imposed on equipment used in manufacturing and research and development. The tax is not applied to sales of tangible personal property when it is physically incorporated in a manufactured item that will be sold. The current statewide SUT rate is 7.25 percent and includes rates for the state General Fund, various special funds, and local governments. In addition, local governments may impose voter-approved add-on rates. An allocated exclusion from this tax is provided by the California Alternative Energy and Advanced Transportation Financing Authority (CAEATFA) for purchases of tangible personal property for approved manufacturing projects. The Board of Equalization (BOE) administers the SUT.

2. Enterprise Zone Programs. California levies the PIT on all California-sourced income. The PIT is paid by all California residents and nonresidents who receive income from sources in the state, unless such income is specifically excluded from taxation. The state also imposes the CT based on all income derived from or attributable to California, and levies the SUT on the sale of use of tangible personal property in the state.

The Department of Housing and Community Development (HCD) may designate certain geographic areas as EZs, thus providing access to tax incentives for businesses that conduct activities in these zones. Cities and counties may apply to HCD for zone designation based

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6/24/13

on unemployment rates, residents' participation in subsidized meal programs, median resident income, recent experience with plant closures, and certain other socio-economic characteristics. Statutory authority allows for the creation by HCD of up to 42 zones, each for a 15-year period. Currently, the

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state has 40 designated zones; two zones were allowed to expire in 2012. EZs are widespread throughout the state and result in potential tax benefits for virtually all types of industries. With exceptions for certain tax programs, these tax incentives are generally available for certain other designated geographic areas, comprising Local Area Military Base Recovery Areas, Targeted Tax Areas, Manufacturing Enhancement Areas, and the Los Angeles Revitalization Zone. These later areas constitute a minor portion of the geographically-based tax incentive program.

Taxpayers with business activities located in an EZ can claim various tax incentives through both the PIT and CT. The available tax incentive programs include tax credits for hiring certain qualified individuals, sales taxes paid on equipment purchases, and net interest deductions for banks making loans to an EZ business. In addition, EZ businesses may benefit from accelerated depreciation of equipment and the carry-over of 100 percent of business losses to future tax years. The specific programs are:

- a. EZ Hiring Credit. The largest EZ-related incentive is the hiring credit. California law provides a credit to taxpayers that employ qualified employees in an EZ during the taxable year equal to: (1) 50 percent of qualified wages in the first year of employment; (2) 40 percent of qualified wages in the second year of employment; (3) 30 percent of qualified wages in the third year of employment; (4) 20 percent of qualified wages in the fourth year of employment; and, (5) 10 percent of qualified wages in the fifth year of employment. In general, qualified wages means wages that do not exceed 150 percent of the minimum wage. Such wages must be paid to a qualified employee who works at least 90 percent of the time on activities directly related to the business located in an EZ and whose services must be at least 50 percent performed within the boundaries of an EZ. Qualified employees include economically disadvantaged individuals, dislocated workers,

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disabled individuals, ex-offenders, recipients of certain federal or state aid, members of a federally-recognized Indian tribes, or residents of a defined "targeted employment area" (TEA), where more than 50 percent of the residents are low- and moderate-income. To qualify for the hiring credit, the taxpayer must obtain a certification, or voucher, indicating that the employee meets the eligibility criteria specified above. Taxpayers are required to retain a copy of this voucher and provide it upon request to the Franchise Tax Board (FTB), the state agency charged with administering the CT and the PIT.

- b. Sales or Use Tax Credit. Taxpayers engaged in a trade or business within an EZ may take a credit equal to the SUT paid during the taxable year in connection with the purchase of qualified property. Qualified property includes specified machinery and machinery parts, data processing and communications equipment, and motion picture manufacturing equipment central to production and postproduction. The total cost of qualified property permitted for purposes of claiming this credit may not exceed \$1 million for PIT filers and \$20 million for CT filers. Moreover, the qualified property must be used by the taxpayer exclusively in an EZ.

c. Net Interest Deduction. California law provides for the deduction of net interest income on loans made to a trade or business located solely within an EZ. For purposes of the EZ net interest deduction, a qualified taxpayer (creditor) is defined as an entity that loans funds on or after the designation date of the EZ to a qualified business (debtor) and receives interest payments thereon. The taxpayer (creditor) does not have to be located in the EZ to take advantage of the net interest deduction; only the debtor needs to operate within the EZ.

d. Accelerated Depreciation. Existing law allows EZ taxpayers to treat 40 percent of the

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cost of specified property as an expense not chargeable to the taxpayer's capital account. Any such cost may be allowed as a deduction for the taxable year in which the taxpayer places the property in service. Such property must be for exclusive use in a trade or business conducted within an EZ.

e. Employee Tax Credit. Existing law allows a PIT or CT credit equal to five percent of qualified wages, as defined, received by a qualified EZ employee during the taxable year. However, for each dollar of income received by the employee in excess of qualified wages, the credit is reduced by nine cents.

1. New Jobs Credit. Under the PIT and the CT, a tax credit of up to \$3,000 for each additional full-time employee hired is available to small businesses with 20 or fewer employees, beginning January 1, 2009. The credit is prorated on an annual full-time equivalent basis for employees employed less than a full year. To qualify, each qualified full-time hourly employee must be paid wages for not less than an average of 35 hours per week and each qualified full-time employee that is a salaried employee must be paid compensation during the year for full-time employment.

Generally, an employer may not claim the credit for those employees who are certified as a qualified employee in an EZ or similar incentive area, or for an employee whose wages are included in calculating any other credit allowed. In addition, there must be a net increase in qualified full-time employees compared to the number of full-time employees employed in the preceding taxable year. For taxpayers who first commence doing business in California during the taxable year, the number of qualified full-time employees considered employed in the preceding year would be generally be zero, unless certain special rules apply.

The credit is an allocated credit and the total amount of credit available to be claimed by all taxpayers is

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capped at \$400 million. The credit must be claimed on a timely filed original return received by the FTB on or before a cut-off date specified by the FTB.

2. Governor's Office of Business and Economic Development. The Governor's Office of Business and Economic Development (GO-Biz) was created to serve as a single point of contact for economic development and job creation efforts. The office offers a range of services to businesses including: business attraction, retention and expansion services; site location selection; permit assistance; regulatory filing and approval assistance; small business assistance; international trade development; and assistance with state government. Under the Governor's Reorganization Plan No. 2 (GRP 2), the Infrastructure Development Bank, the California Film Commission, the Office of Tourism, and the Small Business Loan Guarantee Program

will be transitioned from the Business, Transportation and Housing Agency (BT&H) to GO-Biz, effective July 1, 2013.

Proposed Law: The proposed law institutes several new tax programs that will result in tax reductions for certain purchases of tangible personal property and for increasing employment in specific designated areas. In addition, the law would provide for the allocation of tax credits in exchange for investments and employment in California. The law would also result in the elimination of EZ and related area tax incentives and the New Jobs Credit.

1. Sales and Use Tax Exemption. The proposed law would allow for an exemption from the state portion of the SUT, beginning January 1, 2014 and before January 1, 2019, for certain purchases by qualified purchasers that are used in designated activities. The exemption would be limited annually to the first \$200 million of otherwise eligible purchases by a qualified purchaser. Qualified purchasers that would be eligible for the SUT exemption are identified by designated codes of the North American Industry Classification System (NAICS), but excluding extractive industries:

- a. NAICS Codes 3111 through 3399 include all

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establishments primarily engaged in manufacturing activities. This encompasses manufacturers in the aerospace sector, textiles, pharmaceuticals, printing, food and others.

