



REGULAR MEETING AGENDA

August 2, 2018 at 2:00 p.m.

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

Telephonic Locations:

County of Solano
675 Texas Street, Fairfield, CA 94533

709 Portwalk Place
Redwood City, CA 94061

112 Cassin Court
Folsom, CA 95630

County of Kern
1115 Truxtun Avenue, Bakersfield, CA 93301

A. OPENING AND PROCEDURAL ITEMS

- 1. Roll Call.

<ul style="list-style-type: none"> ___ Dan Harrison, Chair ___ Larry Combs, Vice Chair ___ Kevin O'Rourke, Treasurer ___ Tim Snellings, Secretary 	<ul style="list-style-type: none"> ___ Jordan Kaufman, Member ___ Dan Mierzwa, Member ___ Brian Moura, Member ___ Michael Cooper, Alt. Member
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- 2. Consideration of the Minutes of the July 19, 2018 Regular & Special Meetings.
- 3. Consent Calendar.
- 4. Public Comment.

B. ITEMS FOR CONSIDERATION

- 5. Consideration of the issuance of revenue bonds or other obligations to finance or refinance the following projects, the execution and delivery of related documents, and other related actions:
 - a. Methodist Hospital of Southern California, City of Arcadia, County of Los Angeles; issue up to \$300,000,000 in nonprofit healthcare revenue and refunding bonds.

This ___ page agenda was posted at 1100 K Street, Sacramento, California on _____, 2018 at ___: __ __m, Signed _____ . Please email signed page to info@cscda.org

- b. Adventist Health System/West, City of Marysville, County of Yuba; City of Yuba City, County of Sutter; and City of Roseville, County of Placer; issue up to \$350,000,000 in nonprofit healthcare revenue and refunding bonds.
- 6. Conduct proceedings with respect to the Statewide Community Infrastructure Program (SCIP) (Gilbert Ranch Projects) (hearing to be held at 2 p.m. or shortly thereafter):
 - a. Open Consolidated Assessment Districts Public Hearing.
 - b. Continue Assessment Districts Public Hearing to August 16, 2018 at the California State Association of Counties.

C. STAFF ANNOUNCEMENTS, REPORTS ON ACTIVITIES OR REQUESTS

- 7. Executive Director Update.
- 8. Staff Updates.
- 9. Adjourn.

NEXT MEETING: Thursday, August 16, 2018 at 2:00 p.m.
California State Association of Counties
1100 K Street, 1st Floor, Sacramento, CA 95814

CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY

CONSENT CALENDAR

1. Inducement of SUV Affordable, LP (Sutter Village Apartments), City of Yuba City, County of Sutter; issue up to \$15 million in multi-family housing revenue bonds.
2. Inducement of Community HousingWorks (Parkside Terrace), City of San Jose, County of Santa Clara; issue up to \$85 million in multi-family housing revenue bonds.

August 2, 2018



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MINUTES

REGULAR MEETING OF THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY

July 19, 2018 at 2:00 p.m.

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

Commission Chair Dan Harrison called the meeting to order at 2:01 pm.

1. Roll Call.

Commission members present: Dan Harrison, Larry Combs, and Tim Snellings.

Commission members participating via teleconference: Dan Mierzwa, Brian Moura, and Michael Cooper.

Others present: Cathy Bando, CSCDA Executive Director; James Hamill, Bridge Strategic Partners; Laura Labanieh, CSAC Finance Corporation and Sendy Young, CSAC Finance Corporation.

Others participating via teleconference: Jon Penkower, Bridge Strategic Partners; Tricia Ortiz, Richards Watson & Gershon; Patricia Eichar, Orrick, Herrington & Sutcliffe, and Penni Takade, Orrick, Herrington & Sutcliffe.

2. Consideration of the Minutes of the June 21, 2018 Regular Meeting.

The Commission approved the June 21, 2018 minutes.

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

3. Consideration of the Consent Calendar.

The Commission approved the Consent Calendar.

1. Inducement of Sonrise Citizen Villa, Inc. (Loveland Church), City of Fontana, County of San Bernardino; issue up to \$13 million in multi-family housing revenue bonds.
2. Consider and approve the levy of special taxes for fiscal year 2018-2019 for the following:

- (i) Community Facilities District No. 2012-01 (Fancher Creek) Improvement Area Nos. 1 & 3;
- (ii) Community Facilities District No. 2007-01 (Orinda Wilder Project);
- (iii) Community Facilities District No. 2015-02 (Rio Bravo);
- (iv) Community Facilities District No. 2016-02 Improvement Area Nos. 1 & 2 (Delta Coves);
- (v) Community Facilities District No. 2015-01, Improvement Area No. 1 & 2 (University District); and
- (vi) Community Facilities District No. 2016-01 (Napa Pipe).

3. Consideration of amendment to contract with PACE Funding for Los Angeles County.

Motion to approve by T. Snellings. Second by L. Combs. Unanimously approved.

4. Public Comment.

There was no public comment.

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

- a. Loma Linda University Medical Center, Cities of Loma Linda and Redlands, County of San Bernardino; City of Murrieta, County of Riverside; issue up to \$400,000,000 in non-profit healthcare refunding and revenue bonds.

Executive Director Bando gave an overview of the project, and the financing complies with CSCDA's general and issuance policies. The project is an addition to a prior project that CSCDA issued in May 2016. The Campus Transformation Project is the construction of a new health complex on the University Hospital and Children's Hospital campus. Executive Director Bando recommended approval of the financing.

