



**REGULAR MEETING AGENDA**  
**August 20, 2020 at 2:00 p.m.**

*Pursuant to Governor Newsom’s Executive Order, Commissioners of the California Statewide Community Development Authority or staff may participate in this meeting via a teleconference. In the interest of maintaining appropriate social distancing, members of the public may participate in the meeting telephonically. Members of the public may observe and offer comment at this meeting telephonically by dialing 623-404-9000, Meeting ID 240 338 9861 Passcode 747188. If you are an individual with a disability and need a reasonable modification or accommodation pursuant to the Americans with Disabilities Act (“ADA”) please contact [info@cscda.org](mailto:info@cscda.org) or 1-800-531-7476 prior to the meeting for assistance.*

**A. OPENING AND PROCEDURAL ITEMS**

1. Roll Call.  
\_\_\_\_ Kevin O’Rourke, Chair  
\_\_\_\_ Tim Snellings, Vice Chair  
\_\_\_\_ Brian Moura, Secretary  
\_\_\_\_ Jordan Kaufman, Treasurer  
\_\_\_\_ Dan Mierzwa, Member  
\_\_\_\_ Brian Stiger, Member  
\_\_\_\_ Marcia Raines, Member  
\_\_\_\_ Michael Cooper, Alt. Member  
\_\_\_\_ Niroop Srivatsa, Alt. Member
2. Consideration of the Minutes of the August 6, 2020 Regular Meeting.
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. California College of the Arts, City and County of San Francisco; issue up to \$34,500,000 in nonprofit tax-exempt obligations.
  - b. SJC Groves LP (The Groves Apartments), City of San Juan Capistrano, County of Orange; issue up to \$25 million in multi-family housing revenue bonds.

This \_\_\_ page agenda was posted at 1100 K Street, Sacramento, California on \_\_\_\_\_, 2020 at \_\_\_: \_\_ m, Signed \_\_\_\_\_. Please email signed page to [info@cscda.org](mailto:info@cscda.org)

- c. Block 7 Downtown Investors LP (Block 7 Downtown Apartments), City of Redding, County of Shasta; issue up to \$40 million in multi-family housing revenue bonds.
  - d. Merced CA Apartments, LP (Childs & B Apartments), City of Merced, County of Merced; issue up to \$32 million in multi-family housing revenue bonds.
  - e. Merced Gateway Investors II, LP (Gateway Terrace II Apartments), City of Merced, County of Merced; issue up to \$12,000,000 in multi-family housing revenue bonds.
6. Consideration of the following resolution relating to the California Statewide Communities Development Authority Community Facilities District No. 2016-02 (Delta Coves):
- a. Resolution Approving the Issuance of the California Statewide Communities Development Authority Community Facilities District No. 2016-02 (Delta Coves), Special Tax Bonds, Series 2020; Authorizing the Execution and Delivery of a Second Supplemental Indenture Providing for the Issuance of such Bonds; Approving a Bond Purchase Contract Providing for the Sale of such Bonds; Approving an Official Statement; Approving a Continuing Disclosure Certificate; Authorizing the Sale of such Bonds; and Authorizing Related Actions and the Execution of Related Documents in Connection with the Issuance, Sale and Delivery of such Bonds.
7. Consideration of Total Road Improvement Program (TRIP) for the cities of Desert Hot Springs, Moreno Valley and Murrieta in an amount not to exceed \$47,500,000.

**C. STAFF ANNOUNCEMENTS, REPORTS ON ACTIVITIES OR REQUESTS**

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

**NEXT MEETING:** Thursday, September 3, 2020 at 2:00 p.m.

**CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY**

**CONSENT CALENDAR**

1. Consideration of Greenday Finance LLC d/b/a GreenPACE Capital (“Greenday”) transfer of its C-PACE business to its affiliate GreenPACE Capital LLC (“GPC”).



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California Statewide Communities Development Corporation

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## MINUTES

### REGULAR MEETING OF THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY

August 6, 2020 at 2:00 p.m.

Commission Chair Kevin O'Rourke called the meeting to order at 2:02 pm.

1. Roll Call.

Commission members participating via teleconference: Kevin O'Rourke, Tim Snellings, Brian Moura, Jordan Kaufman, Dan Mierzwa, Brian Stiger, and Marcia Raines.

Others participating via teleconference: Cathy Bando, CSCDA Executive Director; James Hamill, Bridge Strategic Partners; Norman Coppinger, League of California Cities; Sedy Young, CSAC Finance Corporation; Jim Manker, CSAC Finance Corporation; Chase Broffman, CSAC Finance Corporation; Tricia Ortiz, Richards Watson & Gershon; and Patricia Eichar, Orrick, Herrington & Sutcliffe.

2. Consideration of the Minutes of July 23, 2020 Regular Meeting.

The Commission approved the June 23, 2020 Regular Meeting minutes.

***Motion to approve by D. Mierzwa. 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 HT Terrace Renewal LP (Harriet Tubman Terrace Apartments), City of Berkeley, County of Alameda; issue up to \$40 million in multi-family housing revenue bonds.
2. Inducement of APP Properties, Inc. (APP Hayward Jet Center), City of Hayward, County of Alameda; issue up to \$6,000,000 in exempt-facility revenue bonds.
3. Consideration of Community HousingWorks Annual Dreambuilder sponsorship.
4. Consideration of San Diego Housing Federation Conference Sponsorship.

***Motion to approve by J. Kaufman. Second by M. Raines. Unanimously approved by roll-call vote***

4. Public Comment.

There was no public comment.

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

- a. Town School for Boys, City and County of San Francisco; issue up to \$10 million in tax-exempt obligations.

Executive Director Bando gave an overview of the project, and the financing complies with CSCDA's general, issuance and K-12 private school policies. Town School for Boys has requested that CSCDA issue tax-exempt nonprofit revenue obligations to refinance certain educational facilities located on its main campus. This is Town School's second financing with CSCDA. CSCDA's Executive Director recommended that the Commission adopt the resolution.

***Motion to approve both resolutions by J. Kaufman. Second by B. Stiger. Unanimously approved by roll-call vote***

6. Community Facilities District No. 2015-01 Improvement Area No. 1 (University District).

- a. Consider the Resolution approving the issuance of the California Statewide Communities Development Authority Community Facilities District No. 2015-01, Improvement Area No. 1 (University District), Special Tax Bonds, Series 2020; authorizing the execution and delivery of a first supplemental indenture providing for the issuance of such bonds; approving a bond purchase contract providing for the sale of such bonds; approving an official statement; approving a continuing disclosure certificate; authorizing the sale of such bonds; and authorizing related actions and the execution of related documents in connection with the issuance, sale and delivery of such bonds.

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

Community Facilities District No. 2015-01 Improvement Area No. 2 (University District)

- b. Consider the Resolution approving the issuance of the California Statewide Communities Development Authority Community Facilities District No. 2015-01, Improvement Area No. 2 (University District), Special Tax Bonds, Series 2020; authorizing the execution and delivery of a first supplemental indenture providing for the issuance of such bonds; approving a bond purchase contract providing for the sale of such bonds; approving an official statement; approving a continuing disclosure certificate; authorizing the sale of such bonds; and authorizing related actions and the execution of related documents in connection with the issuance, sale and delivery of such bonds.

***Motion to approve by B. Moura. Second by B. Stiger. Unanimously approved by roll-call vote.***

7. Community Facilities District No. 2020-02 (Atwell)

- a. Conduct second reading and adopt “Ordinance Levying a Special Tax for Fiscal Year 2020-2021 and Following Fiscal Years Solely Within and Relating to the California Statewide Communities Development Authority Community Facilities District No. 2020-02 (Atwell), City of Banning, County of Riverside, State of California”.

***Motion to approve by B. Moura. Second by M. Raines. Unanimously approved by roll-call vote***

8. Consideration of Process for Distributing CSCDA Interest Earnings.

Executive Director Bando explained to the Commission that CSCDA holds CDLAC performance deposits for multi-family housing projects. CSCDA’s CDLAC account has a balance which is \$213,256 more than the performance deposits held. The excess balance is believed to be interest earnings on the account.

Bando also explained that CSCDA established an Operating Reserve in 2015 in the amount of \$300,000 which was funded by equal contributions from the League of California Cities (LCC) and CSAC. While the Operating Reserve has not been needed or used in five years, it is prudent to maintain an Operating Reserve.

Bando recommended that the current balance in the Operating Reserve, plus interest earnings, be returned to the LCC and CSAC, and to replenish the Operating Reserve with the excess balances in the CDLAC account.

To effect these changes, Executive Director recommended approval of an Updated and Revised Bank Account Administration and Disbursement of Funds Authorization Policy, which will become effective August 31, 2020. Surplus balances in the CDLAC accounts would be transferred to CSCDA’s Operating Reserve on an annual basis as of June 30 of each year. CSCDA’s counsel has reviewed and approved the Updated and Revised Policy.

During the discussion, the Commission requested that the agenda for CSCDA’s annual meeting include a review of CSCDA’s policies on a rotating basis, so every policy is not reviewed every year.

***Motion to approve by M. Raines. Second by B. Stiger. Unanimously approved by roll-call vote.***

9. Executive Director Update.

Executive Director Bando had no update.

10. Staff Update.

Staff shared the CSCDA promotional video with the Commission. The video will be posted on the CSCDA website, and used in other videoconferences. The Commission suggested follow-up videos that promote individual CSCDA programs and Commissioners.

11. Adjourn.

The meeting was adjourned at 2:43 p.m.

Submitted by: Sendy Young, CSAC Finance Corporation

**NEXT MEETING:** Thursday, August 20, 2020 at 2:00 p.m.





**CSCDA**  
CALIFORNIA STATEWIDE COMMUNITIES  
DEVELOPMENT AUTHORITY

## Agenda Item No. 3

### Agenda Report

**DATE:** August 20, 2020  
**TO:** CSCDA COMMISSIONERS  
**FROM:** Cathy Bando, Executive Director  
**PURPOSE:** Consent Calendar

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#### SUMMARY:

1. Consideration of Greenday Finance LLC d/b/a GreenPACE Capital (“Greenday”) transfer of its C-PACE business to its affiliate GreenPACE Capital LLC (“GPC”).

*In August, 2020 CSCDA’s current Open PACE administrator, Greenday Finance LLC d/b/a GreenPACE Capital (“Greenday”), transferred its C-PACE business to its affiliate GreenPACE Capital LLC (“GPC”). All of the same employees of Greenday approved by the Commission will work for GPC. The approval requested today is to amend the services agreement to reference GreenPACE Capital LLC instead Greenday Finance LLC.*



## Agenda Item No. 5a

### Agenda Report

**DATE:** August 20, 2020

**TO:** CSCDA COMMISSIONERS

**FROM:** Cathy Bando, Executive Director

**PROJECT:** California College of the Arts

**PURPOSE:** Authorize the Issuance of Tax-Exempt Obligations to Refinance School Facilities in the City and County of San Francisco

**AMOUNT:** Not to Exceed \$34,500,000

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#### **EXECUTIVE SUMMARY:**

California College of the Arts (“CCA”), has requested that CSCDA issue tax-exempt nonprofit revenue obligations in an amount not to exceed \$34,500,000 (the “Obligations”) to refinance CCA’s existing 2014 and 2016 CSCDA debt obligations.