- b. NAICS Code 541711 includes establishments primarily engaged in conducting biotechnology research and experimental development. This encompasses industries using microorganisms and cellular and bio-molecular processes to develop or alter materials.

- c. NAICS Code 541712 includes establishments primarily engaged in conducting research and experimental development in the physical, engineering and life sciences. This encompasses activities in agriculture, electronics, environmental biology, botany, computers, chemistry, food, fisheries, forest, geology, health, mathematics, medicine, oceanography, pharmacy, physics, veterinary and other allied fields.

Qualified tangible personal property must be used at least 50 percent of the time by the qualified purchaser in any stage of manufacturing, processing, refining, fabricating, or recycling of tangible personal property; for purposes of research and development; to maintain, repair, measure, or test tangible personal property; and, if purchased by a contractor, used as an integral part of the manufacturing, processing, refining, fabricating, or recycling process, or as a research and storage facility for use in connection with those processes.

Qualified tangible personal property eligible for the exemptions would include: machinery and equipment, including component parts such as belts, shafts, moving parts and operating structures; equipment or devices used or required to operate and control machinery such as computers, data processing equipment, software; pollution control equipment that meets state and federal standards; and special purpose buildings used as an integral part of manufacturing,

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processing, refining, fabricating or recycling process, not including storage. Eligible property must have a useful life in excess of one year and excludes items such as furniture, equipment used for extraction or storage, or property used for administration, management or marketing.

The SUT exemption would be provided if the purchaser



furnishes a seller with an exemption certificate, which would be kept by the seller and furnished to the BOE upon request. Qualifying purchases that are removed from the state, or used for unqualified activities, within one year of the purchase would be subject to a 'claw-back' equal to the value of the SUT exemption. The purchaser of the property would be liable for the payment of the sales or use tax that would otherwise have been collected from the seller absent the provision of the exemption.

2. **Hiring Credit.** The proposed legislation would initiate a new hiring tax credit under the PIT and CT, from January 1, 2014 to January 1, 2019, for additional hiring of employees in defined geographic areas of the state. The hiring credit would be available in the geographic areas largely covered by the existing EZs (except certain census tracts with low unemployment), two recently expired EZs located in Antelope Valley and Watsonville, and in designated census tracts that have a civilian unemployment rate and a poverty rate in the top 25 percent of all census tracts in the state. The credit percentages for all hiring credits are 35 percent per year for five years for wages between 150 percent and 350 percent of the minimum wage (currently between \$12 and \$28 per hour). The credit is available for full-time employees who perform at least 50 percent of their activities in the designated areas. Generally, (except for small businesses that claim the credit), the following apply: (1) taxpayers from a temporary agency, retailer, restaurant or drinking establishment, as defined by the NAICS codes are prohibited from receiving the hiring credit; and (2) taxpayers that move into an EZ are required to provide an "offer of transfer" to its employees with comparable

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compensation. Important features of the Hiring Credit include the following:

- a. **Employee Characteristics.** Employees would have to meet one of the following characteristics: (1) have been previously unemployed for six months; (2) received the Earned Income Tax Credit (EITC); or (3) have served in the United States Military.
- b. **Net New Jobs.** The bill requires that in order to qualify for any credit, the taxpayer must have experienced an increase in total jobs throughout the state from one year to the next. Taxpayers are only allowed the credit for the number of new jobs provided in the state. For example, if a company shows it has hired 100 employees statewide, the company may receive total credits for up to 100 employees. Alternatively, if a taxpayer hires 50 new employees in one area but laid-off 25 employees in another part of the state, the taxpayer would only be eligible for credits for 25 qualified employees.
- c. **Small Business Provisions.** The bill requires that 25 percent of the hiring credits be reserved for small business, defined as businesses with annual gross receipts of under \$2.0 million. Small business must comply with all requirements except the offer of transfer and the industry limitations noted above.
- d. **Credit Administration.** Taxpayers may only qualify for the credit if it is on the original filed timely return with the FTB; no credit may be claimed on an amended return. Taxpayers, with qualified employees that meet the net new jobs test, must reserve a credit with the FTB. The credit is then claimed on an original filed timely return. The proposed statute requires the FTB to compile a list of the hiring credit vouchers claimed and number of new jobs created for each taxable year.

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3. Governor's Office of Business and Economic Development. The bill establishes the California Competes Tax Credit Committee (CCTCC), consisting of the State Treasurer, Director of Finance, the Director of GO-Biz, and a representative of the Senate and Assembly. The CCTCC would approve or reject written agreements for the allocation of California Competes tax credits under the PIT and the CT after the receipt of fully executed written agreements between the taxpayer and GO-Biz. Under the program, up to \$30.0 million would be allocated in 2013-14, \$150.0 million in 2014-15 and \$200.0 million from 2015-16 through 2018-19. The amounts actually allocated would be subject to restrictions based on the total value of SUT exemptions and Hiring Credits claimed relative to the amount of \$750.0 million. Twenty-five percent of the credits would be reserved for small businesses and priority would be given to projects proposed for location in areas of high unemployment or poverty.

The agreement to award credits would take into consideration, but not limited to: the number of jobs created; the compensation paid to employees; amount of investment by the taxpayer in the state; amount of unemployment in the area; other incentive available to the taxpayer in this state and other states; duration of the project; overall economic impact of the project; strategic importance of the project; opportunity for future expansion in the state by the taxpayer; and the extent to which state benefits exceed state costs. In the event that a taxpayer fails to perform under the written agreement, the credit would be subject to recapture. The bill also requires GO-Biz to provide information to FTB regarding the effectiveness of the credits as measured by job creation, additional investment and other metrics.

4. Enterprise Zone Programs. Under the proposed legislation, programs related to tax incentives for activities in EZs and similar areas, would generally no longer be effective beginning January 1, 2014. However, with respect to the EZ hiring credit, for

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employees employed by the qualified taxpayer prior to January 1, 2014, the wages paid with respect to those employees would continue to qualify for the credit for any remainder of the five-year period. In addition, credits claimed, or earned, under the EZ program and carried-over from prior years, could continue to be applied to tax liabilities for up to five years, or through December 2019.

5. New Jobs Credit. Under the proposed statute, the 2009 New Jobs Credit would cease to be operative for taxable years beginning on or after January 1, 2014 and repealed.
6. Appropriation. An appropriation to the Department of Finance and the CCTCC is provided for the costs of administering the provisions of this act. The allocation of funds under this appropriation would be effective 30 days after the notification by the Director of Finance to the Joint Legislative Budget Committee (JLBC).

Proposed Amendments: Proposed committee amendments to AB 93 are the following:

1. Legislative Intent. The legislative intent language amendment would indicate that the Legislature finds and declares the goal of California's economic development policy should be designed to: create good jobs with middle class wages and benefits; target for assistance individuals with barriers to employment; and, encourage businesses to invest and create jobs in California.
2. Targeted Employment Areas. There are three categories of employees eligible for the hiring credit: (1) individuals who have been unemployed for six months; (2) veterans unemployed at discharge; and (3) EITC recipients. The amendment would allow for the expedited processing of credit reservation requests from a qualified taxpayer who submits a tentative tax credit reservation request for an eligible employee (under of the three eligibility

categories) who also happens to reside in a TEA.