Motion to approve and adopt by B. Moura. Second by M. Cooper. Unanimously approved by roll-call vote.

- b. Monte Vista Christian School, unincorporated County of Santa Cruz; issue up to \$6,000,000 in non-profit revenue bonds.

Executive Director Bando excused herself from room due to a conflict of interest. James Hamill gave an overview of the Project, and the financing of the Project complies with CSCDA's general and issuance policies. Monte Vista Christian School (MVCS) located in unincorporated Santa Cruz County will use the bond proceeds to construct a new Multi-Purpose Building of approximately 16,600 square feet. Staff recommends approval of the project.

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

- c. Channel Island Apartments, LP (Channel Island Park Apartments), City of Oxnard, County of Ventura; Issue up to \$45,000,000 in multi-family housing bonds.

Executive Director Bando gave an overview of the project, and the financing complies with CSCDA's general and issuance policies. The project is an acquisition and rehabilitation of a 152-unit rental affordable housing project located in the City of Oxnard. 100% of the units will be rent restricted for low-income tenants. The Project, along with Summercrest Apartments, are DeSola's first two financings with CSCDA. Executive Director Bando recommended approval of the financing.

Motion to approve and adopt by L. Combs. Second by D. Mierzwa. Unanimously approved by roll-call vote.

- d. Summercrest Apartment Associates, LP (Summercrest Apartments), City of National City, County of San Diego; issue up to \$80,000,000 in multi-family housing bonds.

Executive Director Bando gave an overview of the project, and the financing complies with CSCDA's general and issuance policies. The project is an acquisition and rehabilitation of a 372-unit rental affordable housing project located in the City of National City. 100% of the units will be rent restricted for low-income tenants. The Project, along with Channel Island Apartments, are DeSola's first two financings with CSCDA. Executive Director Bando recommended approval of the financing.

Motion to approve and adopt by D. Mierzwa. Second by B. Moura. Unanimously approved by roll-call vote.

- e. San Juan Soccer Club (Kilgore Road Field Complex), City of Rancho Cordova, County of Sacramento, issue up to \$3,000,000 in commercial PACE bonds.

Executive Director Bando gave an overview of the project, and the financing complies with CSCDA's general and issuance policies. The San Juan Soccer Club (SJSC) is seeking PACE financing to reimburse itself for the cost of acquisition and installation of artificial turf and LED lighting on the Kilgore Road Soccer Field Complex. The financing will be taxable and be funded through the Property Assessed Clean Energy mechanism. Executive Director Bando recommended approval of the financing.

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

- 6. Consideration the following resolutions to initiate proceedings to form multiple Statewide Community Infrastructure Program (SCIP) Assessment Districts proposed for the 2018B bond series:
 - a. Resolutions of intention to finance capital improvements and/or the payment of development impact fees for public capital improvements, including approval of proposed boundary maps.

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

- b. Resolutions preliminarily approving the engineer's reports, setting the public hearing of protests for September 6, 2018 and providing for property owner ballots.

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

- 7. Consider the following resolutions to initiate proceedings to form a Statewide Community Infrastructure Program (SCIP) Assessment District for a standalone bond issue for the Pacific Highlands Ranch project:
 - a. Resolutions of intention to finance capital improvements and/or the payment of development impact fees for public capital improvements, including approval of proposed boundary maps.

Motion to approve by B. Moura. Second by D. Mierzwa. Unanimously approved by roll-call vote.

- b. Resolutions preliminarily approving the engineer's reports, setting the public hearing of protests for September 6, 2018 and providing for property owner ballots.

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

- 8. Consider the following resolutions to initiate proceedings to form a Statewide Community Infrastructure Program (SCIP) Assessment District proposed for the 2018C bond series:
 - a. Resolutions of intention to finance capital improvements and/or the payment of development impact fees for public capital improvements, including approval of proposed boundary maps.

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

- b. Resolutions preliminarily approving the engineer's reports, setting the public hearing of protests for September 6, 2018 and providing for property owner ballots.

Motion to approve by M. Cooper. Second by D. Mierzwa. Unanimously approved by roll-call vote.

- 9. Conduct proceedings with respect to the Statewide Community Infrastructure Program (SCIP) (hearing to be held at 2 p.m. or shortly thereafter):
 - a. Open Consolidated Assessment Districts Public Hearing.
 - b. Close Consolidated Assessment Districts Public Hearing.
 - c. Open assessment ballots and announce results.

- d. Consideration of the resolution approving final engineer’s reports, levying assessments, ordering the financing of specified development impact fees and capital improvements, and confirming unpaid assessment amounts.

Commission Chair Dan Harrison opened the public hearing with respect to the Statewide Community Infrastructure Program (SCIP). There were no oral or written comments from the public. The hearing was closed. All ballots have been cast in favor of formation of the assessment district, and no ballots have been cast opposed. The assessment districts are being formed for the purpose of financing certain improvements and/or development impact fees.

Motion to close the public hearing by T. Snellings. Second by L. Combs. Unanimously approved by roll-call vote.

Motion to approve final engineer’s reports, levying assessments, ordering the financing of specified development impact fees and capital improvements, and confirming unpaid assessment amounts by L. Combs. Second by D. Mierzwa. Unanimously approved by roll-call vote.

10. Consider the following resolutions for the creation of a community facilities district:

- a. Resolution approving joint community facilities agreement and declaring intention to establish the Authority’s Community Facilities District No. 2018-01 (Wagon Wheel) (“CFD No. 2018-01”) and to levy a special tax to finance the acquisition and construction of certain public capital improvements, certain development impact fees and certain services.