#### **PROJECT ANALYSIS:**

##### **About CCA:**

Founded in 1907 by Frederick Meyer, a German cabinetmaker, whose vision was shaped by the Arts and Crafts movement, CCA is noted for the interdisciplinary and breadth of its programs. CCA educates students to shape culture and society through the practice and critical study of art, architecture, design, and writing. Benefitting from its San Francisco Bay Area location, the college prepares students for lifelong creative work by cultivating innovation, community engagement, and social and environmental responsibility.

##### **About the Transaction:**

The proposed transaction will refinance CCA’s 2014 and 2016 bonds issued by CSCDA. The net present value savings as a result of the refinancing is approximately \$2,850,000.

**Public Agency Approval:**

**TEFRA Hearing:** The transaction is a current refunding and bond counsel has confirmed that a TEFRA hearing is not required.

**Public Benefit:**

As an educational and cultural institution, CCA believes in fostering the artistic and academic excellence of its students and faculty. They cultivate intellectual curiosity and risk-taking, collaboration and innovation, compassion and integrity. As a global citizen and good neighbor, CCA believes in its role as a proponent of social justice and community engagement.

- CCA promotes diversity on its campus by improving access and opportunities for underrepresented groups.
- CCA values sustainability and believes that as a school of the arts they have a unique ability and an ethical responsibility to shape a culture that is more environmentally responsible.
- CCA understands the importance of creative economies and the role of artists, designers, architects, and writers in solving social, cultural, environmental, and economic problems.

**Sources and Uses:**

Sources of Funds:

Tax-Exempt Obligations:	<u>\$ 31,511,227</u>
Total Sources:	\$ 31,511,227

Uses of Funds:

Refunding 2014 Bonds:	\$ 15,636,521
Refunding 2016 Bonds:	\$ 15,553,642
Placement Fee:	\$ 116,963
Contingency:	\$ 4,101
Costs of Issuance:	<u>\$ 200,000</u>
Total Uses:	\$ 31,511,227

**Finance Partners:**

Bond Counsel: Hawkins, Delafield & Wood, San Francisco

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

Private Placement Purchaser: First Republic Bank, San Francisco

**Finance Terms:**

**Anticipated Rating:** Unrated  
**Term:** 30 years at a fixed interest rate  
**Method of Sale:** Private Placement  
**Estimated Closing:** September 15, 2020

**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:**

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

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

**ATTACHMENT A**

**RESOLUTION NO. 20 NP-\_\_\_**

**CALIFORNIA STATEWIDE COMMUNITIES  
DEVELOPMENT AUTHORITY**

**A RESOLUTION AUTHORIZING THE ISSUANCE OF AN OBLIGATION IN A PRINCIPAL AMOUNT NOT TO EXCEED \$34,500,000, TO FINANCE AND/OR REFINANCE CERTAIN CAPITAL EXPENDITURES OF THE CALIFORNIA COLLEGE OF THE ARTS, 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 and County of San Francisco (the "City") is a Program Participant, and such City is authorized to acquire and dispose of property, both real and personal, pursuant to the provisions of Chapter 1, Division 1 of Title 3 of the Government Code of the State of California;

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

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

WHEREAS, California College of the Arts, a California nonprofit public benefit corporation (the “Corporation”), wishes to: (1) refinance all or a portion of a loan (the “2016 Loan”), the proceeds of which were used by the Corporation to finance or refinance the construction, acquisition, improvement, capital maintenance, equipment acquisition and other related capital expenditures at the Corporation’s facilities located within the City and County of San Francisco, California and the City of Oakland, California, (2) refinance a Loan (the “2014 Loan”), the proceeds of which were used by the Corporation to (3) finance or refinance the construction, acquisition, improvement, capital maintenance, equipment acquisition and other related capital expenditures of the Corporation’s facilities located in the City and County of San Francisco, California; and (4) pay various costs of issuance and other costs related to the Loan (collectively, the “Project”);

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

WHEREAS, pursuant to a Master Loan Agreement to be executed by First Republic Bank (the “Lender”), the Authority and the Corporation (the “Master Loan Agreement”), the Authority will make a tax-exempt loan to the Corporation in a principal amount not exceeding \$34,500,000 (the “Obligation”), for the purpose of financing and/or refinancing the Project;

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

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

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

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

**Section 1.** Pursuant to the Act and the Master Loan Agreement, the Authority is hereby authorized to issue the Obligation in an aggregate principal amount not to exceed Thirty-Four Million Five Hundred Thousand Dollars (\$34,500,000). The Obligation shall be issued and secured in accordance with the terms of the Master Loan Agreement.

**Section 2.** The proposed form of Master Loan Agreement, as made available to the Commissioners, is hereby approved. Any member of the Commission of the Authority or their administrative delegates duly authorized pursuant to Resolution No. 20R-1 of the Authority, adopted on January 23, 2020, or any other resolution of the Authority (each an “Authorized Signatory”) is hereby authorized and directed, for and on behalf of the Authority, to execute and deliver the Master Loan Agreement in substantially said form, with such changes and insertions therein as any member of the Commission, with the advice of counsel to the Authority, may approve, such approval to be conclusively evidenced by the execution and delivery thereof. The dated date, maturity date or dates, interest rate or rates, methods of determining rates, interest payment dates, denominations, forms, registration privileges,

manner of execution, place or places of payment, terms of redemption, tender provisions, and other terms of the Obligation shall be as provided in the Master Loan Agreement, as finally executed.

**Section 3.** The Chair, the Vice Chair, the Secretary, the Treasurer, any other members of the Commission of the Authority and other appropriate officers and agents of the Authority are hereby authorized and directed, jointly and severally, for and in the name and on behalf of the Authority, to execute and deliver any and all documents, including, without limitation, any and all documents and certificates to be executed in connection with securing credit support, if any, for the Obligation, and to do any and all things and take any and all actions which may be necessary or advisable, in their discretion, to effectuate the actions which the Authority has approved in this resolution and to consummate by the Authority the transactions contemplated by the documents approved hereby, including any subsequent amendments, waivers or consents entered into or given in accordance with such documents.

**Section 4.** All actions heretofore taken by the Chair, the Vice Chair, the Secretary, the Treasurer, any other members of the Commission of the Authority and other appropriate officers and agents of the Authority with respect to the issuance of the Obligation are hereby ratified, confirmed and approved.

**Section 5.** Notwithstanding anything to the contrary in this resolution, no documents referenced in this resolution may be executed and delivered until the City has held the hearing pursuant to Section 147(f) of the Internal Revenue Code of 1986, if required by said Section, and has approved the issuance of the Obligation as may be required thereby and in accordance with Section 9 of the Agreement to provide financing and/or refinancing for the Project.

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

PASSED AND ADOPTED by the California Statewide Communities Development Authority this \_\_\_\_ day of \_\_\_\_\_, 2020.

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 \_\_\_\_\_, 2020.

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: California College of the Arts
2. Authority Meeting Date: August 20, 2020
3. Name of Obligations: CSCDA Revenue Bonds (California College of the Arts) Series 2020
4.  Private Placement Lender or Bond Purchaser,  Underwriter or  Financial Advisor (mark one) engaged by the Borrower provided the Borrower with the required good faith estimates relating to the Obligations [as follows / attached as Schedule A]:
  - [(A) The true interest cost of the Obligations, which means the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for Obligations (to the nearest ten-thousandth of one percent): 2.90%.
  - [(B) The finance charge of the Obligations, which means the sum of all fees and charges paid to third parties: \$316,963.
  - [(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: \$31,190,163.
  - [(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): \$41,353,871]
5. The good faith estimates [provided above / attached as Schedule A] were  presented to the governing board of the Borrower, or  presented to the official or officials or committee designated by the governing board of the Borrower to obligate the Borrower in connection with the Obligations or, in the absence of a governing board,  presented



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

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

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

Dated: 8/17/20



## Agenda Item No. 5b

### Agenda Report

**DATE:** August 20, 2020

**TO:** CSCDA COMMISSIONERS

**FROM:** Cathy Bando, Executive Director

**PROJECT:** The Groves Apartments

**PURPOSE:** Approve the Financing of Rental Affordable Housing Project Located in the City of San Juan Capistrano, County of Orange

**AMOUNT:** Not to Exceed \$25,000,000

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#### **EXECUTIVE SUMMARY:**

The Groves Apartments (the “Project”) is the new construction of a 75-unit rental housing project located in the City of San Juan Capistrano. 100% of the units will be rent restricted for low-income senior tenants.

#### **PROJECT DESCRIPTION:**

- Construction of a 75-unit affordable rental housing facility located at the NW corner of Camino Capistrano and Junipero Serra in the City of San Juan Capistrano.
- One three-story building.
- Consists of one and two-bedroom units, and one manager’s unit.
- Includes a fitness center, community center, community kitchen and laundry facilities.

#### **PROJECT ANALYSIS:**

##### **Background on Applicant:**

Since 1990, C&C Development has provided high quality affordable communities throughout Southern California. C&C is one of Southern California’s most experienced and trusted affordable housing developers with a commitment to develop and preserve quality affordable and mixed-income communities. With over 30 years of experience, C&C has built one of the industry’s most successful track records, developing more than 4,300 residential units. This will be C&C’s fourth financing with CSCDA.

**Public Agency Approval:**

**TEFRA Hearing:** August 4, 2020 – City of San Juan Capistrano – Unanimous Approval

**CDLAC Approval:** April 12, 2020

**Public Benefits:**

- 100% of the units will be rent restricted for 55 years.
  - 14% (10 units) restricted to 30% or less of area median income households.
  - 16% (12 units) restricted to 50% or less of area median income households.
  - 70% (52 units) restricted to 60% or less of area median income households.
  - One Manager’s unit.