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3. Legislative Reporting. The proposed amendment would require the following program evaluations be provided to the JLBC annually. The reports would include discrepancies between initial estimates and actual credit or exemption usage under the programs and identify options for program changes in the event usage is below expectations. The evaluations presented to the JLBC would be provided by: FTB for the Hiring Credit; BOE for the SUT exemption; and GO-Biz for the California Competes credits.
4. Severability. The bill amendments would provide a severability clause that would allow for the continued operation of other provisions of the statute in the event that the establishment of the GO-Biz California Competes credit is found to be an unlawful delegation of legislative authority. In addition, the bill amendments contain language that would preclude the operation of the SUT exemption and the Hiring Credit in the event the repeal of the EZ program and the New Jobs Credit are overturned and instead remain operative.
5. Sales and Use Tax Exemption Delay. The proposed amendments would delay the implementation of the sales and use tax exemption for equipment related to manufacturing and research and development for six months. Under the amendments, the exemption would be available beginning July 1, 2014.
6. Technical Amendments. Legislative Counsel has identified certain technical changes that relate to cross-references, typographical errors, and inadvertent minor inconsistencies that will be clarified through the amendments.

Fiscal Effect: The bill contains measures that would result in revenue increases and decreases. Revenue decreases would result under the proposal from the sales and use tax exemption, tax credits for additional hiring created, and tax incentives provided by GO-Biz. Increases in revenues would stem from the repeal of certain tax credits and other tax incentives related to the enterprise

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zones and similar tax incentive areas, and cessation of the 2009 New Jobs Credit. The table below indicates the revenue impacts of isolated components of the proposal and the total impact of the measure over the next four years:

Revenue Impacts (In Millions \$)

Tax Provision	2013-14	2014-15	2015-16	2016-17
Sales and Use Tax Exemption	-236	-486	-521	-531
Hiring Credit	-7	-34	-70	-110
GO-Biz Incentives	0	-32	-83	-134
Enterprise Zone Repeal	95	375	635	805
New Jobs Credit Repeal	75	0	0	0
Total	-73	-177	-39	30

Estimates from the Board of Equalization (BOE) and the Franchise Tax Board (FTB) provide the basis for the revenue estimates shown the table. The Department of Finance (DOF) then made additional adjustments in these estimates to account for specific policy design aspects of the proposal, assumptions regarding behavioral shifts, and anticipated future actions.

In particular, the BOE provided base estimates of the revenue loss due to sales and use tax exemptions which do not account for certain adjustments required to incorporate behavioral changes, interactions with other programs, and limitations on the availability of the exemption. DOF's most significant adjustment to the BOE estimates is a downward adjustment resulting from the \$200 million per-firm limitation. A review of California data indicates that, while few firms exceed the \$200 million threshold, those that do contribute a disproportionate share of capital purchases-almost 22 percent of equipment purchases

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are attributable to purchases in excess of \$200 million by firms with more than \$200 million in purchases. This adjustment results in a reduction in the revenue loss from this component.

Similarly, the FTB provided base estimates for the elimination of EZ credits and those for similar zones. FTB's estimates did not account for anticipated revenue impacts of regulatory decisions by the Administration, through audit procedures or other administrative steps that would, as a matter of course, work to reduce the impact of the EZ tax incentive programs. Not accounting for these anticipated actions would tend to overstate the positive revenue implications in the bill attributable to ending EZ tax incentive programs. Thus, the DOF adjustment results in a reduction in the revenue gain associated with the proposal.

DOF's revenue impact projections are based on available California data and account for historical patterns of equipment purchases for various firms. The available state-level data used is based on a reasonable period from which to sample. While there will always be variations from estimated revenues due to changing circumstances and events for which forecasting tools cannot account, the revenue estimates seem reasonable.

Support: NA

Opposed: NA

Comments: From an economic perspective, the core of the proposed policy changes would represent an improvement in overall state tax policy. The SUT exemption, although limited to particular industries, would represent a fundamental policy improvement by addressing the phenomenon of 'tax pyramiding'-that is, when inputs to production are taxed as well as the outputs. While this aspect of the proposal represents good tax policy, broad application would result in significant revenue losses; however, this possibility is dealt with by targeting the exemption to particular industries. Regarding the EZ programs, the general intent of the PIT and CT tax incentives in the EZ program is to generate, in designated areas, economic

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activity-such as additional investment and employment-that would otherwise not occur. However, the effectiveness of the EZ program in this regard has been the subject of substantial criticism. A broad body of economic and tax research indicates that the program offers a poor return on the state's sizable investment, largely as a consequence of the ineffectiveness and inefficiencies inherent in tax incentive programs of this type. On balance, the proposal represents a significant step forward for state policy, while still retaining certain incentive benefits for disadvantaged areas of the state.

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## BILL ANALYSIS

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( Without Reference to File )

CONCURRENCE IN SENATE AMENDMENTS  
AB 93 (Budget Committee)  
As Amended June 25, 2013  
2/3 vote. Urgency

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| ASSEMBLY: | (May 13, 2013) | SENATE: | 30-9 | (June 25, 2013) |  
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(vote not relevant)

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| COMMITTEE VOTE: | 7-0 | (June 27, 2013) | RECOMMENDATION: | concur |  
| (L.GOV) | | | |  
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Original Committee Reference: BUDGET

SUMMARY : Institutes two new tax programs - a Sales and Use Tax (SUT) exemption for manufacturing and bio-tech equipment and similar purchases, and a hiring credit under the Personal Income Tax (PIT) and Corporation Tax (CT) for employment in specified geographic areas. Additionally, this bill would result in phasing-out and ending certain tax provisions related Enterprise Zones (EZs) and similar tax incentive areas, and ending the current New Jobs Credit tax incentive program. The bill also provides for allocating income tax credits through the Governor's Office of Business and Economic Development (GO-Biz) to assist in retaining existing and attracting new business activity in the state. Specifically, this bill has the following components:

1) SUT Exemption :

- a) Allows for a new exemption from the state portion of the SUT, for manufacturing and bio-tech equipment, including research and development equipment.
- i) For those in current EZs and designated census tract boundaries, the credit would apply for 6.5 years, and,
- ii) For those outside the boundaries, the credit would apply for 4.5 years.

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- b) Includes a cap of \$200 million in aggregate purchases annually per business.
- c) Provides an exemption at the time of purchase consistent with current Board of Equalization exemption process.
- d) Contains no cap on the total amount of the credit.
- e) Includes an operative date of July 1, 2014, and a sunset date of July 1, 2021.
- f) Includes provisions that if qualifying purchases are removed from the state, or used for unqualified activities, within one year of the purchase would be subject to a claw-back equal to the value of the SUT exemption.

2) Hiring Credit :

- a) Initiates a new hiring credit under the PIT and CT beginning July 1, 2014, to July 1, 2021 for additional hiring of employees in defined geographic areas of the state.
- b) Includes credit percentages for all hiring credits at 35% per year for wages at 1.5 times minimum wage up to 3.5 times minimum wage.
- c) Makes credit available to full-time employees who perform 50% of their activities in designated areas and generally excludes retail, casinos, temp agencies, etc.; these provisions do not apply to small businesses.
- d) Makes the hiring credit available in EZs that existed as of 2011, in addition adds back Watsonville and Antelope Valley, and includes certain census tracts with low unemployment and high wealth; and makes the hiring credit available statewide in those census tracts with the highest unemployment and high

poverty rates.