Motion to approve by T. Snellings. Second by D. Mierzwa. Unanimously approved by roll-call vote.

- b. Resolution to incur bonded indebtedness to finance acquisition and construction of certain public capital improvements and certain development impact fees for CFD No. 2018-01 and calling for a public hearing.

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

11. Consideration of CSCDA Billing and Collection Policy.

The Executive Director and staff have developed a Billing, Collections and Refund Policy that describes the types of fees and deposits CSCDA administers and establishes protocols for refunds. The policy establishes a refund limitation of two years for situations when bond administration fees have been overpaid by a borrower that has failed to inform CSCDA that its bonds have been repaid. The Executive Director recommends that the Commission approve the Billing, Collections and Refund Policy and that the Commission allow staff to make modifications as needed.

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

12. Consideration of Local Government Summer Institution at Stanford Scholarship.

CSCDA received a sponsorship request from the Local Governance Summer Institute (LGSI) to provide scholarships for its 2018 Summer Institute. Participation in the 2018 LGSI include Stanford University, California Forward, the Bay Area Council Economic Institute, Microsoft, and Cisco, to name a few. James Hamill will represent CSCDA as a participant on a panel discussion in the 2018 LGSI. The LGSI is supported by the League's City Managers Department, the California Association of County Executives (CASE), Cal-ICMA, and the California City Management Foundation. The Commission recommends approval of this item for the 2019 Summer Institute instead of 2018 due to the short notice. This item will be brought back to the Commission for approval at the August 16, 2018 meeting. Approving it early will allow CSCDA to market the scholarship at future conferences that CSCDA staff attends through out the year.

Motion to approve and adopt with the 2019 amendment by L. Combs. Second by T. Snellings. Unanimously approved by roll-call vote.

13. Executive Director Update.

Executive Director Bando announced that the CSCDA Annual Meeting has been set for January 9-11, 2019.

14. Staff Update.

There was no staff update.

15. Adjourn.

The meeting was adjourned at 3:02 pm.

Submitted by: Sindy Young, CSAC Finance Corporation.

NEXT MEETING: Thursday, August 2, 2018 at 2:00 p.m.
League of California Cities
1400 K Street, 3rd Floor, Sacramento, CA 95814



MINUTES

SPECIAL MEETING OF THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY

July 19, 2018 at 2:00 p.m. or upon adjournment of the regularly scheduled CSCDA meeting

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

Commission Chair Dan Harrison called the meeting to order at 3:02 pm.

1. Roll Call.

Commission members present: Dan Harrison, Larry Combs, and Tim Snellings.

Commission members participating via teleconference: Dan Mierzwa, Brian Moura, and Michael Cooper.

Others present: Cathy Bando, CSCDA Executive Director; James Hamill, Bridge Strategic Partners; Laura Labanieh, CSAC Finance Corporation and Sendy Young, CSAC Finance Corporation.

Others participating via teleconference: Jon Penkower, Bridge Strategic Partners; Tricia Ortiz, Richards Watson & Gershon; Patricia Eichar, Orrick, Herrington & Sutcliffe, and Penni Takade, Orrick, Herrington & Sutcliffe.

2. Consideration of the Consent Calendar.

The Commission approved the Consent Calendar.

- a. Inducement of UHC 0558 Oxnard, L.P. (Las Cortes Apartments), City of Oxnard, County of Ventura, up to \$5,000,000 in multi-family housing revenue bonds.

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

3. Public Comment.

There was no public comment.

4. Adjourn.

The meeting was adjourned at 3:03 pm

RESOLUTION NO. 18H-__

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

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

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

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

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

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

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

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

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

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

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

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

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

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

PASSED AND ADOPTED by the California Statewide Communities Development Authority this August 2, 2018.

The undersigned, an Authorized Signatory of the California Statewide Communities Development Authority, DOES HEREBY CERTIFY that the foregoing resolution was duly adopted by the Commission of said Authority at a duly called meeting of the Commission of said Authority held in accordance with law on August 2, 2018.

By: _____
Authorized Signatory

EXHIBIT A

Project Name	Project Location	Project Description (units)	New Construction/ Acquisition and Rehabilitation	Legal Name of initial owner/operator	Bond Amount
Sutter Village Apartments	City of Yuba City, County of Sutter	73	Acquisition and Rehabilitation	SUV Affordable, LP	\$15,000,000

RESOLUTION NO. _____

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

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

WHEREAS, the borrower identified in Exhibit A hereto and/or a related entity (the "Borrower") have requested that the Authority issue and sell multifamily housing revenue bonds (the "Bonds") pursuant to the Act for the purpose of financing the acquisition and rehabilitation of a certain multifamily rental housing development identified in Exhibit A hereto (the "Project"); and

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

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

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

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

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

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

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

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

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

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

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

PASSED AND ADOPTED by the California Statewide Communities Development Authority this August 2, 2018.

The undersigned, an Authorized Signatory of the California Statewide Communities Development Authority, DOES HEREBY CERTIFY that the foregoing resolution was duly adopted by the Commission of said Authority at a duly called meeting of the Commission of said Authority held in accordance with law on August 2, 2018.