**Sources and Uses:**

Sources of Funds:

Tax-Exempt Bonds:	\$ 18,000,000
City Loan:	\$ 4,800,000
CalHFA Loan:	\$ 1,294,511
Seller Carryback Loan:	\$ 4,100,000
Deferred Developer Fee:	\$ 2,117,525
Deferred Costs:	\$ 389,840
Tax Credits:	\$ 3,402,830
Total Sources:	\$ 34,104,706

Uses of Funds:

Acquisition:	\$ 4,258,511
Construction Costs:	\$ 18,524,167
Architecture/Engineering:	\$ 1,165,000
Reserves:	\$ 334,500
Capitalized Interest:	\$ 2,163,619
Costs of Issuance:	\$ 125,000
Developer Fee:	\$ 3,762,598
Contingency:	\$ 330,000
Other Soft Costs:	\$ 3,441,311
Total Uses:	\$ 34,104,706

**Finance Partners:**

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

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

Bond Purchaser: Bank of America

**Finance Terms:**

**Rating:** Unrated  
**Term:** 35 years  
**Method of Sale:** Private Placement  
**Estimated Closing:** September 1, 2020

**CSCDA Policy Compliance:**

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

**DOCUMENTS:** (as attachments)

1. CSCDA Resolution (Attachment A)

**COMMISSION ACTION RECOMMENDED BY THE EXECUTIVE DIRECTOR:**

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

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

**ATTACHMENT A**

**RESOLUTION NO. 20H-**

**A RESOLUTION OF THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY AUTHORIZING THE EXECUTION AND DELIVERY OF ONE OR MORE MULTIFAMILY HOUSING REVENUE NOTES IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$25,000,000 FOR THE FINANCING OF A MULTIFAMILY RENTAL HOUSING DEVELOPMENT GENERALLY KNOWN AS THE GROVES; DETERMINING AND PRESCRIBING CERTAIN MATTERS AND APPROVING AND AUTHORIZING THE EXECUTION OF AND DELIVERY OF VARIOUS DOCUMENTS RELATED THERETO; RATIFYING ANY ACTION HERETOFORE TAKEN AND APPROVING RELATED MATTERS IN CONNECTION WITH THE NOTES.**

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

**WHEREAS**, SJC Groves LP, a California limited partnership, and entities related thereto (the “Borrower”), has requested that the Authority execute and deliver its Multifamily Housing Revenue Note 2020 Series W-1 and its Multifamily Housing Revenue Note 2020 Series W-2 (collectively, the “Tax-Exempt Notes”) and its Multifamily Housing Revenue Taxable Note 2020 Series W-3 (the “Taxable Note” and together with the Tax-Exempt Notes, the “Notes”) to assist in financing the acquisition and construction of a 75-unit multifamily housing rental development located in San Juan Capistrano, California (the “City”), and known as The Groves (the “Project”);

**WHEREAS**, on April 14, 2020, the Authority received a private activity bond volume cap allocation in the amount of \$18,000,000 (the “Allocation Amount”) from the California Debt Limit Allocation Committee (“CDLAC”) in connection with the Project;

**WHEREAS**, the City is a Program Participant (as defined in the Agreement) of the Authority and has authorized the issuance, execution and delivery of tax-exempt obligations for the purpose of financing the Project;

**WHEREAS**, the Authority is willing to execute and deliver the Notes in an aggregate principal amount not to exceed \$25,000,000, provided that the portion of such Notes executed and delivered as federally tax-exempt obligations shall not exceed the Allocation Amount, and to loan the proceeds thereof to the Borrower to assist in providing financing for the Project,

which will allow the Borrower to reduce the cost of the Project and to assist in providing housing for low and moderate income persons;

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

**WHEREAS**, the Notes will be executed and delivered to Bank of America, N.A. (the "Funding Lender"), as the initial holder of the Notes in accordance with the Authority's private placement policies; and

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

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

(2) Project Loan Agreement (the "Project Loan Agreement") to be entered into between the Authority, the Fiscal Agent and the Borrower; and

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

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

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

Section 2. Pursuant to the JPA Law and the Funding Loan Agreement and in accordance with the Housing Law, the Authority is hereby authorized to execute and deliver the Notes in one or more series. The Notes shall be designated as "California Statewide Communities Development Authority Multifamily Housing Revenue Note (The Groves) 2020 Series W-1," "California Statewide Communities Development Authority Multifamily Housing Revenue (The Groves) 2020 Series W-2" and "California Statewide Communities Development Authority Multifamily Housing Revenue Taxable Note (The Groves) 2020 Series W-3" including, if and to the extent necessary, one or more sub-series, with appropriate modifications and series and sub-series designations as necessary, in an aggregate principal amount not to exceed \$25,000,000; provided that the aggregate principal amount of any federally tax-exempt obligations shall not exceed the Allocation Amount. The Notes shall be executed and delivered in the form set forth in and otherwise in accordance with the Funding Loan Agreement, and shall be executed on behalf of the Authority by the manual or facsimile signature of the Chair of the Authority or the manual signature of any Authorized Signatory (as defined below), and, if appropriate, attested by the

facsimile signature of the Secretary of the Authority or the Assistant to the Secretary of the Authority, or the manual signature of any Authorized Signatory. The Notes shall be secured in accordance with the terms of the Funding Loan Agreement presented to this meeting, as hereinafter approved. Payment of the principal and purchase price of, and prepayment or redemption premium, if any, and interest on, the Notes shall be made solely from amounts pledged thereto under the Funding Loan Agreement, respectively, and the Notes shall not be deemed to constitute a debt or liability of the Authority or any Program Participant or Member of the Commission of the Authority (each, a "Member").

Section 3. The Funding Loan Agreement in the form presented at this meeting is hereby approved. Any Member, or any other person as may be designated and authorized to sign for the Authority pursuant to a resolution adopted thereby (including, without limitation, the administrative delegates duly authorized pursuant to Resolution No. 20R-1 of the Authority, adopted on January 23, 2020) (together with the Members, each such person is referred to herein individually as an "Authorized Signatory"), acting alone, is authorized to execute by manual signature and deliver the Funding Loan Agreement, with such changes and insertions therein as may be necessary to cause the same to carry out the intent of this Resolution and as are approved by counsel to the Authority, such approval to be conclusively evidenced by the delivery thereof. The date, maturity date or dates (which shall not extend beyond 45 years from the date of execution and delivery thereof), interest rate or rates (which shall not exceed 12%), interest payment dates, denominations, form, registration privileges, manner of execution, place of payment, terms of prepayment and other terms of the Notes shall be as provided in the Funding Loan Agreement as finally executed.

Section 4. The Project 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 Project Loan Agreement, with such changes and insertions therein as may be necessary to cause the same to carry out the intent of this Resolution and as are approved by counsel to the Authority, such approval to be conclusively evidenced by the delivery thereof.

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

Section 6. The Authority is hereby authorized to execute and deliver the Notes to the Funding Lender pursuant to the terms and conditions of the Funding Loan Agreement.

Section 7. All actions heretofore taken by the officers and agents of the Authority with respect to the financing of the Project, the execution and delivery of the Notes are hereby approved, ratified and confirmed, and any Authorized Signatory, acting alone, is hereby authorized and directed, for and in the name and on behalf of the Authority, to do any and all things and take any and all actions and execute and deliver any and all certificates, agreements and other documents, including but not limited to a tax certificate, loan related documents, assignment(s) of deed(s) of trust, any endorsement, allonge or assignment of any note and such other documents as described in the Funding Loan Agreement, and the other documents herein approved, and any

documents or amendments which may be necessary to terminate any prior documents or instruments, which they, or any of them, may deem necessary or advisable in order to consummate the lawful execution and delivery of the Notes, and to effectuate the purposes thereof and of the documents herein approved in accordance with this resolution and resolutions heretofore adopted by the Authority and otherwise in order to carry out the financing of the Project.

Section 8. All consents, approvals, notices, orders, requests and other actions permitted or required by any of the documents authorized by this Resolution, whether before or after the execution and delivery of the Notes, including without limitation any of the foregoing that may be necessary or desirable in connection with any default under or amendment of such documents, any transfer or other disposition of the Project, any addition or substitution of security for the Notes or any prepayment of the Notes, may be given or taken by any Authorized Signatory, as appropriate, without further authorization by the Commission, and each such officer is hereby authorized and directed to give any such consent, approval, notice, order or request and to take any such action that such officer may deem necessary or desirable to further the purposes of this Resolution and the financing of the Project; provided such action shall not create any obligation or liability of the Authority other than as provided in the Funding Loan Agreement and the other documents approved herein.

This Resolution shall take effect upon its adoption.

**PASSED AND ADOPTED** by the California Statewide Communities Development Authority this August 20, 2020.

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 20, 2020.

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



## PUBLIC DISCLOSURES RELATING TO CONDUIT REVENUE OBLIGATIONS

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

1. Name of Borrower: **SJC Groves LP**
2. Authority Meeting Date: **August 20, 2020**
3. Name of Obligations: **The Groves Apartments**
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): **3.2000%**.
  - (B) The finance charge of the Obligations, which means the sum of all fees and charges paid to third parties: **\$576,820**.
  - (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: **\$16,375,504**.
  - (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): **\$1,047,676**.
5. The good faith estimates [provided above / attached as Schedule A] were  presented to the governing board of the Borrower, or  presented to the official or officials or committee designated by the governing board of the Borrower to obligate the Borrower in connection with the Obligations or, in the absence of a

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

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

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

Dated: **July 28, 2020**



## Agenda Item No. 5c

### Agenda Report

**DATE:** August 20, 2020

**TO:** CSCDA COMMISSIONERS

**FROM:** Cathy Bando, Executive Director

**PROJECT:** Block 7 Downtown Apartments

**PURPOSE:** Approve the Financing of Rental Affordable Housing Project Located in the City of Redding, County of Shasta

**AMOUNT:** Not to Exceed \$40,000,000

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#### **EXECUTIVE SUMMARY:**

Block 7 Downtown Apartments (the “Project”) is the new construction of a 78-unit rental housing project located in the City of Redding. 100% of the units will be rent restricted for low-income tenants.

#### **PROJECT DESCRIPTION:**

- Construction of a 78-unit affordable rental housing facility located at California Street and Yuba Street in the City of Redding.
- 0.77 acres.
- One four-story building.
- Consists of one and two-bedroom units, and one manager’s unit.
- Includes a community room and laundry facilities.

#### **PROJECT ANALYSIS:**

##### **Background on Applicant:**

K2 Development Companies (K2) is a family-owned community developer whose partners have a combined 70 years of development and construction experience. Over the past 15 years the company has focused on bettering its local community through a combination of acquiring, developing, and rehabilitating multi-family, single family and affordable housing.

Over the years, K2 has cultivated strategic partnerships with many key regional institutions including veterans' organizations, Northern Valley Catholic Social Services, non-profit housing managers, and The McConnell Foundation resulting in successful development opportunities in excess of \$100 million. K2 takes pride in creating impact projects that have diverse positive effects on their surrounding areas and businesses, while increasing affordable housing. This will be K2's first financing with CSCDA.

**Public Agency Approval:**

**TEFRA Hearing:** December 3, 2019 – City of Redding – Unanimous Approval

**CDLAC Approval:** April 12, 2020

**Public Benefits:**

- 100% of the units will be rent restricted for 55 years.
  - 42% (32 units) restricted to 30% or less of area median income households.
  - 40% (31 units) restricted to 60% or less of area median income households.
  - 18% (14 units) restricted to 80% or less of area median income households.
  - One Manager's unit.