- e) Includes a requirement that the credit is available only for "hard to hires" including:
  - i) Long Term Unemployed (six months);
  - ii) Veterans;

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- iii) Those on Federal Earned Income Tax Credit (EITC); and,
- iv) Was an ex-offender under Revenue and Taxation Code Section 17035.74.
- f) States that 25% of credit is available for small businesses and defines small business as having gross receipts of less than \$2 million at owner level.
- g) Requires that business be in a specific North American Industry Classification System (NAICS) code and excludes retail or food.
- h) Requires businesses to reserve a credit with Franchise Tax Board (FTB) ahead of time.
- i) Requires net new jobs, which is defined to mean that in order to qualify for any new credit, the taxpayer must have experienced an increase in the total jobs throughout the state from one year to the next.
- j) Requires an employee to stay with an employer for three years or credits must be returned, unless specified circumstances are made.
- aa) Requires program evaluations from FTB for the Hiring Credit, Board of Equalization (BOE) for the SUT Exemption, and GO-Biz for the California Competes Credit, to be submitted to the Joint Legislative Budget Committee annually, including discrepancies between initial estimates and actual credit or exemption usage under the programs and identify options for program changes in the event usage is below expectations.
- bb) Creates an expedited process of reserving a tax credit for a taxpayer who hires an employee that meets one of the hard to hire categories and lives in a Targeted Employment Area (TEA).
- cc) Contains a severability clause that would allow for the continued operation of other provisions of the statute in the event that the establishment of the GO-Biz California Competes credit is found to be unlawful delegation of legislative authority.

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- dd) Contains language that would preclude the operation of the SUT exemption and the Hiring Credit in the event the repeal of the EZ program and the New Jobs Credit are overturned and instead remain operative.
- 3) GO-Biz Incentives :
- a) Allows businesses to compete for available funds based on criteria showing the number of jobs to be created and retained, wages those jobs pay, and a set job retention period.
  - b) Establishes the California Competes Tax Credit Committee (CCTCC), which membership consists of the Treasurer, the Director of Finance, the Director of Governor's Office of Business and Economic Development, and an appointee by the Assembly and the Senate.
  - c) Limits the amounts of credits available for GO-Biz not to exceed \$30 million (fiscal year (FY) 2013-14), \$150 million (FY 2014-15), and \$200 million (each FY 2015-19).
  - d) States that the amount available is dependent on how much SUT Credits and Hiring Credits are given out per year; and the total of all three not to exceed \$750 million.

- e) Sets 25% aside for small business.
- f) Requires the CCTCC to approve or reject written agreements for the allocation of California Competes tax credits under the PIT and CT after the receipt of fully executed written agreements between the taxpayer and GO-Biz.
- g) Includes provisions that written agreements would take into consideration, but not limited to, the number of jobs created, the compensation paid to employees, amount of investment by the taxpayer in the state, and amount of unemployment in the area.
- h) Includes legislative intent to declare the economic policy in the state should be designed to create good jobs with middle class wages and benefits, target for assistance individuals with barriers to employment, and encourage business to invest in California.

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- i) Caps GO-Biz credits to no more than 20% of funds available at GO-Biz for a single taxpayer per year.
- j) Includes provisions that approved businesses will receive funds via tax credit.
- aa) Includes provisions of six years for the carry over on GO-Biz credits.
- 4) Repeals the old EZ provisions and the small business hiring credit program effective January 1, 2014.
- 5) Ends the programs related to tax incentives for activities in EZs beginning January 1, 2014. However with respect to the hiring credit, allows any business that has credits to finish receiving their remaining credits over the next 10 years. No new hiring credits will be issued after December 31, 2013.
- 6) Contains an appropriation of \$600,000, for the Department of Finance to allocate to agencies to fund the bill.
- 7) Includes an urgency clause allowing this bill to take effect immediately upon enactment.

EXISTING LAW :

- 1) Provides for the establishment of Geographically-Targeted Economic Development Areas (G-TEDA) programs to stimulate business and industrial growth, and creates jobs in depressed areas of the state. Specifically, existing law:
  - a) Establishes the EZ program with a maximum of 42 EZs, each designated for an initial 15-year period by the Department of Housing and Community Development (HCD);
  - b) Establishes the Local Agency Military Base Realignment Area (LAMBRA) Program with a maximum of eight LAMBRAs, each designated for an eight-year period by HCD. Limits designation to one LAMBRA per geographical region of the state;
  - c) Establishes the Manufacturing Enhancement Area (MEA) Program with a maximum of two MEAs, each designated for a 14-year period by HCD. Limits MEA designation to impoverished

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- areas along the California-Mexico border; and,
- d) Establishes the Targeted Tax Area (TTA) Program, administered by HCD, within the County of Tulare for a 15-year period.
- 2) Provides legislative intent that the "health, safety, and welfare of the people of California depend upon the development, stability, and expansion of private business, industry, and commerce, and there are certain areas within the state that are economically depressed due to a lack of investment in the private sector. Therefore, it is declared to be the purpose of this chapter to stimulate business and industrial growth in the



depressed areas of the state by relaxing regulatory controls that impede private investment. Further, that is in the economic interest of the state to have one strong, combined, and business-friendly incentive program to help attract business and industry to the state, to help retain and expand existing state business and industry, and to create increased job opportunities for all Californians."

- 3) Provides for the New Jobs Credit, where employers inside an EZ may claim a tax credit of 50% of the wages paid to a qualified employee in the first year, 40% in the second year, 30% in the third year, 20% in the fourth year, and 10% in the fifth year, up to 150% of the minimum wage. Businesses or consultants submit applications to qualify employees to zone managers, who grant the firm or consultant a voucher certifying eligibility if the employee qualifies and the firm claims the credit on its next tax return.

FISCAL EFFECT : Preliminary costs from the Department of Finance suggest that over the next five years, the net benefits can range from a benefit of \$163 million to a cost to the state of \$169 million, changing year to year. Additionally, it includes costs of \$600,000, for the Department of Finance to allocate to agencies to implement the program.

COMMENTS : Under existing law, HCD can designate up to 42 EZs, which are intended to stimulate business and industrial growth in economically depressed areas of the state and to provide incentives for hiring disadvantaged individuals. Within an EZ, cities and counties can relax regulatory controls (such as permits and development fees), provide tax incentives, expand infrastructure, and target federal grants for education, health and welfare,

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economic development, vocational education, transportation, and housing. The state allows a number of tax credits and deductions for businesses in the EZ, including credits for sales and use tax paid on manufacturing equipment purchases, hiring credits for qualified employees, 100% net operating loss carryover for losses associated with operations within the EZ, deduction of interest earned by lenders who loan money to EZ businesses, and election to expense rather than amortize equipment used within the EZ. An EZ designation lasts for 15 years.

Cities and counties apply to HCD to designate geographic areas in their jurisdictions as EZs. Geographic areas are eligible based on unemployment rates, free lunch program participation, median income, plant closures, or history of gang-related activity. HCD selects EZs through a competitive process based on the appropriateness of the applicant's proposed economic development strategy and implementation plan. There are 40 EZs located throughout the state, from Siskiyou County to Calexico, with eight located in Los Angeles County and three in Kern County. Ventura County has no EZs in its boundaries. EZs range in size from one square mile to 70 square miles. Two EZ designations became available in 2012.