By: _____
Authorized Signatory

EXHIBIT A

Project Name	Project Location	Units	New Construction or Acquisition/Rehabilitation	Legal Names of Initial Owner and Sponsor	Bond Amount
Parkside Terrace	463 Wooster Avenue, San Jose, California 95116	200	Acquisition and Rehabilitation	A limited partnership to be established by Community HousingWorks or an affiliate thereof (Owner) Community HousingWorks (Sponsor)	\$85,000,000



Agenda Item No. 5a

Agenda Report

DATE: August 2, 2018

TO: CSCDA COMMISSIONERS

FROM: Cathy Bando, Executive Director

PROJECT: Methodist Hospital of Southern California

PURPOSE: Authorize the Issuance of Bonds to Finance and Refinance the Acquisition, Construction, Improvement, and/or Equipping of Hospital and Other Healthcare Facilities located in the City of Arcadia, County of Los Angeles

AMOUNT: Not to Exceed \$300,000,000

EXECUTIVE SUMMARY:

Methodist Hospital of Southern California, a 501c3 nonprofit organization (“MHSC”), has requested that CSCDA issue nonprofit revenue bonds in an amount not to exceed \$300,000,000 (the “Bonds”) to finance the acquisition, construction, improvement, and/or equipping of hospital and other healthcare facilities located in the City of Arcadia (the “Project”). The Bonds are being issued to refinance a 2015 taxable loan which refinanced CSCDA’s prior issued 2009 bonds. The proposed refinancing for Methodist Hospital of Southern California will allow Methodist to exit the FHA 242 Mortgage Insurance program. By exiting the program, MHSC will be able to release approximately \$24 million of cash and investments which are currently restricted under the FHA covenants as a mortgage reserve fund. In addition, MHSC will eliminate future funding requirements for the mortgage reserve fund by approximately \$13.7 million. MHSC expects maximum annual debt service to decrease by approximately \$7.0 million per year as a result of the refinancing. This will be the second CSCDA financing for MHSC.

PROJECT ANALYSIS:

About Methodist Hospital of Southern California:

MHSC is a California not-for-profit general acute care hospital providing a range of inpatient and outpatient services in the San Gabriel Valley in northeastern Los Angeles County. MHSC was founded in 1903 by the Women’s Home Missionary Society of the Methodist Church. Having been founded in one of the busiest parts of the country, their full-service hospital has grown significantly in the last 100 years. MHSC currently has 348 licensed beds, is a Medicare 5-Star rated hospital, and treats more than 50,000 patients in the Emergency Department each year. The facility is outfitted with advanced diagnostic technology like the 320-slice CT scanner and high-definition

MRI. MHSC also manages state-of-the-art catheterization labs, electrophysiology, and neuro-interventional radiology.

Public Agency Approvals:

TEFRA Hearing: July 17, 2018 – City of Arcadia – Unanimous Approval

Economic Development:

- MHSC employs more than 1,900 physicians, nurses and other staff throughout its facilities. In addition, many MHSC employees live, eat and shop within the community and support the local economy.

Public Benefit:

- Community Benefit – For 2017, the economic value of community benefits provided by MHSC is estimated at \$36,974,749. Unreimbursed community benefits include medical care services, benefits for vulnerable populations, benefits for the community, and health research, education and training programs.
- Emergency care – MHSC provides 24-hour emergency care to all individuals, regardless of their ability to pay.
- MHSC provides free physician referrals to the community, provides health education, support and screening programs on a variety of topics ranging from prepared childbirth, cancer to grief and loss.
- MHSC conducts free year-round blood pressure screenings (including access to a local mall kiosk free of charge); a dedicated Senior Services program for health education, information and counseling; and a Health Ministries program, including assistance to local congregations by providing guidance, support, and resources to parish nurses and health cabinets
- Medi-Cal and Medicare Acceptance – MHSC provides health care and helps to subsidize the cost of service for patients who participate in government sponsored programs such as Medi-Cal and Medicare.

Sources and Uses:

Sources of Funds:

Series 2018 Par Amount:	\$ 250,580,000
Premium:	<u>\$ 23,496,492</u>
Total Sources:	\$ 274,076,492

Uses of Funds:

Project Fund:	\$ 271,017,854
Cost of Issuance	<u>\$ 3,058,638</u>
Total Uses:	\$ 274,076,492

Finance Partners:

Bond Counsel: Squire Patton Boggs, LLP, Sacramento

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

Underwriter: KeyBanc Capital Markets, San Francisco

Finance Terms:

Rating: BBB+ (S&P)
Term: 30 Years
Structure: Public Offering
Estimated Closing: September 12, 2018

CSCDA Policy Compliance:

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

DOCUMENTS: (as attachments)

1. CSCDA Resolution (Attachment A)

COMMISSION ACTION RECOMMENDED BY THE EXECUTIVE DIRECTOR:

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

Attachment A

RESOLUTION NO. 18NP-__

**CALIFORNIA STATEWIDE COMMUNITIES
DEVELOPMENT AUTHORITY**

**A RESOLUTION AUTHORIZING THE ISSUANCE OF ONE OR MORE SERIES OF
REVENUE BONDS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED
\$300,000,000 TO FINANCE AND REFINANCE THE ACQUISITION, CONSTRUCTION,
IMPROVEMENT, AND/OR EQUIPPING OF HOSPITAL AND OTHER HEALTH
FACILITIES OWNED AND/OR OPERATED BY METHODIST HOSPITAL OF
SOUTHERN CALIFORNIA AND OTHER MATTERS RELATING THERETO**

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

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

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

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

WHEREAS, the City of Arcadia, California (the "City") is a Program Participant, and the City is authorized to acquire and dispose of property, both real and personal, pursuant to the provisions of Article 1, Chapter 5, Part 2 of Division 3 of Title 4 of the Government Code of the State of California;