**Sources and Uses:**

Sources of Funds:

Tax-Exempt Bonds:	\$ 33,999,652
City Loans:	\$ 14,221,202
Deferred Developer Fee:	\$ 2,419,000
Developer Contribution:	\$ 3,309,511
Tax Credits:	<u>\$ 7,037,903</u>
Total Sources:	\$ 60,987,268

Uses of Funds:

Acquisition:	\$ 1,956,000
Construction Costs:	\$ 39,103,957
Architecture/Engineering:	\$ 2,445,000
Reserves:	\$ 507,091
Capitalized Interest:	\$ 2,772,117
Costs of Issuance:	\$ 223,041
Developer Fee:	\$ 6,659,701
Contingency:	\$ 244,500
Other Soft Costs:	<u>\$ 7,075,861</u>
Total Uses:	\$ 60,987,268

**Finance Partners:**

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

**Finance Terms:**

**Rating:** Unrated  
**Term:** 35 years  
**Method of Sale:** Private Placement  
**Estimated Closing:** September 30, 2020

**CSCDA Policy Compliance:**

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

**DOCUMENTS:** (as attachments)

1. CSCDA Resolution (Attachment A)

**COMMISSION ACTION RECOMMENDED BY THE EXECUTIVE DIRECTOR:**

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

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

**ATTACHMENT A**

**\_\_\_\_ RESOLUTION NO. 20-\_\_**

**A RESOLUTION OF THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY AUTHORIZING THE EXECUTION AND DELIVERY OF MULTIFAMILY HOUSING REVENUE NOTES IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$40,000,000 FOR THE FINANCING OF A MULTIFAMILY RENTAL HOUSING DEVELOPMENT GENERALLY KNOWN AS BLOCK 7 DOWNTOWN APARTMENTS; DETERMINING AND PRESCRIBING CERTAIN MATTERS AND APPROVING AND AUTHORIZING THE EXECUTION AND DELIVERY OF VARIOUS DOCUMENTS RELATED THERETO; RATIFYING ANY ACTION HERETOFORE TAKEN AND APPROVING RELATED MATTERS IN CONNECTION WITH THE NOTES.**

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

**WHEREAS**, Block 7 Downtown Investors, LP, a California limited partnership (and entities related thereto, collectively, the “Borrower”), has requested that the Authority execute and deliver its multifamily housing revenue notes (collectively, the “Notes”) to assist in the financing of the acquisition, construction, development and equipping of a 78-unit (including one manager’s unit) multifamily housing rental development to be located in the City of Redding, California, and known or to be known as Block 7 Downtown Apartments (the “Project”);

**WHEREAS**, on April 14, 2020, the Authority received an allocation in the amount of \$33,999,652 (the “Allocation Amount”) of private activity volume cap from the California Debt Limit Allocation Committee (“CDLAC”) in connection with the Project;

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

**WHEREAS**, the Authority is willing to execute and deliver the Notes in an aggregate principal amount not to exceed \$40,000,000, provided that the portion of such Notes executed and delivered as federally tax-exempt obligations shall not exceed the Allocation Amount, and to loan the proceeds thereof to the Borrower to assist in providing financing for the Project, which will allow the Borrower to reduce the cost of the Project and to assist in providing housing for low and moderate income persons;

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

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

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

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

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

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

(4) Contingency Draw-Down Agreement (the "Contingency-Draw-Down Agreement") to be entered into by the Funding Lender and the Borrower.

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

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

Section 2. Pursuant to the JPA Law and the Funding Loan Agreement, and in accordance with the Housing Law, the Authority is hereby authorized to execute and deliver the Notes in one or more series. The Notes shall be designated as "California Statewide Communities Development Authority Multifamily Housing Revenue Construction/Permanent Note (Block 7 Downtown Apartments) 2020 Series U" and "California Statewide Communities Development Authority Multifamily Housing Revenue Construction Note (Block 7 Downtown Apartments) 2020 Series U-T (Taxable)" including, if and to the extent necessary, one or more additional sub-series, with appropriate modifications and series and sub-series designations as necessary, in an aggregate principal amount not to exceed \$40,000,000; provided that the aggregate principal amount of any federally tax-exempt Note executed and delivered shall not exceed the Allocation Amount. The Notes shall be executed and delivered in the form set forth in and otherwise in accordance with the Funding Loan Agreement, and shall be executed on behalf of the Authority by the manual or facsimile signature of the Chair of the Authority or the manual signature of any Authorized

Signatory (as defined below), and, if appropriate, attested by the facsimile signature of the Secretary of the Authority or the Assistant to the Secretary of the Authority, or the manual signature of any Authorized Signatory. The Notes shall be secured in accordance with the terms of the Funding Loan Agreement presented to this meeting, as hereinafter approved. Payment of the principal and purchase price of, and prepayment premium, if any, and interest on, the Notes shall be made solely from amounts pledged thereto under the Funding Loan Agreement, and the Notes shall not be deemed to constitute a debt or liability of the Authority or any Program Participant or Member of the Commission of the Authority (each, a "Member").

Section 3. The Funding Loan Agreement in the form presented at this meeting is hereby approved. Any Member, or any other person as may be designated and authorized to sign for the Authority pursuant to a resolution adopted thereby (including, without limitation, the administrative delegates duly authorized pursuant to Resolution No. 20R-1 of the Authority, adopted on January 23, 2020) (together with the Members, each such person is referred to herein individually as an "Authorized Signatory"), acting alone, is authorized to execute by manual signature and deliver the Funding Loan Agreement, with such changes and insertions therein as may be necessary to cause the same to carry out the intent of this Resolution and as are approved by counsel to the Authority, such approval to be conclusively evidenced by the delivery thereof. The date, maturity date or dates (which shall not extend beyond 45 years from the date of execution and delivery thereof), interest rate or rates (which shall not exceed 12%), interest payment dates, denominations, form, registration privileges, manner of execution, place of payment, terms of prepayment and other terms of the Notes shall be as provided in the Funding Loan Agreement as finally executed.

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

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

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

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

Section 8. All actions heretofore taken by the officers and agents of the Authority with respect to the financing of the Project and the execution and delivery of the Notes are hereby approved, ratified and confirmed, and any Authorized Signatory, acting alone, is hereby



authorized and directed, for and in the name and on behalf of the Authority, to do any and all things and take any and all actions and execute and deliver any and all certificates, agreements and other documents, including but not limited to a tax certificate, contingency draw-down agreement, loan related documents, an assignment of deed of trust, any endorsement, allonge or assignment of any note and such other documents as described in the Funding Loan Agreement and the other documents herein approved, which they, or any of them, may deem necessary or advisable in order to consummate the lawful execution and delivery of the Notes and to effectuate the purposes thereof and of the documents herein approved in accordance with this resolution and resolutions heretofore adopted by the Authority and otherwise in order to carry out the financing of the Project.

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

This Resolution shall take effect upon its adoption.

**PASSED AND ADOPTED** by the California Statewide Communities Development Authority this August 20, 2020.

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 20, 2020.

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

## PUBLIC DISCLOSURES RELATING TO CONDUIT REVENUE OBLIGATIONS

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

1. Name of Borrower: Block 7 Downtown Investors, LP
2. Authority Meeting Date: August 20, 2020
3. Name of Obligations: (Block 7 Downtown Apartments) 2020 Series U and (Block 7 Downtown Apartments) 2020 Series U-T (Taxable)
4.  Private Placement Lender or Bond Purchaser,  Underwriter or  Financial Advisor (mark one) engaged by the Borrower provided the Borrower with the required good faith estimates relating to the Obligations [as follows / attached as Schedule A]:
  - (A) The true interest cost of the Obligations, which means the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for Obligations (to the nearest ten-thousandth of one percent): 3.65%
  - (B) The finance charge of the Obligations, which means the sum of all fees and charges paid to third parties: \$970,001.38.
  - (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: \$35,029,650.62.
  - (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): \$42,610,062.89.
5. The good faith estimates [provided above / attached as Schedule A] were  presented to the governing board of the Borrower, or  presented to the official

or officials or committee designated by the governing board of the Borrower to obligate the Borrower in connection with the Obligations or, in the absence of a governing board, \_\_\_ presented to the official or officials of the Borrower having authority to obligate the Borrower in connection with the Obligations (mark one).

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

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

Dated: 8/14/2020



## Agenda Item No. 5d

### Agenda Report

**DATE:** August 20, 2020

**TO:** CSCDA COMMISSIONERS

**FROM:** Cathy Bando, Executive Director

**PROJECT:** Childs & B Apartments

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

**AMOUNT:** Not to Exceed \$32,000,000

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#### **EXECUTIVE SUMMARY:**

Childs & B Apartments (the “Project”) is the new construction of a 119-unit rental housing project located in the City of Merced. 100% of the units will be rent restricted for low-income tenants.

#### **PROJECT DESCRIPTION:**

- Construction of a 119-unit affordable rental housing facility located at 1137 B Street in the City of Merced.
- Five two and three-story garden style buildings.
- Consists of one, two, and three-bedroom units, and one manager’s unit.
- Includes a playground, fitness center, pool, computer center and laundry facilities.

#### **PROJECT ANALYSIS:**

##### **Background on Applicant:**

Since its inception in 1987, The Richman Group (“TRG”) has thrived and grown into the nation’s 7th largest residential apartment owner with a deep focus on the acquisition and recapitalization of use-restricted affordable, naturally affordable and workforce housing communities throughout the United States. TRG’s mission is enhancing the lives of under-served residents and preserving the long-term affordability of this vital housing stock. Richman Property Services, Inc. offers a variety of resident services including, but not limited to: after school programs, computer training, day-care, on-site medical visitations and health and wellness classes. This will be TRG’s first financing with CSCDA.

**Public Agency Approval:**

**TEFRA Hearing:** December 16, 2019 – City of Merced – Unanimous Approval

**CDLAC Approval:** April 12, 2020

**Public Benefits:**

- 100% of the units will be rent restricted for 55 years.
  - 25% (30 units) restricted to 30% or less of area median income households.
  - 75% (88 units) restricted to 50% or less of area median income households.
  - One Manager’s unit.