The Franchise Tax Board (FTB) reported that \$721.5 million in EZ business incentives were claimed through corporate and personal income tax returns in 2010. Additionally, FTB reported hundreds of millions in carryover credits have been earned by businesses, but have not been claimed.

The EZ program has been the subject of much debate, litigation, and two legislative oversight hearings in recent years. Program supporters contend that EZs are an effective tool for economic development, citing accounts from taxpayers who state that they locate in California largely because of EZ program incentives. Supporters state that the incentives draw investment into economically distressed communities and provide avenues for hard-to-hire individuals to find employment. Critics argue that the program offers a poor return on the state's investment, and question specific components of the program.

There have been different proposals over the years to reform the EZ program. The last major reform proposal came in 2011-12. Governor Brown proposed to repeal all EZ tax credits, citing the Legislative Analyst's Office long-standing recommendation to reform or repeal the program. The Department of Finance noted that the proposal

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would have increased revenue by \$343 million (2010-11), and \$583

million (2011-12). The Governor proposed that the zones would continue to provide local incentives, but zone taxpayers could no longer receive state tax benefit. The Legislature at that time did not act on his proposal.

This year, the Governor's January budget assumed savings related to new regulations for the EZ program, which is estimated to increase General Fund revenues by \$10 million in 2012-13 and \$50 million in 2013-14. The reforms are projected to save \$310 million over the first five years.

This bill goes beyond previous proposals to eliminate enterprise zones. This bill creates a new process to create jobs and stimulate the economy. This bill makes substantial changes to the state tax system, relating to the personal income tax (PIT), corporation tax (CT), and sales and use tax (SUT). This bill results in phasing-out and ending certain tax provisions relating to taxpayers located in enterprise zones (EZs) and similar tax incentive areas, ending the current New Jobs Credit tax incentive program, and instituting two major tax programs—an SUT exemption for equipment and similar purchases, and a hiring tax credit under the PIT and CT for employment in specified geographic areas. This bill also provides for allocating income tax credits through the Governor's Office of Business and Economic Development (GO-Biz) to assist in retaining existing and attracting new business activity in the state.

Analysis Prepared by : Debbie Michel / L. GOV. / (916) 319-3958

FN: 0001361



**SENATE FLOOR ALERT**  
**AB 93 -(OPPOSE)**  
**(Budget Trailer Bill)**

The organizations listed above **strongly oppose AB 93 (Budget Trailer)** as it **FULLY ELIMINATES THE ENTERPRISE ZONE PROGRAM**. We believe elimination of the last remaining economic development program will particularly impact small businesses, impoverished areas of the state, and hurt low-income and minority communities.

AB 93 undoes an established policy that currently benefits poor communities and those who need help the most, specifically, people with barriers to employment, like disabled persons, ex-offenders and people on public assistance. Besides breaking faith with the local agencies and businesses that have played by the state's rules, the alternatives being offered are inadequate substitutes.

AB 93 requires a 2/3 vote by the Legislature because it imposes a large tax increase on thousands of businesses. If the purported goal I of AB 93 is to help some of the targeted industries, the elimination of the Enterprise Zone program is unnecessary. This proposal would eliminate all incentives for businesses in California, as the provisions sunset all benefits in 2019.

AB 93 would, among other things:

- **Break faith with zones, communities and businesses** – By eliminating the Enterprise Zone benefits midstream, AB 93 is a *broken promise* to communities that have invested and worked with their local partners to make the program successful and to businesses who made decisions to invest, expand and keep jobs in California. These kinds of policies are what make attraction of jobs to California so difficult, because no matter what the deal is, it can always be broken. This creates great uncertainty for businesses that are making decisions for long-term growth.

- **Not assist small or minority owned businesses** – Most entrepreneurs and small businesses would not qualify for any provisions outlined in the alternative proposal in AB 93. According to Franchise Tax Board data, currently, 94% of the credits claims in Enterprise Zones are by small businesses. These are defined as businesses earning \$5 million or less. There is no job growth without small businesses growth. AB 93 is a disincentive for small business because it only helps larger businesses.
- **Diminish the value of the Hiring Credit** – Even if the boundary were changed to include all businesses in the current Enterprise Zone, the mandate of paying \$12/hour and the “net new jobs” would make the hiring credit of little value. AB 93 would not provide 35% of \$12/hour, but only for difference paid above \$12/hour. For example, if you paid \$13/hour, the benefit would be 35% of \$1.00. That would be worth 35 cents. This is not an incentive to hire those people with barriers to employment. The retention of jobs if given absolutely no value with the “net new jobs” and devalues the work of businesses who have kept people employed in California.
- **Excludes many needy individuals from participation** – AB 93 would reduce the current 24 disadvantaged individual categories to only three (3). The Enterprise Zone program currently provides incentives to hire individuals like ex-offenders, disabled persons and other people who are on public assistance.
- **Eliminate entire industry sectors** – The hiring credit proposed in AB 93 would eliminate the ability to use the hiring credit if you are a retail or food service business. Retail services would include car dealers, large equipment sales, and other significant job creators, especially in rural areas of California. Food services would not just eliminate the hiring credit usage for restaurants, it would include theaters, and any other facility where food is served. Many small business owners, especially in minority communities, are in the food service business and help provide a living for many families.
- **Residential rather than business census tracts** – Businesses cannot not locate in residential neighborhoods and therefore could not qualify for the hiring credit.
- The census tracts, identified on the maps as eligible for the hiring credit in AB 93, would exclude thousands of businesses that currently have the ability to take advantage of the benefits of the Enterprise Zone program. Additionally, many of the census tract areas are strictly residential.
- **Inhibit transparency with GoBiz special fund** – AB 93 would obscure state business retention and attraction efforts by shifting the process behind closed doors where special deals could be crafted. Business will lack clarity and certainty in a process that could be influenced by politics
- **Cap credits already earned** – AB 93 would unfairly cap credits already earned at five years. This retroactive application of a cap is unfair to businesses who relied upon current law for tax planning.

With several hundred pages of proposed new law that will be barely in print at the time this measure is anticipated to be voted upon, there are, no doubt, many other elements of this proposal that should merit additional legislative transparency and review. Proposals of such consequence to our state’s economy should not be rushed in such fashion.

***Our organizations understand there are criticisms of the EZ Program and its incentives, and support the effort to make legitimate improvements. We encourage a robust legislative discussion with all stakeholders to develop thoughtful reforms that preserve the program's essential economic and community development benefits and not harm the businesses and individuals the Program is intended to benefit.***

Again, we urge your **NO** vote on **AB 93**.