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

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

WHEREAS, the Authority previously issued its FHA Insured Mortgage Revenue Bonds (Methodist Hospital of Southern California), Series 2009, in the principal amount of \$302,320,000 (the “Prior Bonds”) for the benefit of Methodist Hospital of Southern California, a California nonprofit public benefit corporation (the “Corporation”), to finance or refinance the acquisition, construction, improvement, and/or equipping of hospital and other health facilities (the “Facilities”) owned and/or operated by the Corporation, which Facilities are located in the City (the “Project”);

WHEREAS, on December 4, 2015, the Corporation borrowed funds from KeyBank National Association (the “Series 2015 Loan”) and applied the proceeds of the Series 2015 Loan, together with other funds, to defease all then-outstanding Prior Bonds; and

WHEREAS, the Corporation desires to refinance the Project by prepaying the Series 2015 Loan; and

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

WHEREAS, pursuant to a Bond Indenture (the “Bond Indenture”), between the Authority and The Bank of New York Mellon Trust Company, N.A. (the “Bond Trustee”), the Authority will issue one or more series of California Statewide Communities Development Authority Hospital Revenue Refunding Bonds (Methodist Hospital of Southern California), Series 2018 (the “Series 2018 Bonds”), for the purpose, among others, of refinancing the Project by prepaying in full the Series 2015 Loan;

WHEREAS, pursuant to a Loan Agreement (the “Loan Agreement”), between the Authority and the Corporation, the Authority will loan the proceeds of the Series 2018 Bonds to the Corporation for the purpose, among others, of refinancing the Project by prepaying in full the Series 2015 Loan;

WHEREAS, pursuant to a Bond Purchase Agreement, to be dated the date of sale of the Series 2018 Bonds (the “Bond Purchase Agreement”), executed by Cain Brothers, a Division of KeyBanc Capital Markets, as underwriter of the Series 2018 Bonds (the “Underwriter”), accepted and agreed to by the Authority and approved and accepted by the Corporation, the Series 2018 Bonds will be sold to the Underwriter, and the proceeds of such sale will be used as set forth in the Bond Indenture to refinance the Project by prepaying in full the Series 2015 Loan, to fund, if applicable, a debt service reserve account under the Bond Indenture, and to pay costs incurred in connection with the issuance of the Series 2018 Bonds;

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

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

(4) A proposed form of an official statement (the “Official Statement”) to be used by the Underwriter in connection with the offering and sale of the Series 2018 Bonds;

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

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

Section 1. Pursuant to the Act and the Bond Indenture, the Authority is hereby authorized to issue its revenue bonds, in one or more series from time to time, designated as the “California Statewide Communities Development Authority Hospital Revenue Refunding Bonds (Methodist Hospital of Southern California), Series 2018” in an aggregate principal amount not to exceed three hundred million (\$300,000,000), with such other name or names of the Bonds or series thereof as designated in the Bond Indenture pursuant to which the Bonds will be issued. The Series 2018 Bonds shall be issued and secured in accordance with the terms of, and shall be in the form or forms set forth in, the Bond Indenture. The Series 2018 Bonds shall be executed on behalf of the Authority by the manual or facsimile signature of the Chair of the Authority or the manual signature of any member of the Commission of the Authority or their administrative delegates duly authorized pursuant to Resolution No. 18R-2 of the Authority, adopted on April 19, 2018, or any other resolution of the Authority (each, an “Authorized Signatory”), and attested by the manual or facsimile signature of the Secretary of the Authority or the Assistant to the Secretary of the Authority or the manual signature of any Authorized Signatory.

Section 2. The proposed form of Bond Indenture, as made available to the Commissioners, is hereby approved. Any Authorized Signatory is hereby authorized and directed, for and on behalf of the Authority, to execute and deliver the Bond Indenture in substantially said form, with such changes and insertions therein, as any member of the Commission, with the advice of counsel to the Authority, may approve, such approval to be conclusively evidenced by the execution and delivery thereof. The Bond Trustee, the dated date, maturity date or dates, interest rate or rates, interest payment dates, denominations, forms, registration privileges, manner of execution, place or places of payment, terms of redemption, whether a particular series of Series 2018 Bonds will be secured by a debt service reserve fund, and other terms of the Series 2018 Bonds shall be as provided in the Bond Indenture, as finally executed.

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

Section 4. The proposed form of the Bond Purchase Agreement, as made available to the Commissioners, is hereby approved. Any Authorized Signatory is hereby authorized and directed, for and on behalf of the Authority, to execute and deliver the Bond Purchase Agreement, in substantially said form, with such changes and insertions therein, as any

member of the Commission, with the advice of counsel to the Authority, may approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 5. The proposed preliminary form of the Official Statement, as made available to the Commissioners, is hereby approved. The Underwriter is hereby authorized to distribute the Official Statement, in preliminary form, to persons who may be interested in the purchase of the Bonds and to deliver the Official Statement, in substantially the form of the preliminary Official Statement, to the purchasers of the Bonds.

Section 6. The Series 2018 Bonds, when executed as provided in Section 1, shall be delivered to the Bond Trustee for authentication by the Bond Trustee. The Bond Trustee is hereby requested and directed to authenticate the Series 2018 Bonds by executing the Bond Trustee's Certificate of Authentication and Registration appearing thereon, and to deliver the Series 2018 Bonds, when duly executed and authenticated, to the Underwriter in accordance with written instructions executed on behalf of the Authority by an Authorized Signatory, which any Authorized Signatory, acting alone, is authorized and directed, for and on behalf of the Authority, to execute and deliver to the Bond Trustee. Such instructions shall provide for the delivery of the Series 2018 Bonds to the Underwriter, upon payment of the purchase price thereof.