**Sources and Uses:**

Sources of Funds:

Tax-Exempt Bonds:	\$ 27,333,716
City Loan:	\$ 6,580,000
CVCAH Loan:	\$ 2,500,000
Deferred Developer Fee:	\$ 5,700,000
Deferred Fees & Costs:	\$ 2,851,243
Tax Credits:	\$ 3,264,346
Total Sources:	\$ 48,229,305

Uses of Funds:

Acquisition:	\$ 1,830,000
Construction Costs:	\$ 31,234,822
Architecture/Engineering:	\$ 2,048,140
Reserves:	\$ 1,244,743
Capitalized Interest:	\$ 2,915,000
Costs of Issuance:	\$ 85,000
Developer Fee:	\$ 5,700,000
Contingency:	\$ 150,000
Other Soft Costs:	\$ 3,021,600
Total Uses:	\$ 48,229,305

**Finance Partners:**

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

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

Bond Purchaser: Bank of America

**Finance Terms:**

**Rating:** Unrated  
**Term:** 35 years  
**Method of Sale:** Private Placement  
**Estimated Closing:** September 30, 2020

**CSCDA Policy Compliance:**

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

**DOCUMENTS:** (as attachments)

1. CSCDA Resolution (Attachment A)

**COMMISSION ACTION RECOMMENDED BY THE EXECUTIVE DIRECTOR:**

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

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

**ATTACHMENT A**

**\_\_\_\_ RESOLUTION NO. 20H-\_\_\_\_**

**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 \$32,000,000 FOR THE FINANCING OF A MULTIFAMILY RENTAL HOUSING PROJECT GENERALLY KNOWN AS CHILDS AND B STREET 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 and execute and deliver revenue notes for the purpose of financing, among other things, the acquisition, construction, rehabilitation and development of multifamily rental housing projects in accordance with Chapter 7 of Part 5 of Division 31 of the California Health and Safety Code (the “Housing Law”);

**WHEREAS**, Merced CA Apartments, LP, a Delaware limited partnership, and entities related thereto (collectively, the “Borrower”), has requested that the Authority issue and sell its California Statewide Communities Development Authority Multifamily Housing Revenue Bonds (Childs and B Street Apartments) 2020 Series V (the “Bonds”) to assist in the financing or refinancing of the acquisition, rehabilitation and development of a 119-unit multifamily rental housing development for seniors located in the City of Merced (the “City”), County of Merced, California, and known as Childs and B Street Apartments (the “Project”);

**WHEREAS**, on April 14, 2020, the Authority received an allocation in the amount of \$27,333,716 (the “Allocation Amount”) from the California Debt Limit Allocation Committee (“CDLAC”) in connection with the Project;

**WHEREAS**, the City is a Program Participant (as defined in the Agreement) of the Authority and has authorized the issuance of the Bonds in an amount that is not materially less than the amount authorized under this Resolution;

**WHEREAS**, the Authority is willing to issue its Bonds in an amount not to exceed \$32,000,000, provided that the aggregate portion of such Bonds issued as federally tax-exempt

obligations shall not exceed the Allocation Amount, and to loan the proceeds thereof to the Borrower to assist in providing financing for the Project, which will allow the Borrower to reduce the cost of the Project and to assist in providing housing for low and very low income persons;

**WHEREAS**, the Bonds, when issued, will be privately placed with Bank of America, N.A., a national banking association, or an affiliate thereof (the “Bond Purchaser”), as the initial purchaser of the Bonds, in accordance with the Authority’s private placement policy;

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

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

- (1) Trust Indenture (the “Indenture”), to be entered into between the Authority and U.S. Bank National Association, as trustee (the “Trustee”);
- (2) Loan Agreement (the “Loan Agreement”), to be entered into among the Authority, the Borrower and the Trustee; and
- (3) 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 V Bonds. The Bonds shall be designated as “California Statewide Communities Development Authority Multifamily Housing Revenue Bonds (Childs and B Street Apartments) 2020 Series V,” with such series and sub-series designations as necessary, in an aggregate principal amount not to exceed \$32,000,000; 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 manual or facsimile signature of the Chair of the Authority or the manual signature of any Authorized Signatory (as defined below), and shall be attested to by the manual or 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. 20R-1 of the Authority, adopted on January 23, 2020) (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 45 years from the date of issuance thereof), interest rate or rates (which shall not exceed 12%), interest payment dates, denominations, form, registration privileges, manner of execution, place of payment, terms of redemption and other terms of the Bonds shall be as provided in the 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 Regulatory Agreement in the form presented at this meeting is hereby approved. Any Authorized Signatory, acting alone, is authorized to execute by manual signature and deliver the Regulatory Agreement, with such changes and insertions therein as may be necessary to cause the same to carry out the intent of this Resolution and as are approved by counsel to the Authority, such approval to be conclusively evidenced by the delivery thereof.

Section 6. The Authority is hereby authorized to issue and sell the Bonds to the Bond Purchaser pursuant to the terms and conditions of the Indenture.

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 Bond 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 Bond Purchaser in accordance with the Indenture upon payment of the purchase price thereof.

Section 8. All actions heretofore taken by the officers and agents of the Authority with respect to the financing of the Project and the sale and issuance of the Bonds are hereby

approved, ratified and confirmed, and any Authorized Signatory, acting alone, is hereby authorized and directed, for and in the name and on behalf of the Authority, to do any and all things and take any and all actions and execute and deliver any and all certificates, agreements and other documents, including but not limited to a tax certificate, loan-related documents, an assignment of any deed of trust, a termination of regulatory agreement, a subordination or intercreditor agreement, an endorsement, allonge or assignment of any note and such other documents as described in the Indenture and the other documents herein approved, which they, or any of them, may deem necessary or advisable in order to consummate the lawful issuance and delivery of the Bonds and to effectuate the purposes thereof and of the documents herein approved in accordance with this Resolution and resolutions heretofore adopted by the Authority and otherwise in order to carry out the financing of the Project.

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

This Resolution shall take effect upon its adoption.

**PASSED AND ADOPTED** by the California Statewide Communities Development Authority this August 20, 2020.

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 20, 2020.

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

## PUBLIC DISCLOSURES RELATING TO CONDUIT REVENUE OBLIGATIONS

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

1. Name of Borrower: **Merced CA Apartments LP**
2. Authority Meeting Date: **August 20, 2020**
3. Name of Obligations: **Childs & B**
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): **3.5000%**.
  - (B) The finance charge of the Obligations, which means the sum of all fees and charges paid to third parties: **\$794,000**.
  - (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: **\$24,803,716**.
  - (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): **\$1,736,000**.
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: **August 12, 2020**



## Agenda Item No. 5e

### Agenda Report

**DATE:** August 20, 2020

**TO:** CSCDA COMMISSIONERS

**FROM:** Cathy Bando, Executive Director

**PROJECT:** Gateway Terrace II Apartments

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

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

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#### **EXECUTIVE SUMMARY:**

Gateway Terrace II Apartments (the “Project”) is the new construction of a 50-unit rental affordable housing project located in the City of Merced. 100% of the units will be rent restricted for low-income tenants. The Project was previously approved by the Commission on January 9, 2020. The Project experienced delays as a result of the COVID-related shelter-in-place and is now back on track for closing.

#### **PROJECT DESCRIPTION:**

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

#### **PROJECT ANALYSIS:**

##### **Background on Applicant:**

The Central Valley Coalition for Affordable Housing (the “Coalition”), a nonprofit organization, was established in 1989 by the Housing Authority of the County of Merced. The Coalition is committed to making safe, decent, affordable housing available to people that could not otherwise afford it. The Coalition is dedicated to providing service-enriched affordable housing for low-income families, the elderly and the handicapped. They work to combat community deterioration and to lessen the burdens on government. Their vision is for all people to enjoy quality affordable

housing regardless of age, income, national origin, color, sex, or religion, and for all persons to have access to necessary services in order to maintain a self-sufficient and independent lifestyle. The Coalition has participated as the owner or nonprofit partner in fourteen prior CSCDA financings.

**Public Agency Approval:**

**TEFRA Hearing:** December 2, 2019 – City of Merced – unanimous approval

**CDLAC Approval:** January 16, 2019

**Public Benefits:**

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

**Sources and Uses:**

Sources of Funds:

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

Uses of Funds:

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

**Finance Partners:**

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

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

Private Placement Purchaser: BBVA Compass Bank

**Finance Terms:**

**Rating:** Unrated  
**Term:** 35 years  
**Method of Sale:** Private Placement  
**Estimated Closing:** October 15, 2020

**CSCDA Policy Compliance:**

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

**DOCUMENTS:** (as attachments)

1. CSCDA Resolution (Attachment A)

**COMMISSION ACTION RECOMMENDED BY THE EXECUTIVE DIRECTOR:**

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

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

**ATTACHMENT A**

**RESOLUTION NO. 20H-\_\_**

**A RESOLUTION OF THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY DETERMINING AND PRESCRIBING CERTAIN MATTERS AND APPROVING AND AUTHORIZING THE EXECUTION OF AND DELIVERY OF VARIOUS DOCUMENTS RELATED TO THE ISSUANCE AND DELIVERY OF CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY MULTIFAMILY HOUSING REVENUE BONDS (GATEWAY TERRACE II APARTMENTS); RATIFYING ANY ACTION HERETOFORE TAKEN AND APPROVING RELATED MATTERS IN CONNECTION WITH THE BONDS.**

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

**WHEREAS**, on January 9, 2020, the Authority, at the request of Merced Gateway Investors II, LP, a California limited partnership, and entities related thereto (the “Borrower”), authorized pursuant to Resolution 20H-3 (the “Existing Resolution”) the issuance and delivery of multifamily housing revenue bonds to be designated as “California Statewide Communities Development Authority Multifamily Housing Revenue Bonds (Gateway Terrace II Apartments) 2020 Series F,” in an aggregate principal amount not to exceed \$12,000,000, to assist in the financing of the acquisition, construction, development and equipping of a 50-unit residential rental housing development to be located in the city of Merced, California, and to be generally known as Gateway Terrace II Apartments (the “Project”);

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

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

**WHEREAS**, there have been prepared and made available to the members of the Commission of the Authority (the “Commission”) the following additional 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 U.S. Bank National Association, as trustee (the “Trustee”); and

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

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

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

SECTION 2. 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. 20R-1 of the Authority, adopted on January 23, 2020) (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 the Existing Resolution and as are approved by counsel to the Authority, such approval to be conclusively evidenced by the delivery thereof. The date, maturity date or dates (which shall not extend beyond 45 years from the date of issuance thereof), interest rate or rates (which shall not exceed 12%), interest payment dates, denominations, form, registration privileges, manner of execution, place of payment, terms of redemption and other terms of the Bonds shall be as provided in the Indenture as finally executed.

SECTION 3. The Bonds are authorized to be issued pursuant to the JPA Law and the Indenture, and in accordance with the Housing Law. 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 manual or facsimile signature of the Chair of the Authority or the manual signature of any Authorized Signatory (as defined below), and shall be attested to by the manual or 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 hereinabove 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 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 the Existing 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 issue and sell the Bonds to the Bank pursuant to the terms and conditions of the Indenture.

SECTION 6. 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 Bank, 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 Bank in accordance with the Indenture upon payment of the purchase price thereof.

SECTION 7. All actions heretofore taken by the officers and agents of the Authority with respect to the financing of the Project and the sale and issuance of the Bonds are hereby approved, ratified and confirmed, and any Authorized Signatory, acting alone, is hereby authorized and directed, for and in the name and on behalf of the Authority, to do any and all things and take any and all actions and execute and deliver any and all certificates, agreements and other documents, including but not limited to a tax certificate, loan-related documents, an assignment of any deed of trust, a termination of regulatory agreement, a subordination or intercreditor agreement, an endorsement, allonge or assignment of any note and such other documents as described in the Indenture 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 8. All consents, approvals, notices, orders, requests and other actions permitted or required by any of the documents authorized by this Resolution, whether before or after the issuance and delivery of the Bonds, including without limitation any of the foregoing that may be necessary or desirable in connection with any default under or amendment of such documents, any transfer or other disposition of the Project, any addition or substitution of security for the Bonds or any redemption of the Bonds, may be given or taken by any Authorized Signatory, as appropriate, without further authorization by the Commission, and each such officer is hereby authorized and directed to give any such consent, approval, notice, order or request and to take any such action that such officer may deem necessary or desirable to further the purposes of this Resolution and the financing of the Project; provided such action shall not create any obligation or liability of the Authority other than as provided in the Indenture and other documents approved herein.

SECTION 9. The Existing Resolution is hereby ratified

This Resolution shall take effect upon its adoption.