*American Council of Engineers, California Asian Pacific Chamber of Commerce, California Association of Enterprise Zones, California Association of Local Economic Development, California Bankers Association, California Black Chamber of Commerce, California Business Properties Association, California Chamber of Commerce, California Employment Opportunity Network, California Hispanic Chamber of Commerce, California Independent Bankers Association, California Restaurant Association, California Retailers Association, California Urban Partnership, City of Delano, City of Pasadena, City of Sacramento, City of Salinas, City of Santa Ana, Emeryville Chamber of Commerce, League of California Cities, League of California Cities Latino Caucus, Long Beach Area Chamber of Commerce, Pacific Merchant Shippers Association, National Federation of Independent Businesses*

May 9, 2013

# California's Enterprise Zone Programs

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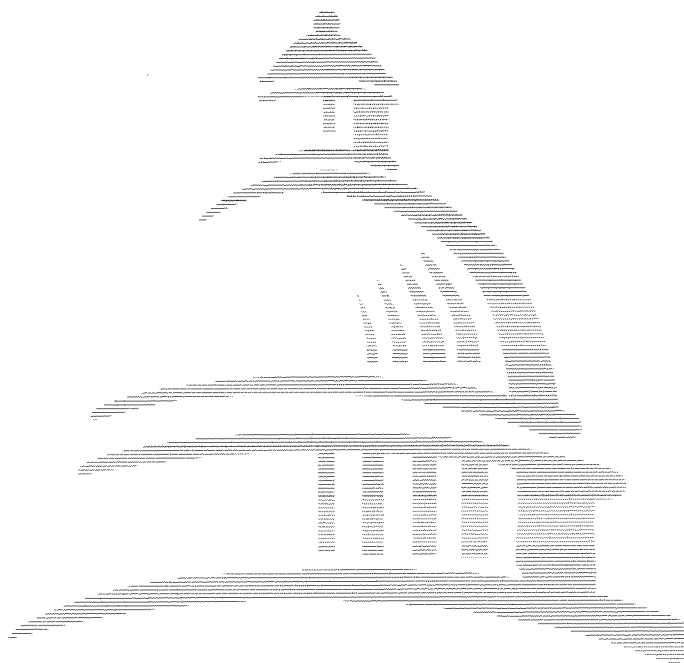
LEGISLATIVE ANALYST'S OFFICE

Presented to:

Senate Budget and Fiscal Review Subcommittee No. 4

On State Administration and General Government

Hon. Richard Roth, Chair





## Program Background

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***Area Program Tax Benefits.*** About three decades ago, the Legislature began to use the state's tax code to benefit businesses and workers in areas that were deemed to be distressed. The intent was to mitigate the higher costs associated with doing business in those areas and to increase opportunities for certain people.



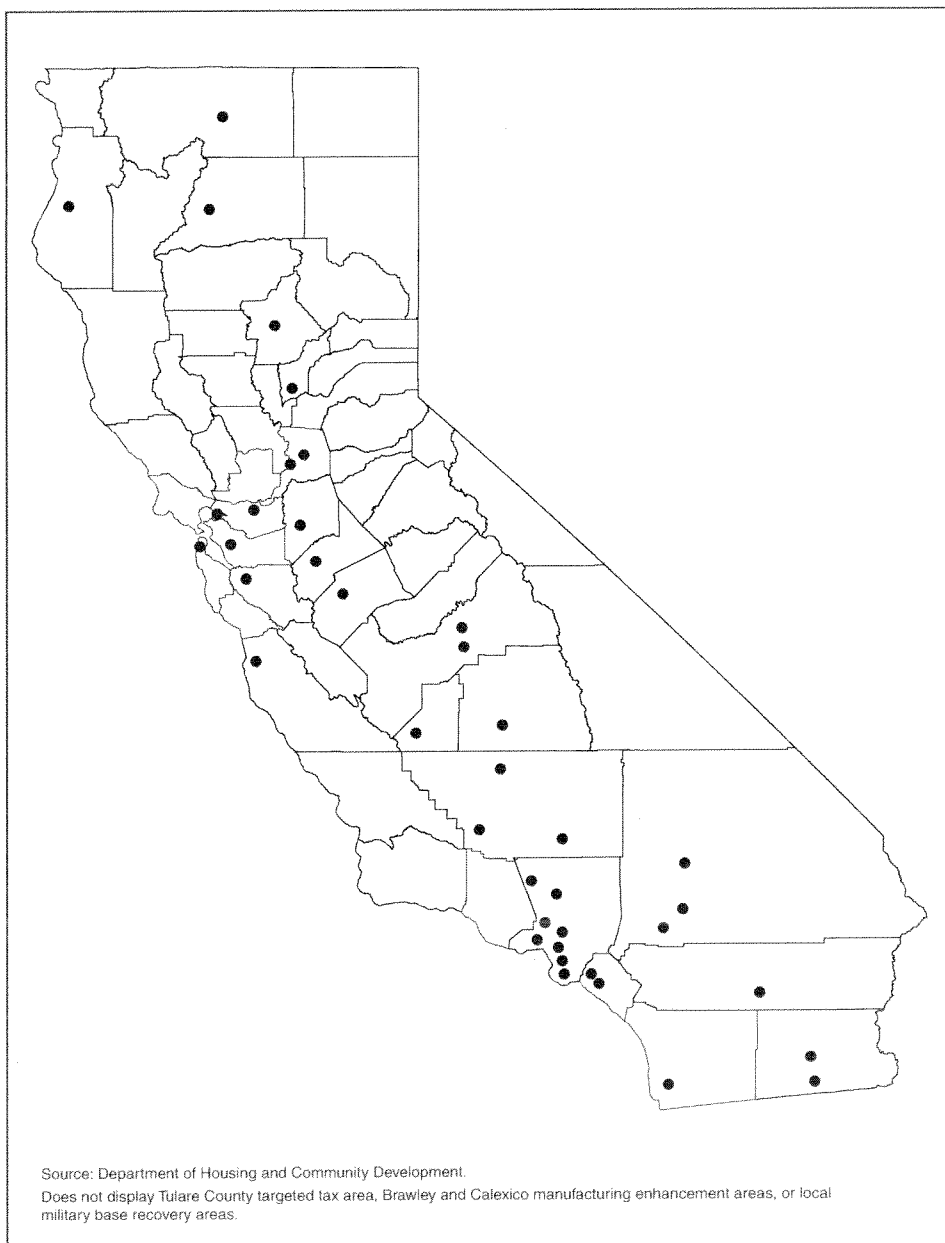
***Several Types of Areas.*** Tax incentive areas—Enterprise Zones (EZs), Manufacturing Enhancement Areas (MEAs), Targeted Tax Areas (TTAs), and Local Agency Military Base Readjustment Areas (LAMBRAs)—were selected based largely on socioeconomic characteristics of the area and on the prevailing level of economic distress there. Legislation was enacted in 1984 for EZs, in 1998 for MEAs and the TTA, and in 1993 for LAMBRAs.



## Enterprise Zones

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*As of June 2012*







## Program Characteristics



**Various Types of Tax Benefits.** Extensive tax benefits are or were available for each of the areas as shown in the table.

- Overall, the hiring credits are by far the most important—and expensive—such benefit.
- EZ tax benefits are available for having employees who reside in a Targeted Employment Area.
- An employee can be claimed for a hiring credit for up to five years.
- There are benefits other than those listed below, such as preferential treatment for state contracts.

	Hiring Credit	Longer NOL Carryforward Period <sup>a</sup>	Sales and Use Tax Credit	Accelerated Depreciation	Lender Interest Deduction
Enterprise Zones	X	X	X	X	X
Targeted Tax Areas	X	X	X	X	
Local Agency Military Base Recovery Areas	X	X	X	X	
Manufacturing Enhancement Zones	X				

<sup>a</sup> Recent legislation lengthened carryforward periods for all taxpayers.  
NOL = net operating loss.



## Program Usage

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***Rapid Growth in Use of Hiring Credits.*** The number of employees claimed to be employed on tax returns grew from 24,190 to 140,833 between 1999 and 2010. In 2010, over 54,000 were claimed as “new” employees.