Section 7. The Chair, the Vice Chair, the Secretary, the Treasurer, any other members of the Commission of the Authority and other appropriate officers and agents of the Authority are hereby authorized and directed, jointly and severally, for and in the name and on behalf of the Authority, to execute and deliver any and all documents, including, without limitation, any and all documents and certificates to be executed in connection with securing credit support, if any, for the Series 2018 Bonds, and to do any and all things and take any and all actions which may be necessary or advisable, in their discretion, to effectuate the actions which the Authority has approved in this Resolution and to consummate by the Authority the transactions contemplated by the documents approved hereby, including any subsequent amendments, waivers or consents entered into or given in accordance with such documents.

Section 8. All actions heretofore taken by the Chair, the Vice Chair, the Secretary, the Treasurer, any other members of the Commission of the Authority and other appropriate officers and agents of the Authority with respect to the issuance of the Series 2018 Bonds are hereby ratified, confirmed and approved.

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

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

PASSED AND ADOPTED by the California Statewide Communities Development Authority this 2nd day of August, 2018.

I, the undersigned, an Authorized Signatory of the California Statewide Communities Development Authority, DO HEREBY CERTIFY that the foregoing resolution was duly adopted by the Commission of the Authority at a duly called meeting of the Commission of the Authority held in accordance with law on August 2, 2018.

By: _____
Authorized Signatory
California Statewide Communities
Development Authority

PUBLIC DISCLOSURES RELATING TO CONDUIT REVENUE OBLIGATIONS

Pursuant to California Government Code Section 5852.1, the borrower (the “Borrower”) identified below has provided the following required information to the California Statewide Communities Development Authority (the “Issuer”) as conduit financing provider, prior to the regular meeting (the “Meeting”) of the Issuer on August 2, 2018, at which Meeting the Issuer will consider the authorization of conduit revenue obligations (the “Obligations”) as identified below.

1. Name of Borrower: Methodist Hospital of Southern California.
2. City Council Meeting Date: **August 2, 2018.**
3. Name of Obligations: California Statewide Communities Development Authority , Hospital Revenue Refunding Bonds (Methodist Hospital of Southern California), Series 2018.
4. KeyBanc Capital Markets, Inc. as the Underwriter has been engaged by the Borrower and has provided the Borrower with the required good faith estimates relating to the Obligations as follows / attached as Schedule A]:
 - (A) The true interest cost of the Obligations, which means the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for Obligations (to the nearest ten-thousandth of one percent): **4.07%.**
 - (B) The finance charge of the Obligations, which means the sum of all fees and charges paid to third parties: **\$2,979,590.**
 - (C) The amount of proceeds received by the public body for sale of the Obligations less the finance charge of the Obligations described in subparagraph (B) and any reserves or capitalized interest paid or funded with proceeds of the Obligations: **\$268,993,109.**
 - (D) The total payment amount, which means the sum total of all payments the Borrower will make to pay debt service on the Obligations plus the finance charge of the Obligations described in subparagraph (B) not paid with the proceeds of the Obligations (which total payment amount shall be calculated to the final maturity of the Obligations): **\$476,221,500.**
5. The good faith estimates provided above were presented to the official or officials of the Borrower having authority to obligate the Borrower in connection with the Obligations.

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

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

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

Dated: July 26, 2018



Agenda Item No. 5b

Agenda Report

DATE: August 2, 2018

TO: CSCDA COMMISSIONERS

FROM: Cathy Bando, Executive Director

PROJECT: Adventist Health System/West

PURPOSE: Authorize the Issuance of Bonds to Finance and Refinance the Acquisition, Construction, Improvement, and/or Equipping of Hospital and Other Healthcare Facilities located in the City of Marysville, County of Yuba; City of Yuba City, County of Sutter; and City of Roseville, County of Placer

AMOUNT: Not to Exceed \$350,000,000

EXECUTIVE SUMMARY:

Adventist Health System/West, a 501c3 nonprofit organization (“Adventist”), has requested that CSCDA issue nonprofit revenue bonds in an amount not to exceed \$350,000,000 (the “Bonds”) to finance the acquisition, construction, improvement, and/or equipping of hospital and other healthcare facilities located in the City of Marysville, County of Yuba; City of Yuba City, County of Sutter; and City of Roseville, County of Placer (the “Project”). The Bonds are being issued to (1) fund and reimburse costs associated with construction of Adventist’s corporate office to be located in Roseville, California; (2) finance the acquisition of certain facilities and related assets of The Fremont-Rideout Health Group, Rideout Memorial Hospital and United Com-Serve, which includes the refinancing of City of Marysville, California Revenue Bonds (the Fremont-Rideout Health Group) Series 2011 bonds and (3) repaying a portion of line of credit drawn to redeem CSCDA’s Series 2006A bonds. Adventist is expected to save \$14.3 million as a result of the refunding of the 2011 bonds. This will be the fourth CSCDA financing for Adventist.

PROJECT ANALYSIS:

About Adventist Health System/West:

Adventist is a faith-based, nonprofit integrated health system serving more than 80 communities on the West Coast and Hawaii. Founded on Seventh-day Adventist heritage and values, Adventist provides care in 19 hospitals, clinics, home care agencies, hospice agencies and joint-venture retirement centers in both rural and urban communities. In 2016, Adventist facilities had 150,202 admissions, 685,296 emergency visits, 2,952,313 outpatient visits, 239,742 home-care visits, and 2,283,341 clinic visits.