**PASSED AND ADOPTED** by the California Statewide Communities Development Authority this August 20, 2020.

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 20, 2020.

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

## PUBLIC DISCLOSURES RELATING TO CONDUIT REVENUE OBLIGATIONS

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

1. Name of Borrower: Merced Gateway Investors II, LP
2. Authority Meeting Date: 8/20/20
3. Name of Obligations: Gateway Terrace II Apartments
4.  Private Placement Lender or Bond Purchaser,  Underwriter or  Financial Advisor (mark one) engaged by the Borrower provided the Borrower with the required good faith estimates relating to the Obligations [as follows / attached as Schedule A]:
  - [(A) The true interest cost of the Obligations, which means the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for Obligations (to the nearest ten-thousandth of one percent): 4.05%.
  - [(B) The finance charge of the Obligations, which means the sum of all fees and charges paid to third parties: \$65,250.
  - [(C) The amount of proceeds received by the public body for sale of the Obligations less the finance charge of the Obligations described in subparagraph (B) and any reserves or capitalized interest paid or funded with proceeds of the Obligations: \$8,634,750.
  - [(D) The total payment amount, which means the sum total of all payments the Borrower will make to pay debt service on the Obligations plus the finance charge of the Obligations described in subparagraph (B) not paid with the proceeds of the Obligations (which total payment amount shall be calculated to the final maturity of the Obligations): \$9,285,570.
5. The good faith estimates provided above were  presented to the governing board of the Borrower, or  presented to the official or officials or committee designated by the governing board of the Borrower to obligate the Borrower in connection with the Obligations or, in the absence of a governing board,

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: 8/12/20



## Agenda Item No. 6

### Agenda Report

- DATE:** August 20, 2020
- TO:** CSCDA COMMISSIONERS
- FROM:** Cathy Bando, Executive Director
- PROJECT:** Community Facilities District No. 2016-02 (Delta Coves)
- PURPOSE:** Consideration of the following resolution relating to the California Statewide Communities Development Authority Community Facilities District No. 2016-02 (Delta Coves):
- a. Resolution Approving the Issuance of the California Statewide Communities Development Authority Community Facilities District No. 2016-02 (Delta Coves), Special Tax Bonds, Series 2020; Authorizing the Execution and Delivery of a Second Supplemental Indenture Providing for the Issuance of such Bonds; Approving a Bond Purchase Contract Providing for the Sale of such Bonds; Approving an Official Statement; Approving a Continuing Disclosure Certificate; Authorizing the Sale of such Bonds; and Authorizing Related Actions and the Execution of Related Documents in Connection with the Issuance, Sale and Delivery of such Bonds.

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#### EXECUTIVE SUMMARY:

At the July 7, 2016 meeting, the CSCDA Commission adopted a resolution forming CFD No. 2016-02 (Delta Coves) located in eastern Contra Costa County. The amount of bonds authorized to be issued is not exceed \$55 million for Improvement Area 1 and \$7 million for Improvement Area 2.

- In 2016, CSCDA issued \$16 million in bonds for Improvement Area No. 1 and No. 2.
- In 2019, CSCDA issued \$10,660,000 for Improvement Area No. 1 and \$455,000 for Improvement Area No. 2.

The action requested today is for approval of the third series of bonds for CFD No. 2016-02 (Delta Coves) in an amount not to exceed \$13,000,000 for Improvement Area No. 1 and \$2,000,000 for Improvement Area No. 2.

**BACKGROUND:**

Delta Coves is comprised of 560 single and multifamily units located on Bethel Island. It will offer 494 residential lots and 66 condominiums to further meet the housing needs Eastern Contra Costa County. The CFD consists of approximately 310 acres, of which approximately 61.26 acres is within Improvement Area No. 1 and approximately 15 acres is within Improvement Area No. 2. Within the CFD is a large saltwater lagoon. Delta Coves is bordered on its southern edge by older waterfront residences that have access to Dutch Slough; on the west by Bethel Island Road that hosts a small commercial district with small shops, restaurants and a post office; and to the north is bordered by Bethel Island Golf Course and residential properties.

Delta Coves will consist of a combination of production homes constructed by merchant builders and semi-custom homes built by custom home builders. Other than the 26 lots in Improvement Area No. 1 conveyed to Blue Mountain Communities and the 65 lots owned by DC Homes, the developer currently owns all of the property located within the CFD. During the initial phase of the developer’s marketing plan, the developer plans to market residential lots to merchant builders in four distinct product segments, where each segment is defined by the prospective size of the housing unit. The following represents the four segments in the initial phase of the developer’s marketing plan: (i) production homes at 1,800 to 2,200 square feet; (ii) production homes at 2,201 to 2,600 square feet; (iii) production homes at 2,601 to 3,200 square feet; and (iv) semi-custom homes at 3,000+ square feet. The product segments may change in this phase of marketing, as well as future phases of marketing, based on various economic factors, including actual sales activity.

The CFD includes a Joint Facilities Agreements with the East Contra Costa County Fire Protection District, Ironhouse Sanitary District, Bethel Island Municipal Improvement District and the Diablo Water District. The improvements financed with the CFD include water, sewer and other necessary infrastructure costs to complete the Delta Coves project.

**Finance Partners:**

- Bond Counsel: Orrick, Herrington & Sutcliffe, LLP, Sacramento
- Authority Counsel: Orrick, Herrington & Sutcliffe, LLP, San Francisco
- Underwriter: RBC Capital Markets, San Francisco
- Assessment Engineer: David Taussig & Associates, Newport Beach

**SB 450 Good Faith Estimates:**

1. TIC: 4.147%
2. Sum of all fees and charges paid to third parties: \$608,800
3. Net Proceeds: \$11,882,913
4. Total Net Debt Service (+Annual Fees): \$25,095,980

**ESTIMATED SOURCES & USES:**

**Sources:**

Bond Proceeds	<u>\$ 13,540,000</u>
	\$ 13,540,000

**Uses:**

Project Fund	\$ 11,882,913
Debt Service Reserve Fund	\$ 1,048,287
Cost of Issuance	\$ 338,000
Underwriter Discount	<u>\$ 270,800</u>
	\$ 13,540,000

**FINANCE TERMS:**

Rating:	Non-rated
Term:	30 years
Structure:	Fixed Rate
Method of Sale:	Public Offering
Estimated Closing:	September 29, 2020

**COMMISSION ACTION RECOMMENDED BY THE EXECUTIVE DIRECTOR:**

CSCDA's Executive Director recommends the following actions:

1. Resolution Approving the Issuance of the California Statewide Communities Development Authority Community Facilities District No. 2016-02 (Delta Coves), Special Tax Bonds, Series 2020; Authorizing the Execution and Delivery of a Second Supplemental Indenture Providing for the Issuance of such Bonds; Approving a Bond Purchase Contract Providing for the Sale of such Bonds; Approving an Official Statement; Approving a Continuing Disclosure Certificate; Authorizing the Sale of such Bonds; and Authorizing Related Actions and the Execution of Related Documents in Connection with the Issuance, Sale and Delivery of such Bonds.

Documents: [https://www.dropbox.com/sh/jjwux2fhdxwo1fe/AACliTYTet\\_anJWbrtjM2s2ka?dl=0](https://www.dropbox.com/sh/jjwux2fhdxwo1fe/AACliTYTet_anJWbrtjM2s2ka?dl=0)

Attachment A: Photo of Delta Coves project



**ATTACHMENT A**







## Agenda Item No. 7

### Agenda Report

**DATE:** August 20, 2020

**TO:** CSCDA COMMISSIONERS

**FROM:** James Hamill, Managing Director

**PROJECT:** Total Road Improvement Program (TRIP) – Desert Hot Springs, Menifee, Moreno Valley

**PURPOSE:** Consideration of Total Road Improvement Program (TRIP) for the cities of Desert Hot Springs, Moreno Valley and Murrieta in an amount not to exceed \$47,500,000

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#### BACKGROUND:

In 2008, the Commission authorized CSCDA to offer a program to cities and counties to finance street improvement projects by a pledge of gas tax and local sales tax revenues by permitting CSCDA to enter into Installment Sale Agreements with its city and county members. Since its inception, a number of local agencies throughout the State have participated in the Total Road Improvement Program (TRIP) to finance street and roadway improvements, including the cities of Desert Hot Springs, Menifee, and Moreno Valley.

- **Desert Hot Springs:** The Installment Sale Certificates of Participation, Series 2012A were executed and authorized in the amount of \$5,925,000 on behalf of the City of Desert Hot Springs (“2012 Desert Hot Springs COPs”). The 2012 Desert Hot Springs Certificates were structured with a final term of 2042 and a final interest rate of 6.00%. The optional call date is June 1, 2022 and as of June 2, 2020, there is \$4,955,000 of principal outstanding.
- **Menifee:** The Installment Sale Certificates of Participation, Series 2012A were executed and authorized in the amount of \$20,000,000 on behalf of the City of Menifee (“2012 Menifee COPs”). The 2012 Menifee COPs were structured with a final term of 2042 and a final interest rate of 5.25%. The optional call date is June 1, 2022 and as of June 2, 2020, there is \$17,025,000 of principal outstanding.
- **Moreno Valley:** The Installment Sale Certificates of Participation, Series 2013A were executed and authorized in the amount of \$20,000,000 on behalf of the City of Moreno Valley (“2013 Moreno Valley COPs” and together with the 2012 Menifee COPs and the 2012 Desert Hot Springs COPs, “Outstanding COPs”). The 2012 Moreno Valley COPs were structured with a final term of 2039 and a final interest rate of 5.125%. The optional call date is June 1, 2023 and as of June 2, 2020, there is \$17,885,000 of principal outstanding.

**CSCDA TRIP: Outstanding COPs**

<u>Date</u>	<u>Issue</u>	<u>Original Par Value</u>	<u>Outstanding Par</u>	<u>Final Term</u>	<u>Final Rate</u>	<u>Optional Call</u>
2/8/12	2012 Desert Hot Springs	\$5,925,000	\$4,955,000	2042	6.000%	June 1, 2022
5/10/12	2012 Menifee	20,000,000	17,025,000	2042	5.250%	June 1, 2022
8/29/13	2013 Moreno Valley	<u>20,000,000</u>	<u>17,885,000</u>	2039	5.125%	June 1, 2023
	<b>Totals</b>	<b>\$45,925,000</b>	<b>\$39,865,000</b>			

Given the low interest rate environment, there is currently an opportunity to refinance each of the Outstanding COPs for savings.

**FINANCING SUMMARY:**

The proposed CSCDA Transportation Revenue (Installment Sale) Certificates of Participation Series 2020 (Total Road Improvement Program) (Federally Taxable) (“2020 Refunding COPs”) would be in an aggregate par amount of approximately \$44.0 million with a final maturity in 2042.

Each local agency participant would be responsible for installment payments relating to their pro-rata portion of the 2020 Refunding COPs. Local agency payments are made under separate, individual Installment Sale Agreements. No agency is responsible for any other agency’s obligations.