- In 2010, the hiring and sales tax credits resulted in \$698 million of reduced corporation and personal income tax revenues for the state. This amount has grown at an average annual rate of 18 percent since 2000—about six times faster than the rate of growth of the state budget over the same period.



***Substantial Benefits for Large Businesses.*** About 40 percent of the EZ hiring and sales tax credits goes to businesses that each had more than \$1 billion in assets.



## How to Evaluate Program Effectiveness

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The EZ programs are used extensively. Use, however, is not the same thing as effectiveness. In assessing these programs, the Legislature will need to consider:

- Would more or fewer people have had jobs in the area if the state had used the money differently?
- Were some or many of the jobs for which credits are claimed offset by losses elsewhere?
- Did the programs reward decisions by firms and local governments that would have been made anyway?



## Assessments of the Program's Effect on Job Growth

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- ☒ ***Generally Not Shown to Be Effective.*** Most rigorous research has found that EZs do not create a net increase in jobs or increase the rate of job creation.
- ☒ ***Gains in Some Areas Likely Accompanied by Losses in Others.*** Even if an EZ results in more job growth in a particular locality, it is likely that some of the jobs were shifted from other parts of the region or state.
- ☒ ***Statewide Job Impact Probably Limited.*** Given the shortage of evidence that EZs create jobs locally and the possibility that gains in one area of the state are offset elsewhere, the impact of the EZ program on statewide employment is likely limited.



## Potential Reasons for Program's Limited Effectiveness

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- ☒ ***Statewide Program May Not Address Diverse Local Issues.*** There are varied reasons why investment is limited in certain areas or why people without jobs and job openings are not well matched. Uniform sets of statewide tax credits likely are not the best way to address the real and diverse problems certain people or places experience.
- ☒ ***Retroactive Credits Are Poor Incentives.*** The ability of taxpayers to amend past returns and claim hiring credits provides more of a reward than an incentive. Therefore, retroactive hiring credits are unlikely to promote increased job creation. (We recommend that this practice be eliminated.)
- ☒ ***May Change Composition of Employment but Not Number Employed.*** Hiring credits may increase employment for qualified workers but result in a loss of other jobs not targeted by the credits.
- ☒ ***Some EZ Benefits Work at Cross Purposes.*** The EZ tax benefits related to equipment and machinery purchases may encourage businesses to shift away from more labor-intensive activities.



## Alternatives for Legislative Consideration

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***Eliminating Enterprise Zone Programs.*** Because they are expensive and not shown to be effective, we recommend that the area programs be eliminated. Eliminating the programs could allow corporation tax rates statewide to be lowered by a part of a percentage point.



***Allowing Current Zones to Expire Over Time an Option.*** Options for eliminating the program include allowing currently designated zones to expire over a specified time line or preventing the extension of expiration dates for existing zones.



***Capping and Allocating Credits Also an Option.*** If the Legislature chooses not to eliminate the program, it could set a hard limit on the amount of tax benefits provided beginning in a future year. Businesses and/or zones could apply for these credits based on criteria specified in law. Alternatively, the credits could be awarded through a lottery.

**Governor's Plan (AB 93)**  
**New Programs and Enterprise Zone Elimination**

Existing law authorizes the designation of up to 42 Enterprise Zones which offers various economic development incentives for businesses in economically distressed areas. Benefits include a sales tax credit, hiring tax credit and a net interest deduction. The cost of the current Enterprise Zone program is approximately \$730 million.

The Governor's proposal eliminates the Enterprise Zone program in its entirety and replaces it with three different components of limited duration: a sales tax credit on the purchase of manufacturing equipment, a narrowly-targeted hiring tax credit that can be used within the boundaries of former enterprise zones and the poorest 25% of the state's census tracts, and a fund for the Governor's Office of Business and Economic Development (Go-Biz) to offer income tax credits on a negotiated basis to employers. AB 93 is considered revenue-neutral. When legislators cast their votes for this measure, some secured commitments by the Administration for various changes and other technical changes are expected. Those changes will be contained in a bill in the coming weeks, with SB 90 considered the vehicle.

**Changes to Sales Tax Credits for Manufacturing Equipment**

Currently, businesses located in an Enterprise Zone can take advantage of a sales and use tax exemption for purchases of manufacturing equipment, but the total cost of the purchases may not exceed \$1 million for personal income tax filers and \$20 million for corporation tax filers. This credit is available for the duration of the Enterprise Zone designation (Enterprise Zones initially receive a 15-year designation). The current cost of the sales and use tax component is not known because both the hiring tax credit costs and the sales and use tax exemption costs are combined. However, the Personal Income Tax portion for both costs approximately \$293 million and the Corporate Tax portion for both costs approximately \$414 million. Estimates put the sales tax component around \$100 million.

Under the Governor's proposal, the sales and use tax exemption available under existing law is eliminated, as of January 1, 2014, in favor of a temporary statewide provision that will not take effect until July 1, 2014. The new sales and use tax exemption in AB 93 will be available statewide for the purchase of qualified equipment used for manufacturing, biotechnology research and experimental development in the physical, engineering and life sciences. The exemption allows up to \$200 million in purchases from a single entity to qualify. AB 93 provides that the exemption would expire on:

- January 1, 2021, for purchases within an enterprise zone and areas within the 25% of census tracts identified by the Governor's office as having the highest rate of unemployment and the highest rate of poverty, and
- January 1, 2019 for the rest of the state.

As drafted, SB 90 would provide that the exemption would expire on July 1, 2022, 8 years after the sales tax exemption is put in place.

The Senate Budget Committee estimates that for 2013-2014, the state will spend \$236 million on this provision, \$86 million in 2014-2015, \$521 million in 2015-16, and \$531 in 2016-2017.

### **Changes to Hiring Tax Credits**

Under existing law, businesses in an Enterprise Zone can hire individuals with barriers to employment including those that are economically disadvantaged, dislocated workers, disabled, ex-offenders, members of a federally-recognized Indian tribe, residents of a targeted employment area, etc. The incentives offered to businesses to hire these workers are robust as an incentive to hire individuals with barriers to employment and provide training to those who may otherwise lack qualifications. Businesses receive 50% of taxable wages up to \$12 an hour for the first year of employment, 40% for the second, 30% for the third, 20% for the fourth, and 10% for the fifth year of employment. For example, an employer paying \$12 an hour for 40 hours of work per week for 50 weeks would receive approximately \$10,000 in a hiring tax credit (technically, closer to \$12,000, except current law caps the amount earned in the first year) Businesses are eligible to receive up to \$37,440 over five years for a single employee.

All types of businesses are eligible for the hiring tax credit regardless of whether this is a new position created or the retention of an existing position. Businesses are also authorized to carry forward earned credits which do not expire. While the exact figure for the hiring tax credit is not known, it is generally accepted that this is the most costly provision of the Enterprise Zone program at about \$500 million.

AB 93 eliminates the above hiring tax credit as of January 1, 2014. Existing employers in enterprise zones can collect credits for any existing employee hired before that date for five years, and can carry forward any unused credits for up to 10 years.