Public Agency Approvals:

TEFRA Hearings:

- July 17, 2018 – City of Marysville – Unanimous Approval
- July 17, 2018 – City of Yuba City – Unanimous Approval
- August 1, 2018 – Scheduled by the City of Roseville. Staff will report the outcome of the hearing and Commission approval shall be subject to TEFRA approval by the City.

Economic Development:

- Adventist employs more than 3,500 physicians, nurses and other staff throughout its facilities. In addition, many Adventist employees live, eat and shop within the community and support the local economy.

Public Benefit:

- Community Benefit – For 2016, the economic value of community benefits provided by Adventist is estimated at \$380,755,866. Unreimbursed community benefits include medical care services, benefits for vulnerable populations, benefits for the community, and health research, education and training programs.
- Emergency Care – Adventist provides 24-hour emergency care to all individuals, regardless of their ability to pay.
- Community outreach – Adventist and its affiliate hospitals support a wide range of activities and resources that promote health and wellness and increase access to healthcare services for vulnerable populations. Services include pediatric, adult and senior immunization clinics, organized assistance to families enrolling in state-funded programs such as Medi-Cal and Health Families, parenting and breastfeeding classes to caregivers at homeless shelters, community colleges, and domestic violence shelters, and holiday events and food drives for underserved children.
- Medi-Cal, Medicaid and Medicare acceptance – Adventist provides health care and helps to subsidize the cost of service for patients who participate in government sponsored programs such as Medi-Cal, Medicaid, and Medicare. For 2016, Adventist subsidized more than \$231 million for the unpaid cost of federal, state, and local programs.
- Research – Adventist contributed more than \$22.8 million in 2016 for education and research programs.

Sources and Uses:

Sources of Funds:

Series 2018 Par Amount:	<u>\$ 301,790,000</u>
Total Sources:	\$ 301,790,000

Uses of Funds:

Project Fund:	\$ 150,000,000
Escrow Deposit:	\$ 126,875,000
Repay Credit Line:	\$ 20,453,000
Cost of Issuance	<u>\$ 4,462,000</u>
Total Uses:	\$ 301,790,000

Finance Partners:

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

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

Underwriter: Ziegler Capital Markets, Chicago

Finance Terms:

Rating: A (S&P)
Term: 30 Years
Structure: Public Offering
Estimated Closing: September 27, 2018

CSCDA Policy Compliance:

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

DOCUMENTS: (as attachments)

1. CSCDA Resolution (Attachment A)

COMMISSION ACTION RECOMMENDED BY THE EXECUTIVE DIRECTOR:

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

Attachment A

RESOLUTION NO. 18NP-__

**CALIFORNIA STATEWIDE COMMUNITIES
DEVELOPMENT AUTHORITY**

A RESOLUTION AUTHORIZING THE ISSUANCE OF ONE OR MORE SERIES OF REVENUE BONDS IN A PRINCIPAL AMOUNT NOT TO EXCEED \$350,000,000 TO FINANCE OR REFINANCE THE ACQUISITION OF CERTAIN HEALTH CARE FACILITIES AND RELATED ASSETS OF THE FREMONT-RIDEOUT HEALTH GROUP, RIDEOUT MEMORIAL HOSPITAL AND UNITED COM-SERVE AND TO FINANCE AND REFINANCE THE ACQUISITION, CONSTRUCTION AND IMPROVEMENT OF CERTAIN CORPORATE FACILITIES FOR ADVENTIST HEALTH SYSTEM/WEST, AND OTHER MATTERS RELATING THERETO

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

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

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

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

WHEREAS, the Cities of Marysville, Yuba City and Roseville, all in California (together, the "Cities" and individually, a "City") are Program Participants, and each such City is authorized to acquire and dispose of property, both real and personal, pursuant to the provisions of Article 1, Chapter 5, Part 2 of Division 3 of Title 4 of the Government Code of the State of California;

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

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

WHEREAS, Adventist Health System/West (the "Corporation"), a California nonprofit religious corporation and an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, wishes to finance or refinance the acquisition of certain health care facilities and related assets of The Fremont-Rideout Health Group, Rideout Memorial Hospital and United Com-Serve and to finance and refinance the acquisition, construction, and improvement of certain corporate facilities for the Corporation (the "Project");

WHEREAS, the Corporation, The Fremont-Rideout Health Group, Rideout Memorial Hospital and United Com-Serve are, along with other entities, each members of an obligated group;

WHEREAS, the health care facilities and related assets and the corporate facilities comprising the Project are owned and operated, or will be owned and operated, by the Corporation or one or more members of its obligated group and are located, or will be located, in the Cities;

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

WHEREAS, pursuant to one or more Bond Indentures (collectively, the "Bond Indenture"), between the Authority and U.S. Bank National Association, as bond trustee (the "Trustee"), the Authority will issue the California Statewide Communities Development Authority Revenue Bonds (Adventist Health System/West), Series 2018, in one or more series (the "Bonds") for the purpose, among others, of financing and refinancing the Project;

WHEREAS, pursuant to one or more Loan Agreements (collectively, the "Loan Agreement"), between the Authority and the Corporation, the Authority will loan the proceeds of the Bonds to the Corporation for the purpose, among others, of financing and refinancing the Project;

WHEREAS, pursuant to one or more Bond Purchase Agreements, to be dated the date of sale of the Bonds (collectively, the "Bond Purchase Agreement"), among B.C. Ziegler and Company (the "Representative"), as representative of itself and the other underwriters named therein (collectively, the "Underwriters"), the Authority and the Corporation, the Bonds will be sold to the Representative, and the proceeds of such sale will be used as set forth in the Bond Indenture to finance and refinance the Project and to pay costs incurred in connection with the issuance of the Bonds;