The Tax Cuts and Jobs Act of 2017 (the “Act”) eliminated the tax exemption for interest on advance refunding bonds (refunding bonds issued more than 90 days before the optional call date). As such, the 2020 Refunding Certificates contemplate refinancing the Outstanding COPs on a *taxable* basis. If Congress acts to change the Tax Code to remove the prohibition on advance refundings of tax-exempt debt prior to the completion of this transaction, the resolutions will authorize the documents to provide for the 2020 Installment Sale Agreements to constitute tax-exempt obligations.

The 2020 Refunding COPs will be secured by a combination of Measure A Revenues and Gas Tax Revenues, maintaining the same pledge of the Outstanding COPs. Measure A Revenues consist of amounts received by each city from a 0.5% countywide retail and transaction use tax (sales tax) approved by voters in 2002. The revenues from the Measure A sales tax are collected countywide, and then apportioned to local agencies based on specified factors, including population. Gas Tax Revenues consist of amounts received by each local agency from taxes imposed statewide on the sale of motor vehicle fuels. The revenues from the gas tax are collected Statewide, and then apportioned to local agencies based on specified factors, including population.

**Public Benefit:**

- The issuance of the 2020 Refunding COPs on behalf of the local agencies will reduce annual payments, generate meaningful savings and allow them to make additional ongoing improvements to their street infrastructure which will save further degradation of their street network and save the cities money by fixing the problems before they get more expensive.
- The 2020 Refunding COPs will be issued pursuant to an installment sale structure. No lease of assets would be required, where past similar transactions have required a lease of city/county assets.

**Public Agency Approvals:**

The City Council of the City of Desert Hot Springs approved the refinancing on July 7, 2020 and the City Council of the City of Menifee is scheduled to approve the refinancing on August 19, 2020. The refinancing is subject to council approval from the City of Moreno Valley on September 1, 2020.

**Estimated Sources & Uses:**

<i>Sources of Funds</i>	<u>DHS</u>	<u>Menifee</u>	<u>MoVal</u>	<u>2020 COPs</u>
Par Amount	\$5,315,000	\$17,850,000	\$20,910,000	\$44,075,000
Prior Reserve Fund	<u>401,544</u>	<u>1,305,974</u>	<u>--</u>	<u>1,707,517</u>
<b>Total Sources</b>	<b>\$5,716,544</b>	<b>\$19,155,974</b>	<b>\$20,910,000</b>	<b>\$45,782,517</b>
<i>Uses of Funds</i>				
Escrow Fund	\$5,464,059	\$18,678,294	\$20,374,657	\$44,517,010
Insurance + Surety	42,404	142,412	166,825	351,641
Issuance Costs	<u>210,080</u>	<u>335,268</u>	<u>368,518</u>	<u>913,866</u>
<b>Total Uses</b>	<b>\$5,716,544</b>	<b>\$19,155,974</b>	<b>\$20,910,000</b>	<b>\$45,782,517</b>

**Finance Partners:**

- **Special Counsel:** Orrick, Herrington & Sutcliffe, LLP, Los Angeles
- **Underwriter:** Stifel, Los Angeles
- **Underwriter’s Counsel:** Jones Hall, San Francisco
- **Advisor:** Urban Futures, Inc, Orange
- **Trustee:** Wilmington Trust, Costa Mesa

**Finance Terms:**

**Authorized Borrowing Amount:** \$47,500,000

**Rating:** “A” expected

**Term:** 22 years (Final maturity: June 1, 2042)

**Method of Sale:** Public offering

**Estimated Closing:** September 24, 2020

**CSCDA Policy Compliance:**

The financing complies with CSCDA’s general and issuance policies. Exhibit A includes good faith estimates for the financing in compliance with SB 450.

**DOCUMENTS:**

<https://www.dropbox.com/sh/06cp7z4revl9g1f/AAB7emX90YNZlSGgyOibhf2Wa?dl=0>

**COMMISSION ACTION RECOMMENDED BY THE EXECUTIVE DIRECTOR:**

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

1. Approves the issuance of the bonds for the TRIP program and the refinancing of the previous bonds;
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.

## EXHIBIT A

### GOOD FAITH ESTIMATES

*City of Desert Hot Springs.* The following information was provided by the City of Desert Hot Springs (the “City”) and obtained from the Program Advisor and the Underwriter, and is provided in compliance with Senate Bill 450 (Chapter 625 of the 2017-2018 Session of the California Legislature) with respect to the City’s 2020 Installment Sale Payments (as defined in the First Supplement to Installment Sale Agreement to be executed by the City) and the certificates of participation evidencing and representing proportionate and undivided interests in Installment Sale Payments (the “Certificates”):

1. *True Interest Cost of the Certificates.* Assuming the estimated aggregate principal amount of the Certificates evidencing and representing a proportionate, undivided interest in the City’s 2020 Installment Sale Payments to be executed and delivered (\$5,315,000) is sold, and based on market interest rates prevailing at the time of preparation of this information, a good faith estimate of the true interest cost of the Certificates, which means the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for the Certificates, is 3.55%.

2. *Finance Charge of the Certificates.* Assuming the estimated aggregate principal amount of the Certificates evidencing and representing a proportionate, undivided interest in the City’s 2020 Installment Sale Payments to be executed and delivered (\$5,315,000) is sold, and based on market interest rates prevailing at the time of preparation of this information, a good faith estimate of the finance charge of the Certificates, which means the sum of all fees and charges paid to third parties (or costs associated with the Certificates), is \$253,453.

3. *Amount of Proceeds to be Received.* Assuming the estimated aggregate principal amount of the Certificates evidencing and representing a proportionate, undivided interest in the City’s 2020 Installment Sale Payments to be executed and delivered (\$5,315,000) is sold, and based on market interest rates prevailing at the time of preparation of this information, a good faith estimate of the amount of proceeds expected to be received by the City from sale of the Certificates less the finance charge of the Certificates described in paragraph 2 above and any reserves or capitalized interest paid or funded with proceeds of the Certificates, is \$5,061,547.

4. *Total Payment Amount.* Assuming the estimated aggregate principal amount of the Certificates evidencing and representing a proportionate, undivided interest in the City’s 2020 Installment Sale Payments to be executed and delivered (\$5,315,000) is sold, and based on market interest rates prevailing at the time of preparation of this information, a good faith estimate of the total payment amount, which means the sum total of all payments the City will make to pay its 2020 Installment Sale Payments with respect to the Certificates plus the finance charge of the Certificates described in paragraph 2 above not paid with the proceeds of the Certificates, calculated to the final maturity of the Certificates, is \$7,518,688.

Attention is directed to the fact that the foregoing information constitutes good faith estimates only. The actual interest cost, finance charges, amount of proceeds and total payment

amount may vary from those presently estimated due to variations from these estimates in the timing of the sale of the Certificates, the actual principal amount of Certificates sold, the amortization of the Certificates sold and market interest rates at the time of sale. The date of sale and the amount of Certificates sold will be determined by the City based on need for improvement funds and other factors. The actual interest rates at which the Certificates will be sold will depend on the bond market at the time of sale. The actual amortization of the Certificates will also depend, in part, on market interest rates at the time of sale. Market interest rates are affected by economic and other factors beyond the City's control. The City Council has approved the execution and delivery of the Certificates provided that the present value savings with respect to the refunding of the Series 2012 Certificates is at least 3% of the principal evidenced by the Series 2012 Certificates using the yield on the Certificates as the discount rate.

***City of Meniffee.*** The following information was provided by the City of Meniffee (the "City") and obtained from the Program Advisor and the Underwriter, and is provided in compliance with Senate Bill 450 (Chapter 625 of the 2017-2018 Session of the California Legislature) with respect to the City's 2020 Installment Sale Payments (as defined in the First Supplement to Installment Sale Agreement to be executed by the City) and the certificates of participation evidencing and representing proportionate and undivided interests in Installment Sale Payments (the "Certificates"):

1. *True Interest Cost of the Certificates.* Assuming the estimated aggregate principal amount of the Certificates evidencing and representing a proportionate, undivided interest in the City's 2020 Installment Sale Payments to be executed and delivered (\$17,850,000) is sold, and based on market interest rates prevailing at the time of preparation of this information, a good faith estimate of the true interest cost of the Certificates, which means the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for the Certificates, is 3.41%.

2. *Finance Charge of the Certificates.* Assuming the estimated aggregate principal amount of the Certificates evidencing and representing a proportionate, undivided interest in the City's 2020 Installment Sale Payments to be executed and delivered (\$17,850,000) is sold, and based on market interest rates prevailing at the time of preparation of this information, a good faith estimate of the finance charge of the Certificates, which means the sum of all fees and charges paid to third parties (or costs associated with the Certificates), is \$480,939.

3. *Amount of Proceeds to be Received.* Assuming the estimated aggregate principal amount of the Certificates evidencing and representing a proportionate, undivided interest in the City's 2020 Installment Sale Payments to be executed and delivered (\$17,850,000) is sold, and based on market interest rates prevailing at the time of preparation of this information, a good faith estimate of the amount of proceeds expected to be received by the City from sale of the Certificates less the finance charge of the Certificates described in paragraph 2 above and any reserves or capitalized interest paid or funded with proceeds of the Certificates, is \$17,369,061.

4. *Total Payment Amount.* Assuming the estimated aggregate principal amount of the Certificates evidencing and representing a proportionate, undivided interest in the City's 2020 Installment Sale Payments to be executed and delivered (\$17,850,000) is sold, and based on market interest rates prevailing at the time of preparation of this information, a good faith estimate of the



total payment amount, which means the sum total of all payments the City will make to pay its 2020 Installment Sale Payments with respect to the Certificates plus the finance charge of the Certificates described in paragraph 2 above not paid with the proceeds of the Certificates, calculated to the final maturity of the Certificates, is \$25,027,321.

Attention is directed to the fact that the foregoing information constitutes good faith estimates only. The actual interest cost, finance charges, amount of proceeds and total payment amount may vary from those presently estimated due to variations from these estimates in the timing of the sale of the Certificates, the actual principal amount of Certificates sold, the amortization of the Certificates sold and market interest rates at the time of sale. The date of sale and the amount of Certificates sold will be determined by the City based on need for improvement funds and other factors. The actual interest rates at which the Certificates will be sold will depend on the bond market at the time of sale. The actual amortization of the Certificates will also depend, in part, on market interest rates at the time of sale. Market interest rates are affected by economic and other factors beyond the City's control. The City Council has approved the execution and delivery of the Certificates provided that the present value savings with respect to the refunding of the Series 2012 Certificates is at least 3% of the principal evidenced by the Series 2012 Certificates using the yield on the Certificates as the discount rate.

***City of Moreno Valley.*** The following information was provided by the City of Moreno Valley (the "City") and obtained from the Program Advisor and the Underwriter, and is provided in compliance with Senate Bill 450 (Chapter 625 of the 2017-2018 Session of the California Legislature) with respect to the City's 2020 Installment Sale Payments (as defined in the First Supplement to Installment Sale Agreement to be executed by the City) and the certificates of participation evidencing and representing proportionate and undivided interests in Installment Sale Payments (the "Certificates"):

1. *True Interest Cost of the Certificates.* Assuming the estimated aggregate principal amount of the Certificates evidencing and representing a proportionate, undivided interest in the City's 2020 Installment Sale Payments to be executed and delivered (\$20,995,000) is sold, and based on market interest rates prevailing at the time of preparation of this information, a good faith estimate of the true interest cost of the Certificates, which means the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for the Certificates, is 2.69%.