An extremely narrowed hiring tax credit will be offered to businesses, subject to numerous restrictive conditions that are likely to limit interest in the program. Under the revised proposal:

**Much Less Being Offered:** An employer in an Enterprise Zone or one of the identified 25% census tracts would be eligible to receive a 35% credit only on wages offered between \$12 and \$28 per hour. For example, a business paying an employee \$12 an hour will not receive any tax credit, but an employer paying \$14 an hour for 40 hours a week for 50 weeks will receive a \$1,400 tax credit. While the Governor's office has indicated that potentially an employer could earn up to \$56,000 for the hiring tax credit if the employer pays at least \$28 per hour, 40 hours a week for 50 weeks, this scenario is highly unlikely given the restricted pool of eligible employees, many who will lack marketable skills to be worth wages in excess of \$12 per hour. SB 90 contains an amendment to the wage requirement from \$12 an hour to \$10 an hour for five pilot areas that are not yet known, except that Go-Biz has sole discretion over the designation of the pilot areas.

**Smaller Pool of Eligible Applicants:** The categories of employees eligible for the hiring tax credit are limited to individuals either:



- a) Unemployed for six months,
- b) Receiving the federal Earned Income Tax Credit,
- c) Recently discharged from military service (separated in last 12 months),
- d) Ex-offenders (convicted of a felony),
- e) Cal Works recipients will be eligible in SB 90.

**Many Businesses Ineligible:** Excluded businesses include all retail, food related jobs, and temporary jobs (fast food, restaurants, car dealerships etc.), unless they are a small business having gross receipts of less than \$2 million. SB 90 also contains a provision to also exclude all “sexually oriented businesses” from the hiring tax credit.

**Only Added Jobs Count:** AB 93 also contains a “net new” jobs provision. In order to qualify for any new credit, an employer must increase the total number of jobs from one year to the next. The new employee must remain employed for three years or any earned credits could be required to be returned. While the policy behind this requirement may seem logical, the result will be to remove the existing incentive to retain existing jobs in these disadvantaged areas of the state.

**Offering is Temporary:** The hiring tax credit expires in 2019. Given its limited duration and many limitations it is likely that this program will be undersubscribed and wither, resulting in little reason to continue such a program focused on former enterprise zones and census tracts with high numbers of poor and unemployed people in the future. Once the program sunsets, the savings can be shifted by the Legislature and Administration elsewhere.

**Eliminates LAMBRAs, MEAs, and TTAs:**

Existing law authorizes the Local Agency Military Base Recovery Areas (LAMBRA) program to attract reinvestment and create re-employment opportunities on certain former military bases. The program has tax incentives which are similar to those offered in the Enterprise Zone program. Existing law also authorizes Manufacturing Enhancement Areas (MEAs) to focus on stimulating job creation in the Border region by providing special state and local incentives to encourage business investment and promote the creation of new jobs. Finally, existing law authorizes Targeted Tax Areas (TTAs) to offer incentives similar to Enterprise Zones that are only available to businesses located in the TTAs. AB 93 repeals the existence of LAMBRAs, MEAs, and TTAs as of January 1, 2014. SB 90 contains a provision that would allow LAMBRAs to keep their boundaries, just like enterprise zones, for purposes of being able to qualify for the hiring tax credit.

**Repeal of Net Interest Deduction**

Existing law authorizes banks making loans to businesses in an Enterprise Zone to receive a net interest deduction to encourage investment in these disadvantaged areas. The cost of this program is approximately \$23 million. AB 93 repeals the existence of the net interest deduction.

**New Discretionary Go-Biz Fund**

This is a new component that currently does not exist, but authorizes businesses to compete for available funds from Go-Biz. A five-member California Competes Tax Credit Committee consisting of the Treasurer, the Director of Finance, the Director of Go-Biz, and an appointee each from the Senate and the Assembly will determine which businesses receive a Personal Income Tax credit or a Corporation Tax credit based on the number of jobs created, wages paid and job retention. 25% of the money allocated to this program will be set aside for small business, but credits will be limited to \$30 million in 2013-2014, \$150 million in 2014-2015 and \$200 million until 2019 when this program is set to sunset.

**Winners and Losers Under AB 93**

Given that the Governor's prior proposals to eliminate Enterprise Zones contemplated—as with redevelopment—simple elimination and sweeping all savings into the General Fund, the notion that these funds will be used for alternative economic development programs is at least a positive. The reality, however, is that all of these new programs have sunset dates. The significant tax increases in Prop. 30's are also temporary, so it is quite possible that as the sunset dates for these economic development programs approach, groups that rely on General Fund spending will strongly oppose any continuation of these programs.

California manufacturers will benefit by being able to deduct the state's portion of the sales tax from equipment purchases for the time that the credits are available. Larger companies may benefit more, given their potential ability to shift capital expenditures for the purchase of equipment. It can be argued that this exemption can help California manufacturing compete better with other states, but businesses often make their investment decisions over a longer timeframe than the exemption will be available. Many manufacturing companies plan 10, 15 and 20 years into the future. In order to take advantage of a sales and use tax exemption of up to \$200 million in equipment purchases, smaller companies may need more than 7 ½ years to make that kind of investment.

Some businesses will, no doubt, also benefit from incentives that will be offered by Go Biz, but the process will be governed by a committee dominated by elected state officials, so politics can be expected and predicting beneficiaries will be difficult.

Given the elimination of the Enterprise Zone program and the extremely restricted hiring tax credit offered as a replacement, the true losers under this proposal are those lower-skilled and hard-to-hire individuals who benefited from jobs offered within these zones, which were set up in areas of poverty and high unemployment. While throughout the enterprise zone debate, many disparaged jobs offered wages at \$10-\$12 per hour, these were great opportunities for many individuals. The incentive for employers to offer such jobs to hard-to-hire individuals has been eliminated. If such jobs do become available, the more skilled and experienced will get them.

Also harmed by this proposal are the communities and businesses that entered into a partnership with the state to create a zone for a term of 15 years based upon criteria adopted

by the state. Businesses moved into areas they might not otherwise locate in, built buildings, purchased equipment and hired people. Local governments also offered local incentives. By eliminating these zones before their 15-year terms expired, affected businesses, local governments and individuals hired under the program are left hanging, and doubts about the state's reliability as a business partner are further confirmed. Since retaining jobs in these areas is no longer incentivized, and the incentives for new jobs extremely marginal, it may encourage some businesses to consider expanding or moving elsewhere.

Veterans and LAMBRAs are affected as well. The hiring tax credit under the existing Enterprise Zone program offered many jobs to our military veterans, not those just recently discharged from service. In addition, the incentives under LAMBRAs also benefited the areas around former military bases. The constraints of the hiring tax credit under the Governor's program will limit veterans hired under this program.

Another negative outcome is that opportunities for local involvement in these programs have been eliminated. Enterprise Zones previously required the full cooperation and support of the local government with additional local incentives offered to businesses. All of these new programs involve business interaction with state officials. The sales and use tax program will be conducted by the State Board of Equalization, the Hiring Tax Credit by the Franchise Tax Board and the California Competes Tax Credit by Go-Biz.

**Next Steps:** When Legislators passed AB 93, the Capitol halls were full of rumors over what changes various legislators had obtained from the Administration. SB 90 will likely be the clean-up vehicle for AB 93. It remains to be seen what other alterations to AB 93 will be made as a result of those commitments.

Local governments should also realize that businesses in enterprise zones will remain eligible for hiring credits under the former rules of the program for any employees hired before January 1, 2014. This may spark an increase in local hiring before these incentives expire.