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

- (1) A proposed form of the Bond Indenture;
- (2) A proposed form of the Loan Agreement;
- (3) A proposed form of the Bond Purchase Agreement; and
- (4) A proposed form of one or more official statements (collectively, the “Official Statement”) to be used by the Underwriters in connection with the offering and sale of the Bonds; and

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

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

Section 1. Pursuant to the Act and the Bond Indenture, the Authority is hereby authorized to issue its revenue bonds, designated as the “California Statewide Communities Development Authority Revenue Bonds (Adventist Health System/West), Series 2018” in an aggregate principal amount not to exceed three hundred fifty million dollars (\$350,000,000), from time to time, in one or more series, as federally tax-exempt bonds or federally taxable bonds, with such other name or names of the Bonds or series thereof as designated in the Bond Indenture pursuant to which the Bonds will be issued. The Bonds shall be issued and secured in accordance with the terms of, and shall be in the form or forms set forth in, the Bond Indenture. The Bonds shall be executed on behalf of the Authority by the manual or facsimile signature of the Chair of the Authority or the manual signature of any member of the Commission of the Authority or their administrative delegates duly authorized pursuant to Resolution No. 18R-2 of the Authority, adopted on April 19, 2018, or any other resolution of the Authority (each, an “Authorized Signatory”), and attested by the manual or facsimile signature of the Secretary of the Authority or the Assistant to the Secretary of the Authority or the manual signature of any Authorized Signatory.

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

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

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

Section 5. The proposed preliminary form of Official Statement, as made available to the Commissioners, is hereby approved. The Underwriters are hereby authorized to distribute the Official Statement in preliminary form, to persons who may be interested in the purchase of the Bonds and to deliver the Official Statement in final form, in substantially the form of the preliminary Official Statement, to the purchasers of the Bonds.

Section 6. The Bonds, when executed as provided in Section 1, shall be delivered to the Trustee for authentication by the Trustee. The Trustee is hereby requested and directed to authenticate the Bonds by executing the Trustee's Certificate of Authentication appearing thereon, and to deliver the Bonds, when duly executed and authenticated, to the purchaser or purchasers thereof in accordance with written instructions executed on behalf of the Authority by an Authorized Signatory, which any Authorized Signatory, acting alone, is authorized and directed, for and on behalf of the Authority, to execute and deliver to the Trustee. Such instructions shall provide for the delivery of the Bonds to the purchaser or purchasers thereof, upon payment of the purchase price thereof.

Section 7. The Chair, the Vice Chair, the Secretary, the Treasurer, any other members of the Commission of the Authority and other appropriate officers and agents of the Authority are hereby authorized and directed, jointly and severally, for and in the name and on behalf of the Authority, to execute and deliver any and all documents, including, without limitation, any and all documents and certificates to be executed in connection with securing credit support, if any, for the Bonds, and to do any and all things and take any and all actions which may be necessary or advisable, in their discretion, to effectuate the actions which the Authority has approved in this Resolution and to consummate by the Authority the transactions contemplated by the documents approved hereby, including any subsequent amendments, waivers or consents entered into or given in accordance with such documents.

Section 8. All actions heretofore taken by the Chair, the Vice Chair, the Secretary, the Treasurer, any other members of the Commission of the Authority and other appropriate officers and agents of the Authority with respect to the issuance of the Bonds are hereby ratified, confirmed and approved.

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

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

Section 11. PASSED AND ADOPTED by the California Statewide Communities Development Authority this 3rd day of August, 2018.

Section 12. I, the undersigned, an Authorized Signatory of the California Statewide Communities Development Authority, DO HEREBY CERTIFY that the foregoing resolution was duly adopted by the Commission of the Authority at a duly called meeting of the Commission of the Authority held in accordance with law on August 3, 2018.

By: _____
Authorized Signatory
California Statewide Communities
Development Authority

PUBLIC DISCLOSURES RELATING TO CONDUIT REVENUE OBLIGATIONS

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

1. Name of Borrower: Adventist Health System/West.
2. Authority Meeting Date: August 2, 2018.
3. Name of Obligations: California Statewide Communities Development Authority Revenue Bonds (Adventist Health System/West) Series 2018A.
4. Private Placement Lender or Bond Purchaser, Underwriter or Financial Advisor (mark one) engaged by the Borrower provided the Borrower with the required good faith estimates relating to the Obligations as follows:
 - (A) The true interest cost of the Obligations, which means the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for Obligations (to the nearest ten-thousandth of one percent): 4.0532%.
 - (B) The finance charge of the Obligations, which means the sum of all fees and charges paid to third parties: \$3,100,000.
 - (C) The amount of proceeds received by the public body for sale of the Obligations less the finance charge of the Obligations described in subparagraph (B) and any reserves or capitalized interest paid or funded with proceeds of the Obligations: \$293,468,000.
 - (D) The total payment amount, which means the sum total of all payments the Borrower will make to pay debt service on the Obligations plus the finance charge of the Obligations described in subparagraph (B) not paid with the proceeds of the Obligations (which total payment amount shall be calculated to the final maturity of the Obligations): \$550,330,365.
5. The good faith estimates provided above were presented to the governing board of the Borrower, or presented to the official or officials or committee designated by the governing board of the Borrower to obligate the Borrower in connection with the Obligations or, in the absence of a governing board, presented to the official or officials of the Borrower having authority to obligate the Borrower in connection with the Obligations (mark one).

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

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

Dated: July 27, 2018