2. *Finance Charge of the Certificates.* Assuming the estimated aggregate principal amount of the Certificates evidencing and representing a proportionate, undivided interest in the City's 2020 Installment Sale Payments to be executed and delivered (\$20,995,000) is sold, and based on market interest rates prevailing at the time of preparation of this information, a good faith estimate of the finance charge of the Certificates, which means the sum of all fees and charges paid to third parties (or costs associated with the Certificates), is \$604,988.46.

3. *Amount of Proceeds to be Received.* Assuming the estimated aggregate principal amount of the Certificates evidencing and representing a proportionate, undivided interest in the City's 2020 Installment Sale Payments to be executed and delivered (\$20,995,000) is sold, and based on market interest rates prevailing at the time of preparation of this information, a good faith estimate of the amount of proceeds expected to be received by the City from sale of the Certificates

less the finance charge of the Certificates described in paragraph 2 above and any reserves or capitalized interest paid or funded with proceeds of the Certificates, is \$20,370,012.

4. *Total Payment Amount.* Assuming the estimated aggregate principal amount of the Certificates evidencing and representing a proportionate, undivided interest in the City's 2020 Installment Sale Payments to be executed and delivered (\$20,995,000) is sold, and based on market interest rates prevailing at the time of preparation of this information, a good faith estimate of the total payment amount, which means the sum total of all payments the City will make to pay its 2020 Installment Sale Payments with respect to the Certificates plus the finance charge of the Certificates described in paragraph 2 above not paid with the proceeds of the Certificates, calculated to the final maturity of the Certificates, is \$26,351,051.

Attention is directed to the fact that the foregoing information constitutes good faith estimates only. The actual interest cost, finance charges, amount of proceeds and total payment amount may vary from those presently estimated due to variations from these estimates in the timing of the sale of the Certificates, the actual principal amount of Certificates sold, the amortization of the Certificates sold and market interest rates at the time of sale. The date of sale and the amount of Certificates sold will be determined by the City based on need for improvement funds and other factors. The actual interest rates at which the Certificates will be sold will depend on the bond market at the time of sale. The actual amortization of the Certificates will also depend, in part, on market interest rates at the time of sale. Market interest rates are affected by economic and other factors beyond the City's control. The City Council has approved the execution and delivery of the Certificates provided that the present value savings with respect to the refunding of the Series 2013 Certificates is at least 3% of the principal evidenced by the Series 2013 Certificates using the yield on the Certificates as the discount rate.



**CSCDC**  
 CALIFORNIA STATEWIDE COMMUNITIES  
 DEVELOPMENT CORPORATION



**MEETING AGENDA**

**August 20, 2020**

**2:15 p.m. or upon adjournment of the CSCDA Meeting**

*Pursuant to Governor Newsom’s Executive Order, Members of the California Statewide Community Development Corporation or staff may participate in this meeting via a teleconference. In the interest of maintaining appropriate social distancing, members of the public may participate in the meeting telephonically. Members of the public may observe and offer comment at this meeting telephonically by dialing 623-404-9000, Meeting ID 240 338 9861 Passcode 747188. If you are an individual with a disability and need a reasonable modification or accommodation pursuant to the Americans with Disabilities Act (“ADA”) please contact info@cscda.org or 1-800-531-7476 prior to the meeting for assistance.*

1. Roll Call.
 

<input type="checkbox"/> Kevin O’Rourke, President <input type="checkbox"/> Tim Snellings, Vice President <input type="checkbox"/> Brian Moura, Secretary <input type="checkbox"/> Jordan Kaufman, Treasurer <input type="checkbox"/> Dan Mierzwa, Member	<input type="checkbox"/> Brian Stiger, Member <input type="checkbox"/> Marcia Raines, Member <input type="checkbox"/> Michael Cooper, Alt. Member <input type="checkbox"/> Niroop Srivatsa, Alt. Member
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2. Consideration of the Minutes of the January 9, 2020 Annual Meeting.
  
3. Consider appointment of CSCDC Advisory Board Members.
  
4. Executive Director Update.
  
5. Staff Updates.
  
6. Adjourn.

This \_\_\_ page agenda was posted at 1100 K Street, Sacramento, California on \_\_\_\_\_, 2020 at \_\_\_: \_\_ \_\_m, Signed \_\_\_\_\_ . Please email signed page to info@cscda.org



**CSCDC**  
CALIFORNIA STATEWIDE COMMUNITIES  
DEVELOPMENT CORPORATION



## MINUTES

### ANNUAL MEETING OF THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT CORPORATION

**9:00 a.m. or upon adjournment of the CaLease Meeting**

**Carmel Valley Ranch  
One Old Ranch Road, Carmel, California**

Board Vice President Larry Combs called the meeting to order at 9:10 a.m.

1. Roll Call.

Commission members present: Kevin O'Rourke, Brian Moura, Tim Snellings, Dan Mierzwa, Jordan Kaufman, Marcia Raines, Brian Stiger, and Michael Cooper.

Others present: Cathy Bando, CSCDA Executive Director; James Hamill, Bridge Strategic Partners; Jon Penkower, Bridge Strategic Partners; Alan Fernandes, CSAC Finance Corporation; Jim Manker, CSAC Finance Corporation; Sendy Young, CSAC Finance Corporation; Carolyn Coleman, League of California Cities; Norman Coppinger, League of California Cities; Trisha Ortiz, Richards, Watson & Gershon; Peter Pierce Richards, Watson & Gershon; Justin Cooper, Orrick, Herrington & Sutcliffe; Roger Davis, Orrick, Herrington & Sutcliffe; Patricia Eichar, Orrick, Herrington & Sutcliffe; Bob Williams, RBC Capital Markets; Josh Anzel, Jones Hall; Chris Lynch, Jones Hall; Rachel Hobbs, PACE Funding Group; Bob Giles, PACE Funding Group; Eric Alini, Counter Pointe Energy Solutions; Leah Wiggs; Renew Financial; Dustin Reilich, Renovate America; Zhou Jiang, Clean Fund; Chris Peterson, FortiFi Financial; Donna Segura, David Taussig & Associates, Inc.; and Nate Perez, David Taussig & Associates, Inc.

2. Election of Officer.

M. Raines nominated the following officers to be elected, second by D. Mierzwa:

Kevin O'Rourke as Chair  
Tim Snellings as Vice Chair  
Brian Moura as Secretary  
J. Kaufman as Treasurer

***Motion to close the nominations and adopt the slate of officers by M. Raines. Second by D. Mierzwa. Unanimously approved by voiced vote.***

3. Consideration of the Minutes of the January 10, 2019 Meeting.

The Commission approved the minutes of the January 10, 2019 Meeting.

***Motion to approve by D. Mierzwa. Second by B.Moura. Unanimously approved by voiced vote. B. Stiger abstained from voting.***

4. Public Comment.

There was no public comment.

5. Consideration of Audited Financial Statements for Fiscal Year ending June 30, 2019.

Executive Director Bando gave the update on the CSCDC audited statements. The audit provides detail on expense allocation, including sponsorship fees and the NMTC awards administered. CSCDC's Executive Director recommends approval of the 2018 and 2019 audited financial statements.

***Motion to approve and adopt by D. Mierzwa. Second by B. Moura. Unanimously approved by voiced vote. B. Stiger abstained from voting.***

6. Executive Director Update.

Executive Director Bando had no updates.

7. Staff Update.

Staff reported that no allocations were received in 2019. Staff submitted an application for the 2020 allocations in October 2019, and awards are expected to be announced in late summer.

8. Adjourn.

The meeting was adjourned at 9:16 a.m.

Submitted by: Sendy Young, CSAC Finance Corporation



## Agenda Report

**DATE:** August 20, 2020  
**TO:** CSCDC BOARD OF DIRECTORS  
**FROM:** Cathy Bando, Executive Director  
**PURPOSE:** Consider appointment of CSCDC Advisory Board Members

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### SUMMARY:

CSCDC is a Community Development Entity (CDE) and must comply with the regulations set forth by the U.S. Treasury through the CDFI Fund. A CDE must demonstrate that it maintains accountability to residents of low-income communities through their representation on a governing board or an advisory board for the CDE. At least 20% of the governing board or advisory board members must be representative of a low-income community (but not necessarily a resident in the community). CSCDC's current advisory board is comprised of six members, all of whom are representative of low-income communities. Two of CSCDC's advisory board members will be stepping down. Advisory board member Michael Carnes has recently retired and board member Lisa Salaires has moved out of state. CSCDC staff have identified two qualified candidates to replace Mr. Carnes and Ms. Salaires on the CSCDC advisory board. The proposed candidates, Gene Straub and Bettina Lewis, are also representative of low-income communities and CSCDC's advisory board will remain 100% accountable to low income communities.

### BACKGROUND ON CANDIDATES:

#### 1. **Gene Straub – Chief Operating Officer and Chief Financial Officer Children's Institute, Inc.**

Gene Straub is a seasoned finance and operations executive with nearly 30 years of experience working with organizations in both the for-profit and nonprofit sectors. He has held senior management positions at 20th Century Fox, Youth Policy Institute, Larchmont Schools, CWC Schools, Break the Cycle and Granada Hills Charter High School, and has used his financial and operational experience to support the growth, sustainability and profitable operations of these organizations. Mr. Straub has been involved in the development, launch and management of more than a dozen charter schools now serving more than 7,500 students, and programs that have served tens of thousands of low-income children and families. In addition to his professional responsibilities, he has served on the Boards of Larchmont Schools, City Schools, Valley Charter, Citizens of the World, Para Los Ninos, YPI Charter Schools and AYSO Region 78. Children's Institute provides early education, behavioral health and family strengthening services to 26,000 children and families each year in Los Angeles and Long Beach. They also train professionals and caregivers in trauma-informed care, evidence-based clinical treatment, parenting and fatherhood.

**2. Bettina Lewis – Chief Operations Officer  
Los Angeles Christian Health Centers**

Bettina Lewis joined the Los Angeles Christian Health Centers (LACHC) in 2006 as the Executive Assistant to the President and Chief Executive Officer. Her diverse skills and background are a true asset for accomplishing the goals and objectives of expanding LACHC's programs and services to address the needs of the community. LACHC is a non-profit organization that was founded by the Los Angeles Mission in 1996. The clinic provides comprehensive medical, dental and mental health care to homeless and uninsured individuals in the Skid Row area of Los Angeles and Boyle Heights. Bettina holds a Master of Business Administration and Certification in Health Care Management. She loves reading, spending time with her family and being an active member of the Sigma Gamma Rho Sorority.

**RECOMMENDED ACTION:**

CSCDC's Executive Director recommends approval of the appointment of Gene Straub and Bettina Lewis to CSCDC's Advisory Board.